

Contents

Board of Directors	02
Notice	03

Financial Statements of Menon Bearings Limited

Directors' Report	13
Compliance Certificate	17
Management Discussion & Analysis.	23
Report on Corporate Governance.	25
Auditors' Report	32
Balance Sheet	35
Profit & Loss Account	36
Cash Flow Statement	37
Schedules to Balance Sheet & Profit & Loss Account	38
Balance Sheet Abstract	50

Board of Directors

RAM MENON	Non Executive Chairman
R. D. DIXIT	Vice Chairman & Managing Director
NITIN MENON	Joint Managing Director
SACHIN MENON	Director
T. K. GUHA	Executive Director
KUMAR NAIR	Independent Director
B. S. AJITKUMAR	Independent Director

REGISTERED OFFICE :

G-1, MIDC, Gokul Shirgaon, Kolhapur 416 234

CFO : Suhas Kulkarni

AUDITORS :

M/s. P. M. VARDHE & CO.
Chartered Accountants,
Kolhapur

BANKERS :

AXIS BANK LIMITED
Kolhapur
STATE BANK OF INDIA,
Gokul Shirgaon,
Kolhapur

**REGISTRAR AND SHARE
TRANSFER AGENTS:**

Link Intime India Private Limited
(Formerly known as INTIME SPECTRUM REGISTRY 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 19th Annual General Meeting.



MENON BEARINGS LIMITED

Regd. Office: G-1, MIDC, Gokul Shirgaon, Kolhapur 416234

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Friday, 20th day of August 2010 at

**Bharat Ratna Dr. M. Vishveshvarayya Memorial Hall,
City Survey No. 227/1, Plot No. 5, "E", Ward, Tarabai Park,
Kolhapur 416 003. Phone No. 0231-2651205**

to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and of the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March 2010.
3. To appoint a director in place of Shri. Sachin Menon, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri. B. S. Ajitkumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. P. M. Vardhe & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

Special Business

6. pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the re-appointment of Shri. Nitin Menon as Joint Managing Director of the Company for a period of 3 years w.e.f. 1st July 2010 on the following terms and conditions be and is hereby approved:

- a. Date of re-appointment: 1st July 2010
- b. Tenure: 3 years
- c. Remuneration: Remuneration payable to Shri. Nitin Menon shall be as follows (per month):

Sr.No	Particulars	Amount (Rs.)
1.	Salary	2,90,000
2.	House Rent Allowance	29,000
3.	PPA	55,000
4.	Production	75,000
5.	Education Allowance	16,000
6.	Soft furnishing Allowance	17,500
7.	Servant Allowance	17,500
	Total	5,00,000

d. 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 Shri. Nitin Menon.
4. Conveyance: Actual
5. Medical expenses: Actual
These facilities will not be considered as perquisites.
6. Shri. 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 Shri. Nitin Menon is required to travel outstation within India on Company's duty, he shall be paid in the following manner:
 1. Executive Air Fare / First Class AC Rail Fare.
 2. Actual 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.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Shri. Nitin Menon, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) of the Company be and are hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

7. To pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the re-appointment of Shri. Ramesh D. Dixit as Vice Chairman & Managing Director of the Company for a period of 3 years w.e.f. 1st July 2010 on the following terms and conditions be and is hereby approved:

- a. Date of re-appointment: 1st July 2010
- b. Tenure: 3 years
- c. Remuneration: Remuneration payable to Shri. Ramesh D. Dixit shall be as follows (per month):

Sr.No	Particulars	Amount (Rs.)
1.	Salary	2,75,000
2.	House Rent Allowance	27,500
3.	PPA	56,500
4.	Production	25,000
5.	Education Allowance	20,000
6.	Soft furnishing Allowance	23,000
7.	Servant Allowance	23,000
	Total	4,50,000

d. 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 Shri. Ramesh D. Dixit.
4. Conveyance : Actual
5. Medical expenses : Actual
These facilities will not be considered as perquisites.
6. Shri. Ramesh 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 Shri. Ramesh D. Dixit is required to travel outstation within India on Company's duty, he shall be paid in the following manner:
 - a. Executive Air Fare / First Class AC Rail Fare.
 - b. Actual 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.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Shri. Ramesh D. Dixit, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) of the Company be and are hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

8. To pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary, if any, the re-appointment of Shri. T. K. Guha as Executive Director of the Company for a period of 3 years w.e.f. 1st July 2010 on the following terms and conditions be and is hereby approved:

- a. Date of re-appointment: 1st July 2010
- b. Tenure : 3 years
- d. Remuneration: Remuneration payable to Shri. T. K. Guha shall be as follows (per month):

Sr.No	Particulars	Amount (Rs.)
1.	Salary	2,35,000
2.	House Rent Allowance	23,500
3.	PPA	47,400
4.	Production	32,100
5.	Education Allowance	16,000
6.	Soft furnishing Allowance	20,000
7.	Servant Allowance	20,000
8.	Conveyance	6,000
	Total	4,00,000

d. 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 Shri. T. K. Guha.
4. Conveyance: Actual
5. Medical expenses : Actual
These facilities will not be considered as perquisites.
6. Shri. T. K. Guha will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.
7. Whenever Shri. T. K. Guha is required to travel outstation within India on Company's duty, he shall be paid in the following manner:
 - a. Executive Air Fare / First Class AC Rail Fare.
 - b. Actual 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.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Shri. Ramesh D. Dixit, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) of the Company be and are hereby authorised to take all actions and do all such deeds, matters and things, as it may be required from time to time in this regard."

BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date: May 11th, 2010

RAM MENON
Chairman

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING. A MEMBER IS ENTITLED TO APPOINT A PROXY AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The register of the members and the share transfer register books of the company will remain closed from Monday, 16th August 2010 to Friday, 20th August 2010 (both days inclusive).
3. The dividend as recommended by the Board of Directors, if approved by the shareholders at the Annual General Meeting shall be paid to those members whose names appear on the Register of members of the Company as on 20th August 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on 20th August 2010 as per the details furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
4. Members holding shares in physical form are requested to immediately intimate change of address, if any, to the Company / Registrar and Share Transfer Agents quoting reference of the Registered Folio Number. Members holding shares in the electronic form are advised to inform any change in their address to their respective Depository Participants. The address as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting. We hope you will help us in our endeavor to control cost.
6. 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 service.
7. The unclaimed dividend upto the financial years 2001-2002 has been transferred to the Investor Education and Protection Fund (IEPF) as required under Section 205-A and 205-C of the Companies Act 1956. The balance amount in unpaid Dividend Account for the financial year 2002-2003 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the month of September 2010. The shareholders whose dividend is unclaimed for the aforesaid financial year are requested to claim it immediately from the Company. Further shareholders are requested to note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed for a period of seven years from the date that these became first due for payment and no payment shall be made in respect of any such claim.
8. In order to enable the company to answer questions satisfactorily at the meeting, member who would like to ask any questions so as to reach the company at least ten days before the Annual General Meeting.
9. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the Payment Instruments for distribution of dividend.

