

India's leading engine bearings company



MENON BEARINGS LTD

Annual Report 2020-21

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Board of Directors

NITIN MENON	Executive Chairman
R. D. DIXIT	Managing Director
ARUN ARADHYE	Whole Time Director & CFO
M. L. SHINDE	Independent Director
GAJENDRA VASA	Independent Director
KAILASH A. NEVAGI	Independent Director
Dr. SANTOSH PRABHU	Independent Director

NEHA HAROLIKAR: Company Secretary & Compliance Officer (w.e.f 14th August, 2020)

SURAJ PATIL: Company Secretary & Compliance Officer (upto 13th August, 2020)

REGISTERED OFFICE :

G-1, MIDC, Gokul Shirgaon, Kolhapur - 416 234, Maharashtra, India. 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.

BANKERS :

HDFC BANK LTD
Kolhapur.

**REGISTRAR AND SHARE
TRANSFER AGENTS :**

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

SECRETARIAL AUDITORS

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

MANAGEMENT NOTE

Dear Shareholders

It is our privilege to write to you and present the Annual Report for FY21.

These are challenging times, and I hope you and all other members of your family are safe and in good health.

India's auto industry which consists of automobiles and auto components witnessed one of its most challenging years during FY 21 with declining sales figures vis-à-vis the previous few years owing to weak domestic demand and falling exports.

We would like to assure the shareholders that your Company has taken every step to ensure safety of the employees and the community. We have established world-class safety measures and preventive protocols at all locations. We are taking employees health and safety as the number one priority during the lockdown, unlock and ramp up period.

The world and certainly India has seen significant change – various lockdowns and unlocks continued due to the COVID-19 pandemic. However, slowly but surely, we are trying to come back to what would be the new normal. The impact that this pandemic has had on our lives and livelihoods – right from reduction in GDP to employment uncertainties to supply chain disruptions – would take significant time to undo.

However, what is heartening is that our operations have restored to normal levels from May, 2020, export is doing very well, the Company has delivered a reasonably good performance across all business parameters & shown positive numbers despite multiple business challenges.

We see strong growth prospects as the larger market scenario starts improving –wide range of well accepted high quality products, major share with leading OEM customers & continuing investments.

Our performance- We recorded revenues of Rs. 150.90 Crores and EBITDA of Rs. 35.93 Crores during the FY 21.

Significant cost control measures, focus on exports helped the Company to improve the operating EBITDA margin during the year under review inspite of loss of complete one month due to lockdown.

During the year under report, the Company augmented its capacity by 33 Lacs pieces p.a. with addition of new customers.

During the year, the Company declared and paid interim dividend @ 150% for the FY 21 and tried to ensure that all stakeholders are by & large happy.

We express our sincere thanks to all our Customers, Suppliers, Shareholders, Employees, Bankers, Auditors for their continued support in these difficult times.

STAY SAFE



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 30th Annual General Meeting

Notice is hereby given that the 30th (Thirtieth) Annual General Meeting of Menon Bearings Limited (CIN: L29130PN1991PLC062352) ('Company') will be held on Friday, 30th July, 2021 at 11.00 a.m., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the Members at a common venue, in accordance with the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020 and 02/2021 dated 13th January, 2021 issued by Ministry of Corporate Affairs ('MCA Circulars') and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ('SEBI Circulars'), to transact the business mentioned below. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 along with Board's 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, 2021 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, 2021 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 having face value of Re. 1/- each declared on 27th January, 2021 accordingly paid to the shareholders of the Company for the financial year ended 31st March 2021, be and is hereby noted."

3. To appoint a director in place of Mr. Arun Aradhya (DIN: 03052587), 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. Arun Aradhya (DIN: 03052587), 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 AUDITORS:

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 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 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, 2022, be paid a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus taxes as applicable and out of pocket expenses on actual.

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.”

5. APPOINTMENT OF MR. M.L. SHINDE AS AN INDEPENDENT NON- EXECUTIVE DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), Mr. M. L. Shinde (DIN: 07417527 and ID registration no.: IDDB-DI-202002-013298), who was appointed as an Additional Independent Non-Executive Director of the Company with effect from 9th February, 2021 pursuant to the provisions of Section 161 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 holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Act proposing his candidature for the office of Director of the Company, and who has submitted the declaration that he meets the criteria for independence as provided under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Non –Executive Director of the Company for a period of 5 (Five) years w.e.f. 9th February, 2021 to 8th February 2026, who shall not be liable to retire by rotation.

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 necessary to give effect to the above resolution.”

6. APPROVAL OF PAYMENT OF REMUNERATION PAYABLE TO MR. NITIN MENON, EXECUTIVE CHAIRMAN AND WHOLE TIME DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to provisions of Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act 2013, read with 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 as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, the remuneration payable to Mr. Nitin Menon (DIN:00692754), Executive Chairman and Whole Time Director of the Company with effect from 1st April, 2021 for remaining period of his tenure be and is hereby approved, with the authority to the

Board of Directors of the Company to revise the terms on recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force, as follows:

Sr. No.	Particulars	Amount (Rs. in Lakhs per month)
1.	Salary	8.30
2.	House Rent Allowance	0.35
3.	PPA	0.80
4.	Production Incentive	5.00
5.	Education Allowance	0.60
6.	Soft Furnishing Allowance	0.25
7.	Servant Allowance	0.25
8.	Special Allowance	1.00
Total		16.55

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 and abroad on Company's duty, he shall be paid in the following manner (including for spouse):
a) Executive, First class Air Fare / Charter / 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.
10. Bonus / Ex-gratia 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 as Executive Chairman and Whole Time Director, the payment of salary, perquisites and other allowances as approved by this resolution shall be

payable as minimum remuneration.

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 necessary to give effect to the above resolution.”

7. APPROVAL FOR REMUNERATION PAYABLE TO MR. R.D. DIXIT, MANAGING DIRECTOR OF THE COMPANY:

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

“**RESOLVED THAT** pursuant to provisions of Sections 197, 198 read with Schedule V and other applicable provisions of the Companies Act 2013, read with 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 as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, the remuneration payable to Mr. R. D. Dixit (DIN: 00626827), Managing Director of the Company with effect from 1st April, 2021 for remaining period of his tenure be and is hereby approved with the authority to the Board of Directors of the Company to revise the terms on recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee with regard to remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force, as follows:

Sr. No.	Particulars	Amount (Rs. in Lakhs per month)
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 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.
 10. Bonus / Ex-gratia 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 as Managing Director, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration .

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 necessary to give effect to the above resolution."

By order of the Board of Directors

Place : Kolhapur
Date : 14th May, 2021

Nitin Menon
Executive Chairman
DIN : 00692754

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Company has appointed Link Intime India Private Limited, RTA of the Company, to provide Video Conferencing facility for conducting this 30th AGM.
3. Pursuant to the provisions of the Companies Act, 2013("Act"), a member entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote, on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
4. 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.
5. Institutional /Corporate Shareholder(i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/JPG format) of its Board Resolution, passed pursuant to Section 113 of the Companies Act, 2013, authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution shall be sent to the Scrutinizer by email through its registered email address at manish@csmanishb.in with copies marked to the Company at admin@menonbearings.in and to its RTA at instameet@linkintime.co.in
6. Brief resume of director proposed to be appointed / re-appointed or whom remuneration is proposed to be approved 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 24th July, 2021 to 30th July, 2021 (both days inclusive) for the ensuing AGM.
8. Members holding shares in physical form are requested to notify immediately any change in their