

MENON BEARINGS LTD.

Annual Report 2019



India's leading engine
bearings company



MENON BEARINGS LTD.

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Board of Directors

Mr. RAM MENON	Chairman Emeritus
Mr. R. D. DIXIT	Chairman & Managing Director
Mr. NITIN MENON	Vice Chirman & Joint Managing Director
Mr. ARUN ARADHYE	Whole Time Director & CFO (w.e.f. 31.01.2019)
Capt. SUDHEER NAPHADE	Independent Director (up to 14.04.2018)
Mr. M. L. SHINDE	Independent Director
Mr. GAJENDRA VASA	Independent Director
Mrs. KAILASH A NEVAGI	Independent Director (w.e.f. 16.04.2018)
Dr. SANTOSH PRABHU	Independent Director (w.e.f. 24.10.2018)

MR. SURAJ PATIL: Company Secretary & Compliance Officer (w. e. f. 01.02.2019)

MR. ANUP PADMAI: Company Secretary & Compliance Officer (upto.31.01.2019)

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
Chartered Accountants, Kolhapur.

SECRETARIAL AUDITORS

M/S. M BALDEVA ASSOCIATES,
Company Secretaries, Thane

BANKERS :

HDFC BANK LTD
Kolhapur.

STATE BANK OF INDIA
Gokul Shirgaon, Kolhapur

AXIS BANK LIMITED
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

MANAGEMENT NOTE

25 years has been a fascinating journey for all of us at Menon Bearings !

Acquiring & growing business, continuously upgrading & assimilating newer technologies & building long term relationships with marquee customers like Cummins, Tata Motors, John Deere, Honeywell, Magna, Allison, Emerson, Eaton, Mahindra, TAFE, Gabriel, Brakes India and many others.

The auto industry is highly cyclical in nature. It is necessary that we mitigate the risks & diversify across a wider spectrum to enable us to maintain a sustained momentum & profitability in our business.

Since 2010, your company has consciously embarked on diversifying from Engine Bearings Crank Shaft Parts. Due to its innate engineering competence, your company has been consistently successful in developing new parts supply to segments such as Brakes, Steering, Suspension, Axles, Transmissions, Drive trains oil & gas industry etc.

Furthermore, your company's business exposure is diversified & hedged across geographies. MBL is globally positioned, with exports of about 30% of its production to a wide range of markets.... from USA to China, France to Japan, Brazil, Mexico, Africa, Dubai, Netherlands etc. Our office at Indianapolis, USA has been catering to international OEMs & the market in the USA for more than two decades.

Apart from the cyclical nature of the auto engineering industry, the ever evolving emission norms are a major challenge to our industry. MBL has consistently succeeded in upgrading its technology & product portfolio to conform to emission norms by pre-emptively taking the right steps in time. As a part of this mission, MBL has been successful in developing Lead Free Aluminium Alloy Parts to cater to future emission norms.

Your company's Aluminium Parts division Alkop continues to perform towards consolidating its position as a Technology Player in its segment. Though the business potential for Aluminium parts is large, the market is scattered & distributed across various levels of technology & price points. In this market Alkop aims to be a niche manufacturer. To augment its technology advantage as a total solutions provider in designing developing & manufacturing high value added technology products, Alkop has invested in a heavy duty tool room for making ultra-precision tools, dies & fixtures in house. Alkop enjoys a major share of the parts it supplies to domestic and export customers.

The period since November 2018 and especially the quarter January to March 2019 was a challenging period for the auto engineering industry as a whole. However, owing to a strong diversified customer base & optimal product mix, your company was able to minimize the impact of the slowdown. No single customer contributes more than 10% to 12% of the total sales.

As regards the impact of electric vehicles on your company, it is understood that Electric technology is still in the works. Charging infrastructure, technology, pricing of the products and a variety of other factors are still a challenge. The impact of electrification, to whatever extent, initially will be more pronounced in the Passenger Commute segments such as Cars, two wheelers & three wheelers. Your company's exposure directly to these segments is less than 1% of the total sales. MBL is a leader in parts supply to heavy duty diesel parts like Mining equipment (heavy trucks, earth moving equipment), Marine Engines, Tractors, LCV, HCV, Heavy duty generator sets, industrial segments etc.

Your company has continued its efforts in adding new Customers and at the same time is increasing the wallet share of its current businesses. The company will leave no stone unturned & make every endeavor to maintain sustained profitable growth.



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

Of 28th Annual General Meeting

Notice is hereby given that the 28th (Twenty Eighth) Annual General Meeting of the Menon Bearings Limited will be held on Thursday, 18th July, 2019 on 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, 2019 along with Boards' Report and Auditors' Report thereon and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

2. To take note of payment of interim dividend paid for the financial year ended on 31st March, 2019 and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

" RESOLVED THAT the interim dividend of Rs. 1.50 per equity share on 5,60,40,000 equity shares of face value of Re. 1/- each declared on 24th October, 2018 and accordingly paid to the shareholders of the Company for the financial year 2018-19 be and is hereby noted."

