



MENON BEARINGS LTD.

Annual Report
2021-22

India's leading engine bearings company

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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 (upto 27.10.2021)
KAILASH A. NEVAGI	Independent Director
DR. SANTOSH PRABHU	Independent Director

NEHA HAROLIKAR: Company Secretary and Compliance Officer

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. A R N A & 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 FY22. We hope this letter finds you in good health.

The auto component industry showed a recovery in revenue growth, increasing by 13–15% for FY21–22, driven by demand from domestic OEMs; particularly tractor segment, parts replacement and export markets, as well as via passing through high commodity prices to end-customers.

As you all know, Menon Bearings is engaged into manufacturing of critical engine components having high entry barriers. We are delighted to share that your Company recorded a robust performance in terms of revenue, as well as profitability, despite a challenging business environment. Our Total Income grew by 31% to Rs. 198 crore in FY 21-22 from Rs. 151 crore in FY 20-21, EBITDA increased by 19% to Rs. 43 crore from Rs. 36 crore and PAT increased by 31 % to Rs. 25 crore from Rs. 19 crore.

We continue to focus on enhancing revenue and profit by increasing market share, cost control measures, driving operational excellence, strengthening workforce and developing new products i.e. PTFE bushes. We always prioritised exceeding customer expectations and creating high customer value by providing high quality products with improved performance. The Company is successful in passing on part of the burden of increased input cost to Customers.

We made significant progress in terms of process improvements, technology adoption, quality management and developing of new products. These developments will enable us to grow our volume and revenues in coming years.

During the year, in view of the strong liquidity and profitability, the Company declared and paid interim dividend @200% for the FY 21-22 and tried to ensure that all stakeholders are happy.

The Strategic focus for FY 22-23 will be on increasing share of business with existing customers, focus on new customer acquisition, growth in exports & continuing investments.

We would like to thank all our stakeholders including customers, suppliers, investors, shareholders and governments for their continued trust and support. We would also like to extend our deepest gratitude to our people for their contributions to our progress in a dynamic business environment.

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 31st Annual General Meeting

Notice is hereby given that the 31st (Thirty First) Annual General Meeting of **Menon Bearings Limited** (CIN: L29130PN1991PLC062352) ("Company") will be held on **Thursday, 22nd September, 2022 at 11.00 A.M.**, through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the Members at a common venue, to transact the businesses mentioned below :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 along with the reports of the Board of Directors' and Auditors' 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, 2022 along with the reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted."

2. To take note of interim dividend paid for the financial year ended 31st March, 2022 and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the interim dividend of Rs. 2.00 per Equity Share on 5,60,40,000 Equity Shares having face value of Re. 1/- each declared on 20th October, 2021 and accordingly paid to the shareholders of the Company for the financial year ended 31st March 2022, 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(6) 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."

4. RE-APPOINTMENT OF M/S. A R N A & ASSOCIATES, CHARTERED ACCOUNTANTS, AS STATUTORY AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION:

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. A R N A &



Associates, Chartered Accountants (FRN: 122293W), Kolhapur be and are hereby re-appointed as Statutory Auditors of the Company for another term of 5 (five) consecutive years, who shall hold office from the conclusion of this 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company to be held for the financial year ending 31st March, 2027 to audit the Books of Account of the Company for the financial years from 2022-23 to 2026-27 on such remuneration as may be determined by the Board of Directors in consultation with the Statutory Auditors of the Company.

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 deemed necessary or expedient or incidental thereto, including filing the requisite form, to give effect to this resolution.”

SPECIAL BUSINESS:

5. 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, if any, of the Companies Act, 2013 and the 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, 2023, 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 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 necessary to give effect to the above resolution.”

