

India's leading
engine bearings
company.



MENON BEARINGS LTD.

Annual Report 2018

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Board of Directors

Mr. RAM MENON	Chairman Emeritus
Mr. R. D. DIXIT	Chairman & Managing Director
Mr. NITIN MENON	Vice Chairman & Joint Managing Director
Mr. SACHIN MENON	Director (upto 04.05.2017)
Mr. B.S. AJITKUMAR	Independent Director (upto 11.11.2017)
CAPT. SUDHEER S. NAPHADE	Independent Director (upto 14.04.2018)
Mrs. NAZURA AJANEY	Independent Director (upto 15.02.2018)
Mr. M. L. SHINDE	Independent Director
Mr. GAJENDRA VASA	Independent Director (w.e.f. 30.12.2017)
Mrs. KAILASH A NEVAGI	Independent Director (w.e.f. 16.04.2018)

Mr. ARUN ARADHYE, Vice President Finance & Corporate (CFO)

Mr. ANUP PADMAI, Company Secretary & Compliance Officer (CS)

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 ARNA & ASSOCIATES

(Previously Known as Mr. Rahulprasad Agnihotri & Co.)

CHARTERED ACCOUNTANTS, Kolhapur.

SECRETARIAL AUDITORS

M/S MANISH GHIA & ASSOCIATES

COMPANY SECRETARIES, Mumbai

BANKERS :

AXIS BANK LIMITED
Kolhapur

STATE BANK OF INDIA
Gokul Shirgaon, Kolhapur

REGISTRAR AND SHARE TRANSFER AGENTS :

LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L.B.S. Marg,
Vikroli (West), Mumbai – 400 083
Phone : (022) 49186000, 49186270
Fax : (022) 49186060
Email : rnt.helpdesk@linkintime.co.in

Notice

Of 27th 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 27th (Twenty Seventh) Annual General Meeting of the members of Menon Bearings Limited will be held on Saturday, 21st July, 2018 at 10.00 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, 2018 along with Reports of Board and Auditors' thereon.
2. To confirm the payment of
 - 1st interim dividend of Re. 0.75 per equity share for the financial year ended on 31st March, 2018.
 - 2nd interim dividend of Re. 0.50 per equity share for the financial year ended on 31st March, 2018
3. To declare final dividend on equity shares for the financial year ended on 31st March, 2018.
4. To appoint a director in place of Mr. Nitin Menon, Vice Chairman & Joint Managing Director (DIN: 00692754), who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. ARNA & Associates, Chartered Accountants, Kolhapur (FRN: 122293W) (Formerly known as M/s. Rahulprasad Agnihotri & Co.), as approved by members at the 26th Annual General Meeting ('AGM') as Statutory Auditors of the Company to hold office from the conclusion of 26th AGM until the conclusion of 31st AGM and to authorize the Board of Directors to fix their remuneration for the financial year 2018-19.

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

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and the resolution passed by the members at the 26th Annual General Meeting (AGM) held on 29th June, 2017 the appointment of M/s. ARNA & Associates, Chartered Accountants, Kolhapur (FRN: 122293W) (Formerly known as M/s. Rahulprasad Agnihotri & Co.) as Statutory Auditors of the Company to hold office from the conclusion of 26th AGM upto the conclusion of 31st AGM to be held for the financial year ending 31st March, 2022, be and is hereby ratified and the Board of Directors of the Company be and are hereby authorized to fix the Auditor's remuneration payable for the financial year 2018-19 in consultation with the auditors.”

Special Business :

6 APPOINTMENT OF MR. GAJENDRA VASAAS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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



“RESOLVED THAT Mr. Gajendra Vasa (DIN: 00461425), who was appointed as an Additional (Independent) Director of the Company with effect from 30th December, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and who holds office as such upto the date of this ensuing Annual General Meeting 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 Act signifying his intention to propose the candidature of Mr. Gajendra Vasa 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 Sections 149, 150, 152 and other applicable provisions, if any, of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modifications or re-enactments thereon for the time being in force) to hold office for a term of 5 (five) consecutive years i.e. up to 29th December, 2022, who shall not be liable to retire by rotation.”

7. APPOINTMENT OF MRS. KAILASH A. NEVAGI AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT Mrs. Kailash A. Nevagi (DIN:03011076), who was appointed as an Additional (Independent) Director of the Company with effect from 16th April, 2018 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') 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 Act signifying his intention to propose the candidature of Mrs. Kailash A. Nevagi 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 Sections 149, 150, 152 and other applicable provisions, if any, of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereon for the time being in force) to hold office for a term of 5 (five) consecutive years i.e. up to 15th April, 2023, who shall not be liable to retire by rotation.”

8. APPROVAL OF REMUNERATION PAYABLE TO COST AUDITOR:

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 other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) there of, for the time being in force), M/s. C. S. Adawadkar & Co., Cost Accountants, Pune (FRN - 100401) 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, 2019, be paid the remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus all applicable taxes 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 give effect to the aforesaid resolution.”