Brief particulars of the director being re-appointed at the annual general meeting (pursuant to clause 49 of the listing agreement):

1. **Shri. Sachin Menon**, age 47 years is Director and Promoter of Company. He is Bachelor of Engineering (Mech.) and has vast experience in the field of manufacturing of automobile components.

He is also director in Menon Pistons Ltd., Menon Piston Rings Pvt. Ltd. and Menon Metals And Alloys Pvt. Ltd.

As on 31st March 2010, Shri. Sachin Menon holds 50,000 equity shares of the Company.

2. **Shri. B. S. Ajitkumar**, age 61 years, is Independent Director of the company. He is a Bachelor of Engineering (Mech.) and M. Tech from IIT, Kharagpur and has vast experience in the field of manufacturing of automobile components. He has worked with TELCO, BEML, ESCORT, etc.

He is also director in Menon Pistons Limited. Shri. B. S. Ajitkumar does not hold any shares in the Company.

3. **Shri. Nitin Menon**, age 42, is a Joint Managing Director of the Company. He is a Bachelor of Commerce. He has rich and varied in the field of Automobile Sector, apart from present business activity, he is also in field of Agriculture and allied services thereof. He is on the board of various companies of Menon Group.

He is also director in Menon Pistons Ltd., Mani Agriculture and Research Co. Pvt. Ltd., Karveer United Leisure Pvt. Ltd. and Menon Piston Rings Pvt. Ltd.

As on 31st March, 2010 Shri. Nitin Menon holds 2,765,930 shares in the Company.

4. **Shri. Ramesh D. Dixit**, age 66, is Vice Chairman and Managing Director of the company. He is a Bachelor of Engineering (Mech). He was a Council member of Autonomous body of Government Polytechnic, Kolhapur. He is associated with Menon Group since more than 40 years and presently on the board of various companies within Menon Group.

He is also Director in Menon Pistons Limited and Menon Piston Rings Pvt. Ltd.

As on 31st March, 2010 Shri. Ramesh Dixit holds 10,400 shares in the Company.

5. **Shri. T. K. Guha**, age 63, is Executive Director of the company. He is a Chartered Engineer having rich and varied experience in the field of Automobile Sector Company.

He does not hold directorship in any other company.

As on 31st March, 2010 Shri. T. K. Guha does not holds any shares in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Board of Directors of the Company at their meeting held on 11th May, 2010 re-appointed Shri. Nitin Menon as Joint Managing Director of the Company for a period of 3 years w.e.f. 1st July 2010 on such terms and conditions as detailed in draft resolution, subject to the approval of members of the Company in their general meeting and Central Government.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

I	General Information	
1	Nature of industry	The Company is engaged in manufacturing of auto components.
2	Date or expected date of commencement of commercial production	The company is an existing company and is in operation since 1993.
3	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators	EPS : Rs. 1.03 Return on networth :20.52%
5	Export performance and net foreign exchange collaborations	Deemed Export worth Rs. Lacs
6	Foreign investments or collaborators, if any	Nil

II		Information about the appointee	
	1	Background details	Shri. Nitin Menon was appointed as director of the Company on 1 st April 1995. Thereafter he was appointed as Joint Managing Director of the Company w.e.f. 20 th October 2000. Shri. Nitin Menon is promoter of the Company and is associated with the Company since inception and has experience of more than 19 years in the industry.
	2	Past performance	Under the guidance of Shri. Nitin Menon, the Company has witnessed continued growth both in terms of sales and profits. He is also engaged in day-to-day affairs of the Company alongwith Shri. Ramesh D. Dixit, Managing Director and Shri. T. K. Guha, Executive Director of the Company.
	3	Recognition or awards	Shri. Nitin Menon is commerce graduate.
	4	Job profile and his suitability	Shri. Nitin Menon is engaged in day-to-day activities of the Company and is responsible for overall management.
	5	Remuneration proposed	Rs. 5,00,000/- per month
	6	Comparative remuneration profile with respect to industry	The remuneration payable to Shri. Nitin Menon is at par with the industry standards, in which it operates.
	7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Shri. Nitin Menon is promoter director of the Company.
III		Other information	
	1	Reasons of loss or inadequate profits	There are several macro economic factors already started influencing the Indian economy and more so the automobile sector. Competitive pressures from domestic as well as foreign manufacturers are rapidly increased during last couple of years. Even present market conditions shows that the earnings are under pressure due to the sluggish demand and high cost pressure.
	2	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company has initiated price revision process and believes that price revision process will nullify the effect on profitability. Company has already initiated the hedging for foreign currency in order to veil against further down trend of US dollar, however it is infant stage. We believe company will be to gear up to develop new techniques and new products with different raw material mix and will maintain better profit margin in subsequent periods.

As per the requirements of Schedule XIII to the Companies Act, 1956, the Special Resolution at item no. 6 is set out for your approval.

None of the directors, except Shri. Ram Menon, Shri. Sachin Menon and Shri. Nitin Menon is concerned or interested in this resolution.