6. RE-APPOINTMENT OF MR. NITIN MENON AS EXECUTIVE CHAIRMAN 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 read with Schedule V and other applicable provisions of the Companies Act 2013, read with the 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 enabling provisions of the Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, Mr. Nitin Menon (DIN: 00692754), be and is hereby re-appointed as Executive Chairman of the Company for a further period of 5 (five) years w.e.f. 1st April, 2023 to 31st March, 2028 at a remuneration as detailed below for a period of 3 (three) years with effect from 1st April, 2023 to 31st March, 2026 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 the remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force:

Sr. No.	Particulars	Amount (Rs. in Lakh per month)
1.	Salary	12.00
2.	House Rent Allowance	0.50
3.	PPA	1.00
4.	Production Incentive	7.00
5.	Education Allowance	0.75
6.	Soft Furnishing Allowance	0.50
7.	Servant Allowance	0.50
8.	Special Allowance	1.50
Total		23.75

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):
 - i. Executive, First Class Air Fare / Charter / First Class AC Rail Fare.
 - ii. 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 of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013.

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. RE-APPOINTMENT OF MR. R. D. DIXIT AS 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 read with Schedule V and other applicable provisions of the Companies Act 2013, read with the 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 enabling provisions of the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors of the Company, Mr. R. D. Dixit (DIN: 00626827) be and is hereby re-appointed as Managing Director of the Company for a further period of 5 (five) years w.e.f. 1st April, 2023 to 31st March, 2028 at a remuneration as detailed below for a period of 3 (three) years with effect from 1st April, 2023 to 31st March, 2026 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 the remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force:

Sr. No.	Particulars	Amount (Rs. in Lakh 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. Car: Company's Car will be provided to Mr. R. D. Dixit.
3. Conveyance: Actual.
4. Medical expenses: Actual.
These facilities will not be considered as perquisites.
5. 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.
6. 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:
 - i. Executive Air Fare / First Class AC Rail Fare.
 - ii. Actual expenses to cover stay in hotels and cost of local conveyance.
7. 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.

8. Leave Travel Assistance as per the rules.
9. 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 of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013.

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.”

8. RE-APPOINTMENT OF MRS. KAILASH NEVAGI AS AN INDEPENDENT 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 149, 152 and other applicable provisions of the Companies Act, 2013 and Schedule IV thereto read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as per the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in accordance with the enabling provisions of the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. Kailash Nevagi (DIN:03011076 and ID Registration number- IDDB-DI-202002-009860), who holds office as an Independent Director of the Company upto 15th April, 2023 and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company and who has submitted the declaration that she meets the criteria for independence as provided under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 be and is hereby re-appointed as an Independent Director (Non-Executive) of the Company for a second term of 5 (five) consecutive years w.e.f. 16th April, 2023, 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.”

9. APPROVAL FOR REMUNERATION PAYABLE TO MR. ARUN ARADHYE, WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER 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, (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 below detailed remuneration payable to Mr. Arun Aradhye (DIN: 03052587), Whole Time Director and Chief Financial Officer of the Company for the remaining period of his current tenure i.e. with effect from 1st February, 2022 to 30th January, 2024 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 the remuneration from time to time within the limits provided in the said Schedule V or any amendment thereto for the time being in force:

Sr. No.	Particulars	Amount (Rs. in Lakh per month)
1.	Salary	3.00
2.	House Rent Allowance	1.00
3.	PPA	0.20
4.	Medical Allowances	0.90
5.	Education Allowance	0.50
6.	Soft Furnishing Allowance	0.15
7.	Servant Allowance	0.10
8.	Other Allowance	0.10
	Total	5.95

Others:

1. Provident Fund: Company's contribution to Provident Fund will not exceed 12% of the salary per annum.
2. Car: Company's Car will be provided to Mr. Arun Aradhye.
3. Conveyance: Actual
4. Medical expenses: Actual
These facilities will not be considered as perquisites.
5. Mr. Arun Aradhye will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.
6. Whenever Mr. Arun Aradhye is required to travel outstation within India or abroad on Company's duty, he shall be paid in the following manner:
 - i. Executive Air Fare / First Class AC Rail Fare
 - ii. Actual expenses to cover stay in hotels and cost of local conveyance.
7. 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.
8. Leave Travel Assistance as per the rules.
9. 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. Arun Aradhye as Whole Time Director and Chief Financial Officer of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013.

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."