3. To appoint a director in place of Mr. R. D. Dixit (DIN: 00626827), who retires by rotation and being eligible, offers himself for re-appointment as Director, and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. R. D. Dixit (DIN:00626827), Director of the Company, who retired by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

SPECIAL BUSINESS:

4. 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) thereof, for the time being in force), M/s. C. S. Adawadkar & Co, Cost Accountant, Pune, (FRN - 100401), the Cost Auditor 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, 2020, be paid the remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus taxes as applicable and out of pocket expenses on actual basis.

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.”

By order of the Board of Directors

Place : Kolhapur
Date : 23rd April, 2019

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.**

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 member.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Members / proxies are requested to bring their Attendance slip duly filled in along with the copy of Annual Report to the Meeting.
4. 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 (“AGM”) (including through e-voting).
5. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are open for inspection by the members at the Registered Office of the Company on all working days, except Mondays, during business hours up to the date of the Meeting.

6. Brief resume of Director proposed to be appointed / re-appointed at the ensuing AGM in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 Secretarial Standard on General Meetings is annexed to the Notice.
7. Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 12th July, 2019 to Thursday, 18th July, 2019 (both days inclusive) for the ensuing AGM.
8. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of Contracts 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 business hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
9. 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 Demat form may update such details with their respective Depository Participants.
10. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 read with SEBI press release PR No.: 51/2018 dated 3rd December, 2018, effective from 1st April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However members can continue to hold shares in physical form.
11. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
12. 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 ten days in advance of the meeting so that the information required may be made readily available at the meeting.
13. The Securities and 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 and wish to avail such facility in future are requested to update their bank account details by submitting the NECS mandate form, available on Company's website viz. <https://www.menonbearings.in>.
14. Members who hold shares in dematerialized form are requested to bring their client ID and DP-ID for easier identification of attendance at the meeting.
15. 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 services.
16. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend declared for the financial years upon 2010-11, from , to the Investor Education and Protection Fund (IEPF) established by the Central Government.

17. 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 amount of dividend lying with the Company for the financial year 2011-12. The balance amount lying in Unpaid Dividend Account for the financial year 2011-12 is due for transfer to the IEPF during the month of September, 2019. Members, who have not encashed their dividend for the financial year 2011-12 or thereafter, are advised to write to the Company immediately claiming dividends declared by the Company.
18. Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.
19. In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 1,43,100 shares in respect of which dividend declared for the financial year 2010-11 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the Investor Education and Protection fund via corporate action through National Securities Depository Limited.
20. A member desirous to claim back his shares from IEPF Authority can do so by following procedure as prescribed under the said rules. The said details are available on the Company's website viz. www.menonbearings.in and have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: <http://www.mca.gov.in/> and on the website of IEPF viz. <http://www.iepf.gov.in/>.
21. Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared from the financial year 2011-12 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.
22. The 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 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 viz. Link Intime India Private Limited.
23. 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.
24. Members are requested to forward all communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.
25. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company is required to update its database by incorporating members' designated e-mail ID in its records. Accordingly members are requested to submit their e-mail ID 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 appropriate place in the said form and by returning this form 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.

26. The Notice of the 28th 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 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 through permitted mode. Members may also note that 28th Annual Report for the year 2018-19 is also available on the Company's website viz. www.menonbearings.in.
27. Route Map of the venue of the proposed AGM of the Company is appearing at the end of this Annual Report.
28. Information and other instructions for voting through Electronic mode:

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, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide e-voting facility to its members to cast their votes electronically on the resolutions mentioned in the Notice of the 28th Annual General Meeting of the Company dated 23rd April, 2019. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').

The Company has engaged services of Link Intime India Private Limited to provide the e-voting facility.

The facility for voting through polling papers shall also be made available at the venue of the 28th Annual General Meeting and the members attending the meeting, who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The remote e-voting shall commence on Monday, 15th July, 2019 (9.00 a.m.) and end on Wednesday, 17th July, 2019 (5.00 p.m.). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 12th July, 2019 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting thereafter. Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 12th July, 2019.

A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Friday, 12th July, 2019 only shall be entitled to avail the facility of remote e-voting and voting at meeting through ballot papers and the person who are not member as on the cut-off date should treat this notice for information purpose only.

The Board of Directors of the Company has appointed CS Manish Baldeva (FCS 6180), Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane as Scrutinizer to scrutinize the voting through remote e-voting process and ballot papers in a fair and transparent manner.

Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Friday, 12th July, 2019 may obtain the User ID and password by sending a request at enotices@linkintime.co.in.

The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot papers and through

remote e-voting, will, not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorized by him who shall countersign the same and declare the result of the voting forthwith. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.menonbearings.in and on the website of Link Intime India Pvt. Ltd. ('LIPL') <https://instavote.linkintime.co.in>. The results shall simultaneously be communicated to the stock exchanges.

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Thursday, 18th July, 2019.

Procedure/ Instructions for e-voting are as under:

- a. The voting period begins on Monday, 15th July, 2019 (9.00 a.m.) and ends on Wednesday, 17th July, 2019 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, 12th July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- c. Click on "Login" tab, available under 'Shareholders' section.
- d. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- e. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
- f. Your Password details are given below:
If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:
Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with Depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).