Item No. 7

The Board of Directors of the Company at their meeting held on 11th May, 2010 re-appointed Shri. Ramesh D. Dixit as Vice Chairman & Managing Director of the Company for a period of 3 years w.e.f. 1st July 2010 on such terms and conditions as detailed in draft resolution, subject to the approval of members of the Company in their general meeting and Central Government.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

I		General Information	
	1	Nature of industry	The Company is engaged in manufacturing of auto components.
	2	Date or expected date of commencement of commercial production	The company is an existing company and is in operation since 1993.
	3	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
	4	Financial performance based on given indicators	EPS : Rs. 1.03 Return on networth :20.52%
	5	Export performance and net foreign exchange collaborations	Deemed Export worth Rs. Lacs
	6	Foreign investments or collaborators, if any	Nil
II		Information about the appointee	
	1	Background details	Shri. Ramesh D. Dixit is associated with the Menon group from 45 years. He has worked in different capacities such as Development Engineer, Works Manager, Director Technical, and for last 18 years as Managing Director in Menon Bearings Limited and president and director in all other group companies.
	2	Past performance	Under the guidance of Shri. Ramesh D. Dixit, the Company has witnessed continued growth both in terms of sales and profits. He is also engaged in day-to-day affairs of the Company alongwith Shri. Nitin Menon, Jt. Managing Director and Shri. T. K. Guha, Executive Director of the Company.
	3	Recognition or awards	Shri. Ramesh D. Dixit has completed his diploma in Mechanical Engineering from Government Polytechnic, Kolhapur in 1 st Class, and B.E. (Mech) from College of Engineering, Karad in 1 st Class and "Production Planning and Control" course from HMT, Bangalore.
	4	Job profile and his suitability	Shri. Ramesh D. Dixit is engaged in day-to-day activities of the Company and is responsible for overall management.
	5	Remuneration proposed	Rs. 4,50,000/- per month
	6	Comparative remuneration profile with respect to industry	The remuneration payable to Shri. Ramesh D. Dixit is at par with the industry standards, in which it operates.
	7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Shri. Ramesh D. Dixit is promoter director of the Company.

III		Other information	
	1	Reasons of loss or inadequate profits	There are several macro economic factors already started influencing the Indian economy and more so the automobile sector. Competitive pressures from domestic as well as foreign manufacturers are rapidly increased during last couple of years. Even present market conditions shows that the earnings are under pressure due to the sluggish demand and high cost pressure.
	2	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company has initiated price revision process and believes that price revision process will nullify the effect on profitability. Company has already initiated the hedging for foreign currency in order to veil against further down trend of US dollar, however it is infant stage. We believe company will be to gear up to develop new techniques and new products with different raw material mix and will maintain better profit margin in subsequent periods.

As per the requirements of Schedule XIII to the Companies Act, 1956, the Special Resolution at item no. 7 is set out for your approval.

None of the directors, except Shri. Ramesh D. Dixit is concerned or interested in this resolution.

Item No. 8

The Board of Directors of the Company at their meeting held on 11th May, 2010 re-appointed Shri. T. K. Guha as Executive Director of the Company for a period of 3 years w.e.f. 1st July 2010 on such terms and conditions as detailed in draft resolution, subject to the approval of members of the Company in their general meeting and Central Government.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

I		General Information	
	1	Nature of industry	The Company is engaged in manufacturing of auto components.
	2	Date or expected date of commencement of commercial production	The company is an existing company and is in operation since 1993.
		In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
	4	Financial performance based on given indicators	EPS : Rs. 1.03 Return on networth :20.52%
	5	Export performance and net foreign exchange collaborations	Deemed Export worth Rs..... lacs
	6	Foreign investments or collaborators, if any	Nil

II Information about the appointee		
1	Background details	Upon completion of education, Shri. T. K. Guha worked with two Companies viz. Tylor India Ltd and Anand Bearings Limited, Parwanu (H. P.). He was Production Incharge in Anand Bearings Limited. After that he joined Menon Bearings Limited. Under his supervision only Menon Bearings Limited's plant has been established in 1993. Presently he is working at Menon Bearings Limited Ltd. in the capacity of Executive Director.
2	Past performance	Under the guidance of Shri. T. K. Guha, the Company has established extensive set-up of SPM (Special Purpose Machines), successful erection of Aluminum Tin Strip Manufacturing Plant and Establishment of replacement Market net-work.
3	Recognition or awards	Shri. T. K. Guha is a Chartered Engineer.
4	Job profile and his suitability	Shri. T. K. Guha is engaged in day-to-day activities of the Company and is responsible for overall management.
5	Remuneration proposed	Rs. 4,00,000/- per month
6	Comparative remuneration profile with respect to industry	The remuneration payable to Shri. T. K. Guha is at par with the industry standards, in which it operates.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	N.A.
III Other information		
1	Reasons of loss or inadequate profits	There are several macro economic factors already started influencing the Indian economy and more so the automobile sector. Competitive pressures from domestic as well as foreign manufacturers are rapidly increased during last couple of years. Even present market conditions shows that the earnings are under pressure due to the sluggish demand and high cost pressure.
2	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company has initiated price revision process and believes that price revision process will nullify the effect on profitability. Company has already initiated the hedging for foreign currency in order to veil against further down trend of US dollar, however it is infant stage. We believe company will be to gear up to develop new techniques and new products with different raw material mix and will maintain better profit margin in subsequent periods.

As per the requirements of Schedule XIII to the Companies Act, 1956, the Special Resolution at item no. 8 is set out for your approval.

None of the directors, except Shri. T. K. Guha is concerned or interested in this resolution.

Directors' Report

Your Directors feel great pleasure in presenting 19th Annual Report of your company with the Audited Statement of Accounts for the yearended 31st March, 2010.

FINANCIAL HIGHLIGHTS :

(Rs. In lacs)

Sr. No.	Particulars	Current Year Ended on 31.03.2010	Previous Year Ended on 31.03.2009
1	Profit before tax	660.12	477.82
2	Provision for tax	199.30	171.35
3	Profit after tax	460.82	306.48
4	Balance of profit as per last Balance Sheet	914.26	776.38
5	Previous year adjustments	294.77	NIL
6	Previous year expenses	1.20	NIL
7	Balance available for appropriation	1668.65	1082.86
8	Proposed dividend (in Rs. Lacs)	116.75	116.75
9	Proposed Rate of dividend	25%	25 %
10	Tax on dividend	19.84	19.84
11	General Reserve	47.00	32.00
12	Balance of profit carried to Balance Sheet	1485.05	914.27

RESULTS OF OPERATIONS :

During the year under review company has registered a sale of Rs. 5647.67 lacs and net profit of Rs. 460.82 lacs.

DIVIDEND :

The company's overall performance during the year under review was satisfactory. Your directors have pleasure in recommending a dividend at the rate of 25 % on the company's share capital. The proposed payout will be Rs.116.75 lacs (previous year Rs. 116.75 lacs) in addition to the dividend distribution tax of Rs.19.84 lacs (previous year Rs. 19.84 lacs).

SUB-DIVISION OF SHARES :

During the year under review, shares of the Company were sub-divided from face value of Rs.10/- to face value of Rs.5/- per share w.e.f. 09.10.2009.