9. RE-APPOINTMENT OF MR. NITIN MENON AS VICE-CHAIRMAN AND JOINT MANAGING DIRECTOR OF THE COMPANY :

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the relevant provisions of the Articles of Association of the Company and subject to the approval of the government / regularity authority if any, Mr. Nitin Menon (DIN: 00692754), be and is hereby re-appointed as Managing Director designated as Vice Chairman & Joint Managing Director of the Company for a period of 5 (Five) years w.e.f. 1st April, 2018 to 31st March, 2023 at a remuneration as detailed below to be paid for a period of 3 (Three) years with effect from 1st April, 2018 to 31st March, 2021:

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

Sr. no.	Particulars	(Rs. in Lakhs)
1	Salary	7.00
2	House Rent Allowance	0.70
3	PPA	2.00
4	Production Incentive	2.50
5	Education Allowance	1.50
6	Soft Furnishing Allowance	0.75
7	Servant Allowance	0.75
	Total	15.20

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 Mr. Nitin Menon.
4. Conveyance: Actual
5. Medical expenses (including Medical Insurance): Actual incurred in India or abroad (including family members)
These facilities will not be considered as perquisites.
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 or abroad on Company's duty, he shall be paid in the following manner: (including for spouse)
 - 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 any loss or inadequacy of profits in any financial year during the tenure of service of Mr. Nitin Menon as Vice – Chairman & Joint Managing Director of the Company, the remuneration as approved by this resolution shall be payable as minimum remuneration by way of salary, allowances and perquisites within the limit specified in Part II of Schedule V to the Act.

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

10.RE-APPOINTMENT OF MR. R. D. DIXIT AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the relevant provisions of the Articles of Association of the Company, subject to the approval of government / regularity authority if any; as may be required, Mr. R. D. Dixit (DIN: 00626827) be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f. 1st April, 2018 to 31st March, 2023 at a remuneration as detailed below to be paid for a period of 3 (Three) years with effect from 1st April, 2018 to 31st March, 2021:

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

Sr. no.	Particulars	(Rs. in Lakhs)
1	Salary	5.00
2	House Rent Allowance	0.50
3	PPA	1.25
4	Production Incentive	0.50
5	Education Allowance	0.40
6	Soft Furnishing Allowance	0.40
7	Servant Allowance	0.60
	Total	8.65

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 Mr. R.D. Dixit.
4. Conveyance: Actual
5. Medical expenses: Actual
These facilities will not be considered as perquisites.
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 or 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 any loss or inadequacy of profits in any financial year during the tenure of service of Mr. R. D. Dixit as Chairman and Managing Director of the Company, the

remuneration as approved by this resolution shall be payable as minimum remuneration by way of salary, allowances and perquisites within the limit specified in Part II of Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized 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 : 3rd May, 2018

R.D.Dixit
Chairman & Managing Director
DIN : 00626827

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.** A person can act as proxy 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 person or member.
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 (AGM). 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 AGM (including through e-voting)
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing AGM in terms of Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is annexed to the Notice. The Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
5. (a) Pursuant to Regulation 42 of the Listing Regulations, Register of Members and the Share Transfer Books of the Company will remain closed from Sunday, 15th July, 2018 to Saturday, 21st July, 2018 (both days inclusive) for determining the name of members eligible for dividend on Equity shares, if approved by the members at the ensuing AGM.

(b) The Dividend on Equity Shares, if declared at the ensuing AGM, will be credited / dispatched between 30th July, 2018 and 5th August, 2018 and those members whose name shall appear on the Company's Register of Member on 21st July, 2018 and 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 (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
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 maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM.
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 Agent (RTA) quoting their Folio Number and Bank Account Details along with self-attested documentary proofs. Members holding shares in the Dematerialized 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 seeking any information on the financials 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 7 (seven) days in advance of the AGM to enable the Company to provide the information required at the meeting.

10. The Securities and Exchange Board of India (SEBI) has made it mandatory for all the companies to use National Electronic Clearing Service (NECS) facility to deposit the dividend into investors' bank account wherever NECS and bank details are available with the depositories and/or Company. The members who have not updated their bank account details and wish to avail this facility in 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 holding shares in identical order of names in one or more folio are requested to write to the Company's RTA M/s. Link Intime India Private Limited enclosing their share certificate(s) to enable the Company to consolidate their holding into one folio for better services.
12. Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company for the financial year 2010-11. The balance amount lying in Unpaid Dividend Account for the financial year 2010-11 is due for transfer to the IEPF on 7th October, 2018. Members, who have not encashed their dividend for the aforesaid financial year and subsequent financial years, are advised to write to the Company immediately for claiming the dividends declared by the Company.

13. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 as amended by Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 effective from 28th February, 2017. The said Rules provide for manner of transfer of shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years to DEMAT Account of the IEPF Authority.

In compliance with said rules, the Company has transferred respected shares for F.Y. 2009 - 10 to DEMAT Account of the Authority.

14. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in DEMAT 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.
15. 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, IFSC and MICR Code, as applicable, if such 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 some additional details of its members in its records.

Members are therefore requested to submit their e-mail ID and other details vide the e-mail updation form available on the website of the Company. The same could be done by filling up and signing at the