PUBLIC DEPOSITS :

The Company has not accepted any public deposit within the meaning of Section 58A & 58AA of the Companies Act, 1956 and rules framed thereunder.

DIRECTORS :

Shri Sachin Menon and Shri B.S.Ajitkumar retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

AUDITORS :

M/s P. M. Vardhe & Co., Chartered Accountants, Kolhapur, are the Statutory Auditors of the company and hold such office till the conclusion of ensuing Annual General meeting. The company has received a letter from them to the effect that being eligible, they are willing to continue as Statutory Auditors and that the re-appointment, if made would be within the limits prescribed under Section 224 (1B) of the companies act, 1956.

Your directors recommend the re-appointment of M/S. P. M. Vardhe & Co., Chartered Accountants, Kolhapur, as Statutory Auditors of the Company to hold office up to the conclusion of the next Annual General Meeting of the Company.

PARTICULARS OF EMPLOYEES :

As required by the provisions of section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) drawing salary of Rs 24,00,000/-per annum or Rs.2,00,000/-per month is enclosed to this report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

As required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read together with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo for the year under review are annexed to this report.

SECRETARIAL COMPLIANCE CERTIFICATE :

As required under Section 383A of the Companies Act, 1956, Secretarial Compliance Certificate received from M/s. Manish Ghia & Associates, Practicing Company Secretary is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act 1956, the Board of Directors of the Company hereby confirms that:

- i) While preparing the Annual Accounts, the applicable accounting standards have been followed and proper explanation relating to the material departures have been given wherever necessary.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2010 and of the profit of the company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- iv) The Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT :

Pursuant to Clause 49 of the listing agreement with the stock exchange, the following have been made a part of the Annual report and are attached to this report:

- * Management Discussion and Analysis
- * Corporate Governance Report
- * Auditors' certificate regarding compliance of the conditions of corporate Governance.

ACKNOWLEDGMENT :

Your Directors wish to place on record their gratitude for the continued co-operation and patronage extended by the esteemed customers both in OEM and after market segments. The Directors would also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance during the year under report by our bankers, all the customers, suppliers of the company and government agencies. The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

For and on behalf of the Board of Directors

Place: Kolhapur
Date: May 11th, 2010

RAM MENON
Chairman

Information required under The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

I. CONSERVATION OF ENERGY

- a) Progressive dies are developed to manufacture products on single machine to save the number of operations and energy
- b) Power factor is maintained near unity i.e. 0.99 to minimize the electrical transmission losses.

II. TECHNOLOGY ABSORPTION

FORM B

Form of disclosure of particulars in respect of absorption of technology, research and development.

1)	Specific areas in which Research & Development is being carried out by the company	a) Company has carried out R & D activity in Production area.
2)	Benefits derived as a result of above	a) Reduced lead time, b) Improved Quality
3)	Future plan of action	To cope up with increased demand Company has decided to increase manufacturing capacity by a) Reducing cycle time of existing machines. b) Additions of new lines.
4)	Expenditure on R & D	Capital WIP : Rs. 165.53 lacs Recurring : Rs. Nil

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

1)	Efforts in brief, made towards Absorption, Adoption	Alluminium Tin foil producing line imported from Spain is installed successfully and regular production is started.
2)	Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development.	a) In case of basic raw material i.e. Aluminum Tin foil we became self-relied. b) We have developed lead free lining material which is environment friendly.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1)	Activities relating to export initiative for development of new export markets for products, services & exports.	We are exporting our products to UK, Italy, France and U.S.A. Additional applications are under development for export.
	Total foreign exchange used and earned.	Used : Imports Rs. 107.39 Lacs Direct Export: Rs. 562.37 lacs Deemed Export Worth : Rs.966.79 lacs

For and on behalf of the Board of Directors

Place: Kolhapur
Date: May 11th, 2010

RAM MENON
Chairman

Annexure to the Directors' Report

Statement showing particulars of employees drawing more than Rs. 24 lacs per annum or Rs.2 lacs per month

Sr. No.	Name of employee	Designation	Nature of employment whether contractual or otherwise	Other terms and conditions	Nature of Duties	Qualification & Experience	Date of commencement of employment	Age	Last employment held	% of equity shares held	Remuneration (Amount in Rupees)
1	Shri R. D. Dixit	Vice Chairman & Managing Director	Contractual	As applicable to other senior executives of the company	Over all Management and day to day affairs	BE (Mech.) More than 45 years experience	01-04 - 1992	66 Years	Menon Pistons Limited	0.10 %	33,62,607
2	Shri Nitin Menon	Joint Managing Director	Contractual	As applicable to other senior executives of the company	Overall Management	B.com. Has 17 years of entrepreneurial experience	01-10 - 1992	42 Years	Menon Bearings Limited	29.61 %	58,81,275
3	Shri T. K. Guha	Executive Director	Contractual	As applicable to other senior executives of the company	Overall Management	Chartered Engineer More than 41 years experience	29-01 - 2002	63 Years	Gabriel India Limited	Nil	29,47,193

Compliance Certificate

FORM [See Rule 3]

Corporate Identification No. : L29130PN1991PLC062352
Authorised Share Capital : Rs. 10,10,00,000/-

To,
The Members,
Menon Bearings Limited
G-1, MIDC, Gokul Shirgaon,
Kolhapur – 416 234,

We have examined the registers, records, books and papers of **Menon Bearings Limited (the Company)** as required to be maintained under the Companies Act, 1956, (**the Act**) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2010 (financial year)**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and rules made thereunder.
3. The Company, being a public limited Company, has minimum prescribed paid-up capital. As on 31st March 2010, the paid up capital of the Company was Rs. 4,67,00,000/- (Rupees Four Crore Sixty Seven Lacs only). The restrictive provisions of Section 3(1)(iii) of the Act are not applicable.
4. The Board of Directors duly met 7 (seven) times on 17th May 2009, 16th June 2009, 25th July 2009, 28th August 2009, 23rd September 2009, 30th October 2009 and 30th January 2010 and as per information and explanations given by the management proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose. No circular resolutions were passed by the Company during the financial year.
5. The Company closed its Register of Members from 5th August 2009 to 12th August 2009 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March 2009 was held on 12th August 2009 after giving adequate notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. An Extra - Ordinary General Meeting was held on 23rd September 2009 and as per information and explanation given by the management, the company has given adequate notice to the members of the company and the resolutions passed thereat were duly recorded and signed in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.

11. As there were no instances falling under the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the Central Government.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company has:
 - i) delivered all the certificates on sub-division of shares and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) deposited the amount of dividend declared in a separate Bank Account on 13th August 2009, which is within five days from the declaration of such dividend.
 - iii) posted warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to the Unpaid Dividend account of the Company with Axis Bank Ltd.
 - iv) transferred the amounts in unpaid dividend account and their interest thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund pertaining to the financial year 2001 - 02.
 - v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the re-appointment of directors has been duly made during the financial year.
15. The Company has not appointed any Managing Director / Whole - time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has obtained approval from Company Law Board, Mumbai Bench, Mumbai for condonation of delay in filing Form 8 during the year. The Company was not required to obtain any approvals of the Central Government, Regional Director, Registrar of Companies or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not allotted any shares or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within preview of Sections 58A of the Act during the financial year.
24. The amount borrowed by the company during the financial year was within limits prescribed under Section 293(1)(d) of the Act.
25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for that purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the financial year.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the financial year.
28. The company has not altered the provisions of the Memorandum with respect to name of the Company during the financial

year.

29. The company has altered the provisions of the Memorandum of Association with respect to share capital upon sub-division of equity shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each during the financial year.
30. The company has altered its Articles of Association upon sub-division of equity shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each during the financial year.
29. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to section 418 of the Act.

For Manish Ghia & Associates
Company Secretaries

Manish L. Ghia
Partner
M. No. ACS : 7254
C.P. No. : 3531

Place : Mumbai
Date : 11th May 2010

Annexure - "A"

Registers maintained by Menon Bearings Limited

- 1) Register of Members under section 150 of the Companies Act, 1956.
- 2) Index of Members under section 151 of the Companies Act, 1956.
- 3) Register of Share Transfers / transmission.
- 4) Register and Returns under section 163 of the Companies Act, 1956 (including copies of all annual returns prepared under Section 159 and Section 160 of the Companies Act, 1956)
- 5) Register of Directors under section 303 of the Companies Act, 1956.
- 6) Register of Contracts and Disclosure of Directors Interest under section 301 of the Companies Act, 1956.
- 7) Register of Directors shareholdings under section 307 of the Companies Act, 1956.
- 8) Minutes Book of the Meetings of Board of Directors and General Meetings under Section 193 of the Companies Act, 1956.
- 9) Register of Shareholders' / Proxy's' Attendance.
- 10) Register of Renewal, Split, Consolidation and Duplicate Share Certificates.
- 11) Register of Charges u/s 143 of the Act.
- 12) Register of Investments u/ 372A of the Act.

Annexure - "B"

Forms and returns filed by the Menon Bearings Limited during the financial year ended on 31st March 2010 :

A) With the Registrar of Companies, Maharashtra, Pune :

Sr. No.	Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes / N.A.
1.	21	297	Filing of copy of order of the Hon'ble Company Law Board, Mumbai Bench, Mumbai dated 23rd April 2009 passed under Section 621A of the Act for compounding of offence committed under Section 297 for transactions had with M B Auto Components Pvt. Ltd.	28.04.2009	Yes	N.A.
2.	21	297	Filing of copy of order of the Hon'ble Company Law Board, Mumbai Bench, Mumbai dated 23rd April 2009 passed under Section 621A of the Act for compounding of offence committed under Section 297 for transactions had with M/s. Ripin Engineering.	28.04.2009	Yes	N.A.
3.	21	297	Filing of copy of order of the Hon'ble Company Law Board, Mumbai Bench, Mumbai dated 23rd April 2009 passed under Section 621A of the Act for compounding of offence committed under Section 297 for transactions had with M/s. M B Exports.	28.04.2009	Yes	N.A.

4.	21	297	Filing of copy of order of the Hon'ble Company Law Board, Mumbai Bench, Mumbai dated 23rd April 2009 passed under Section 621A of the Act for compounding of offence committed under Section 297 for transactions had with M/s. Mani Auto Components.	28.04.2009	Yes	N.A.
5.	21	295	Filing of copy of order of the Hon'ble Company Law Board, Mumbai Bench, Mumbai dated 23rd April 2009 passed under Section 621A of the Act for compounding of offence committed under Section 295 for guarantee provided on behalf of M B Auto Components Pvt. Ltd.	28.04.2009	Yes	N.A.
6.	21	394	Filing of order of Hon'ble High Court, Bombay dated 2nd May 2009 passed under Section 394(1) of the Act in matter of amalgamation of Menon Alkop Pvt. Ltd. and M B Auto components Pvt. Ltd. with the Company.	29.05.2009	Yes	N.A.
7.	32	303	Particulars of resignation of Mr. Avinash Abhyankar as Company Secretary w.e.f. 9th August 2009	02.09.2009	Yes	N.A.
8.	23 AC & ACA	220 (1)	Schedule – VI (Annual Accounts) for the financial year ended 31st March 2009.	11.09.2009	Yes	N.A.
9.	8	135	Particulars of modification of charges created in favour of State Bank of India vide Supplemental Agreement of Loan cum Hypothecation dated 8th May 2009 enhanced to Rs. 20.81 Crore (Charge ID 10056494).	26.09.2009	No	N.A.
10.	1INV	205C	Particulars of transfer of unpaid / unclaimed dividend to the Investor Education and Protection Fund for the year 2001-02.	08.10.2009	N.A.	N.A.
11.	20B	159	Schedule – V (Annual Return as on Annual General Meeting held on 12th August 2009.	10.10.2009	Yes	N.A.

12.	23	192	Particulars of resolutions passed at the Extra Ordinary General Meeting held on 23rd September 2009 for sub-division of equity shares of Rs.10/- each into 2 equity shares of Rs. 5/- each.	14.10.2009	Yes	N.A.
13.	5	95	Particulars of sub-division of equity shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each.	14.10.2009	Yes	N.A.
14.	61	141	Filing of copy of petition filed with the Hon'ble Company Law Board under Section 141 of the Act for condonation of delay in filing Form 8 for modification of charge created in favour of State Bank of India (Charge ID 10056494).	15.10.2009	N.A.	N.A.
15.	21	141	Filing of copy of order of the Hon'ble Company Law Board dated 1st January 2010 passed under Section 141 of the Act for condonation of delay in filing Form 8 for modification of charge created in favour of State Bank of India (Charge ID 10056494).	20.01.2010	Yes	N.A.
16.	8	135	Particulars of modification of charge created in favour of Axis Bank Ltd., modifying to Rs. 14,04,69,000/- (Charge ID 90092967)	17.03.2010	Yes	N.A.

B) With the Office of the Regional Director, Western Region Bench at Mumbai: Nil

C) With the Office of the Ministry of Corporate Affairs (Central Government), at Delhi: Nil

D) With any other Authorities as prescribed under the Act:

A petition under Section 141 of the Companies Act, 1956 was filed before the Hon'ble Company Law Board, Mumbai Bench, Mumbai on 16th October .2009 for condonation of delay in filing Form No. 8 for modification of charge created in favour of State Bank of India.

Management Discussion and Analysis

Operations of your company comprise Auto Components. Income source of Company comprises from Original Engine Manufacturers, Export and Replacement market.

i. Industry Review

The Indian auto component industry has been navigating through a period of rapid changes with great élan. Driven by global competition and the recent shift in focus of global automobile manufacturers, business rules are changing and liberalisation has had sweeping ramifications for the industry. The global auto components industry is estimated at US\$1.2 trillion. The Indian auto component sector has been growing at 20% per annum since 2000 and is projected to maintain the high-growth phase of 15-20% till 2015.

ii. Futuristic Outlook

We are pleased to inform that Menon Alkop a division engaged in manufacturing of Aluminum Components have crossed BEP level of sales. During the year under review the division has registered a sale of 14.49 crores with PBT of Rs.40 Lacs. With this we are sure that we will be able to expand our activities with rapid pace.

iii. Concern & Threat

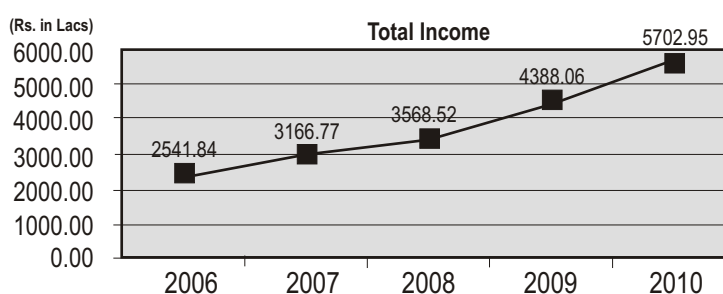
Though, as mentioned above Automobile Industry is progressing, base metal prices are becoming very volatile coupled with abnormal increase in the prices of power and fuel which is a matter of great concern when it comes to expansion and widening the customer base. Our export to Europe is comparatively less; hence we are not much affected due to recent turmoil in European economy.

iv. Future Challenge

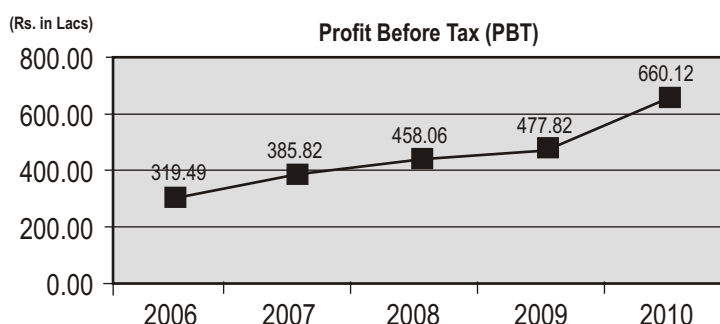
Environmental norms are becoming very stringent all over the globe. We are also not behind in facing the challenges of reducing emission and eliminating use of hazardous metals like lead. We are continuously putting our efforts to search new composition of metals.

v. Financial Performance:

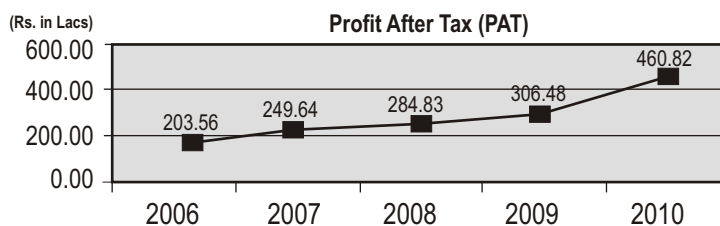
Year	Income (Rs.Lacs)
2006	2541.84
2007	3166.77
2008	3568.52
2009	4388.06
2010	5702.95



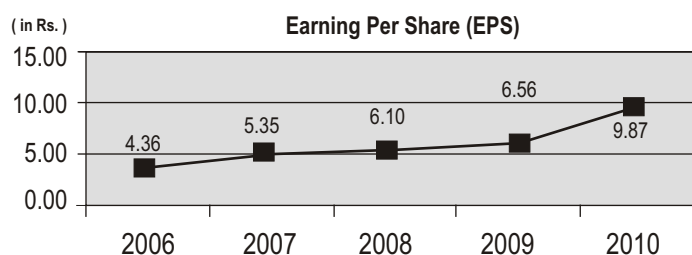
Year	PBT (Rs.Lacs)
2006	319.49
2007	385.82
2008	458.06
2009	477.82
2010	660.12



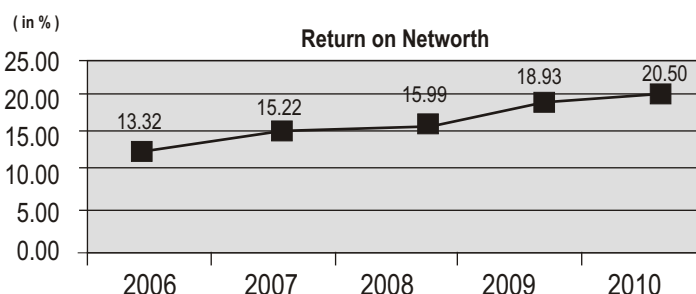
Year	PAT (Rs.Lacs)
2006	203.56
2007	249.64
2008	284.83
2009	306.48
2010	460.82



Year	EPS (in Rs.)
2006	4.36
2007	5.35
2008	6.10
2009	6.56
2010	9.87



Year	Return on Networth (%)
2006	13.32
2007	15.22
2008	15.99
2009	18.93
2010	20.50



- vi. **Internal Control system and their Adequacy:**
The company maintains adequate internal control systems and the internal audit is handled by an Independent agency.
- vii. **Development in Human Resources**
Company believes that human resources are the supporting pillars for the success of the organization and had already implemented policy of production linked incentive scheme.
- viii. **Development and up-gradation of Technology**
Company believes in progressive up-gradation in all facets of the organisation. It also undertakes Research and Development activities for each product. Company always endeavors to the maximum up-gradation of technology which results in saving time and cost..
- ix. **Global approach**
Company trusts on its capabilities and continues to look out for every opportunity for business.
- x. **Cautionary Statement**
Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied therein. Important factors that could make a difference include raw material availability and prices thereof, cyclical demand and pricing in the Company's principal markets, changes in Government regulations and tax regime, economic developments within India and the countries in which the Company conducts business and other incidental factors.

Report on Corporate Governance

1. Company's philosophy on Corporate Governance.

Corporate Governance is a part of Menon Bearings Limited (the Company) and it is bounded for a rich legacy of fair, ethical and transparent governance practices. The Board, being elected by the shareholders, is their representative and a bridge between them and the executive management.

2. Board of Directors

i. Composition : The Board of Directors provides strategic direction and thrust to the operations of the Company. Presently, the Board has a Non-Executive Chairman and six other Directors. Out of these, two are independent directors. The Company is in search of additional independent director to comply with listing agreement norms.

ii. Board Procedure : The agenda is prepared in consultation with the Chairman / Vice Chairman of the Board of Directors and the Chairmen of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meeting. Matter discussed at Board meeting generally relate to Company's workings such as its production, sales, inventory, collections etc., quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, new investment proposals, non compliance of any regulatory, statutory or listing requirements etc.

iii. Attendance at meetings : During the year 2009-10, the Board of Directors met seven times on 17.05.2009, 16.06.2009, 25.07.2009, 28.08.2009, 23.09.2009, 30.10.2009 and 30.01.2010. As stipulated the gap between two board meetings did not exceed 120 days.

Attendance of Directors at the Board Meetings, last Annual General Meeting and number of other directorships and Chairmanships / Memberships in committees of each director in various companies as follows:

Sr. No.	Name of Director	Category	Attendance at meetings		As on March 31 st , 2010		
					Board	AGM	¹ No. of Directorships
			Membership	Chairmanship			
1.	Shri Ram Menon	Non Executive Chairman – Promoter	7	Yes	2	-	-
2.	Shri R. D. Dixit	Vice Chairman and Managing Director	5	Yes	1	-	2
3.	Shri Nitin Menon	Joint Managing Director	7	Yes	1	-	-
4.	Shri Sachin Menon	Non Executive Director	6	No	2	1	-
5.	Shri T. K. Guha	Executive Director	5	No	-	-	-
6.	Shri Kumar Nair	Independent Director	1	No	3	4	-
7.	Shri B.S.Ajitkumar	Independent Director	4	No	1	1	-

1 The directorship held by directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies Section 25 Companies and Private Companies.

2 Membership/Chairmanships of only the Audit Committee and Share Transfer and Investor Grievance of all public Limited Companies have been considered.

3. Board Committees:

I. Audit Committee

Presently, the Audit Committee is comprised of Shri Kumar Nair, Shri B. S. Ajitkumar and Shri Ramesh D. Dixit. Shri Kumar Nair is Chairman of the Committee.

During the financial year 2009-10, the Audit Committee met 5 times on 17.05.2009, 16.06.2009, 25.07.2009 and 30.10.2009 & 30.01.2010. The members attended Audit Committee meetings as follows :

Name of the Member	Status	No.of Meetings Attended
Shri Kumar Nair	Chairman	1
Shri R. D. Dixit	Member	5
Shri B.S.Ajitkumar	Member	3
Shri Sachin Menon	Member	1
Shri Nitin Menon	Member	1

The terms of reference of this Committee are wide. The members have access to all the required information from the Company. The brief description of terms of reference is as follows:

- Integrity of the companies financial statements
- Company's Compliance with legal and regulatory requirements
- The Statutory Auditor's Qualification and independence
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Reviewing with management the annual financial statements
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Reviewing the Company's financial and risk management policies
- Periodic discussion with the auditors about internal control systems, scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board.

ii. Remuneration Committee

Presently, the Remuneration Committee is comprised of Shri Ram Menon, Shri Kumar Nair and Shri B. S. Ajitkumar. Shri Kumar Nair is Chairman of the Committee. During the year, no Remuneration Committee meeting was held.

The Remuneration Committee recommends the remuneration payable to executive directors of the Company. The Company pays sitting fees and professional fees to independent directors towards attending board meetings and professional services rendered to the Company respectively.

Details of remuneration paid during the year 2009-10 to the directors of the Company are as follows:

(Amount in Rs.)

Name of the Director	Salary	Contribution to Provident Fund	Other Perquisites	Sitting Fees	Total	Stock Option Granted
Shri Ram Menon	Nil	Nil	Nil	7,000	7,000	Nil
Shri R. D. Dixit	25,83,840	1,86,768	5,91,999	Nil	33,62,607	Nil
Shri Nitin Menon	50,25,000	2,06,640	6,49,635	Nil	58,81,275	Nil
Shri Sachin Menon	Nil	Nil	Nil	6,000	6,000	Nil
Shri T. K. Guha	23,12,880	1,51,776	4,82,537	Nil	29,47,193	Nil
Shri Kumar Nair	Nil	Nil	Nil	1,000	1,000	Nil
Shri B S Ajitkumar	Nil	Nil	Nil	4,000	4,000	Nil
Total	99,21,720	5,45,184	24,70,256	18,000	1,29,55,160	-

iii. Share Transfer and Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to:

1. Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer / transmission / demat / remat (with and without legal representation) of shares and other miscellaneous complaints.
2. On recommendations of the committee, the Company has taken various investor friendly initiatives like sending transmission / transfer / Letter of Undertaking formats, complaints and suggestions received from investors are considered and addressed appropriately.

Presently, the Shareholders' / Investors' Grievance Committee is comprised of Shri Sachin Menon, Shri Ramesh D. Dixit and Shri Nitin Menon. Shri Sachin Menon is Chairman of the Committee

During the financial year 2009-10, the Committee met 4 times on 16.06.2009, 25.07.2009, 30.10.2009 and 30.01.2010. The members attended STIG Committee meetings as follows:

Name of the Member	Status	No. of Meetings Attended
Shri Sachin Menon	Chairman	4
Shri R. D. Dixit	Member	4
Shri Nitin Menon	Member	4
Shri Kumar Nair	Member	-

Shri Suhas Kulkarni – AGM – Finance & Accounts is Compliance Officer of the Company.

During the financial year 2009-10, 80 investor complaints/requests were received and all of them were redressed in time.

4. General Body meetings:

- i. Location and time of last three Annual General meetings:

Year	Location	Date	Time
2008-09	Bharat Ratna Dr.M.Vishveshvarayya Memorial Hall, Tarabai Park, Kolhapur.	August 12 th , 2009	10.30 a.m.
2007-08	G-1, MIDC, Gokul Shirgaon	September 26 th , 2008	10.30 a.m.
2006-07	Kolhapur. 416 234	August 31 st , 2007	10.30 a.m.

- ii. In last three Annual General Meetings, following Special Resolutions were passed:

Year	Description of Resolution
23.09.2009 (EOGM)	1. Alteration in Articles of Association for sub-division of equity shares of Rs. 10/- into 2 equity shares of Rs. 5/- each per share. 2. Alteration in Articles of Association for sub-division of existing capital into 2,02,00,000 equity shares of Rs. 5/- each.
12.08.2009	No Special Resolution was passed
26.09.2008	1. Re-appointment of Shri Nitin Menon as Joint Managing Director w.e.f. July 1 st , 2008. 2. Re-appointment of Shri R. D. Dixit as Vice Chairman and Managing Director w.e.f. July 1 st , 2008. 3. Re-appointment of Shri T. K. Guha Executive Director w.e.f. July 1 st , 2008 4. Waiver from recovery of excess remuneration paid to Shri Nitin Menon in the year 2005-06 5. Waiver from recovery of excess remuneration paid to Shri Nitin Menon in the year 2006-07 6. Waiver from recovery of excess remuneration paid to Shri T. K. Guha in the year 2006-07 7. Waiver from recovery of excess remuneration paid to Shri Nitin Menon in the year 2007-08 8. Commencement of new business as specified in other objects of Memorandum of Association
31.08.2007	No Special Resolution was passed.

Company has not passed any special resolution through postal ballot during the financial year ended March 31st, 2010 and no resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting

5. Disclosures:

i. Related Party Transactions

None of the related party transactions were in conflict with the interests of the Company. Details on materially significant related party transactions are given in the appended financial statement under notes to the accounts.

ii. Code of Conduct :

The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All Board members have affirmed their compliance with the Code of Conduct. A declaration by the Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on March 31st, 2010 by the members of the Board, as applicable to them, is also annexed separately in this Annual Report.

iii. Compliance by the Company :

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years.

iv. Disclosure of accounting treatment :

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

v. Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee :

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in the exceptional cases. We affirm that during the financial year 2009-10, no employee was denied access to the audit committee.

vi. Risk Management :

The company has laid down procedures to inform Board members about the risk assessment and minimisation procedures. The Company has framed the risk assessment and minimisation procedure, which is periodically reviewed by the Board.

vii) CEO/ CFO Certification :

A certificate from Shri Ramesh D. Dixit, Vice Chairman & Managing Director of the Company on the financial statements of the company was placed before the Board.

viii) Review of Directors' Responsibility Statement :

The Board in its report has confirmed that the annual accounts for the year ended 31st March 2009 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

ix) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

Company has complied with all the mandatory requirements of the clause 49 of the Listing Agreement, except constitution of Board of Directors. The details of these compliances along with the non-mandatory requirements adopted by the company have been given in the relevant sections of this report.

6. Means of communication :

- At present yearly report on accounts is being sent to each shareholder.
- The quarterly, half-yearly, nine monthly and full year results are published in Economic Times (English) / Financial Express (English) and Lokmat Newspaper (Marathi).
- The Company has not made any presentation to Institutional Investors and Analysts.
- The Management Discussion and Analysis for the year ended March 31st, 2010 forms part of the Directors' report.

7. General information for Members:

i. Annual General Meeting :

Date, Time & Venue : August 20th, 2010, at 10.30 A.M. at Bharat Ratna Dr. M. Vishveshvarayya Memorial Hall, City Survey No. 227/1, Plot No. 5, "E", Ward, Tarabai Park, Kolhapur 416 003

ii. Financial calendar : (provisional for 2010-11)

Result for the quarter ending June 30 th 2010	- by August 15 th , 2010
Result for the quarter ending September 2010	- by November 15 th , 2010
Result for the quarter ending December 2010	- by February 15 th , 2011
Audited Result for the year ending March 31 st , 2011	- by May 30 th , 2011

iii. Date of Book Closure : August 13th, 2010 to August 20th, 2010 (both days inclusive)

iv. Dividend payment date : on and after August 21st, 2010

v. Listing : Bombay Stock Exchange Limited

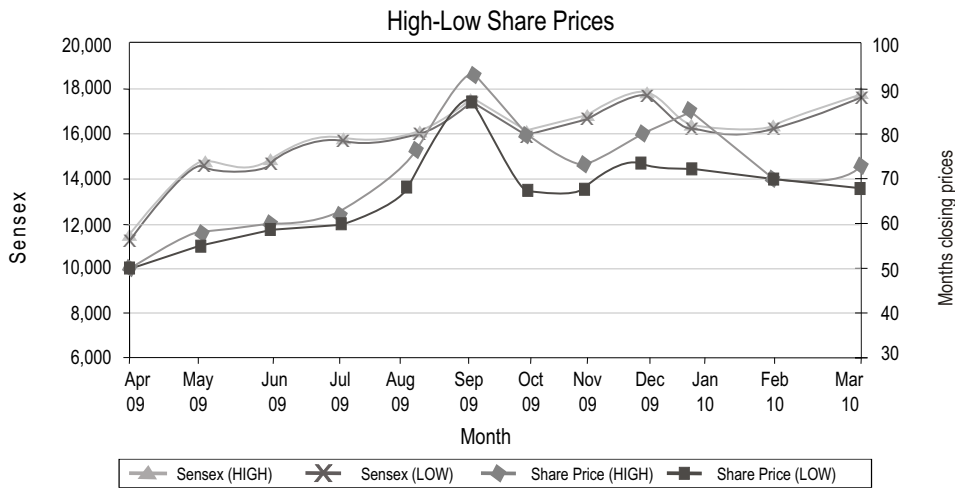
vi. ISIN : INE071D01025

vii. Stock Code : 523828

viii. Market price data:

The monthly high and low quotations of Company's shares traded on the Bombay Stock Exchange Limited, Mumbai and SENSEX during each month in last financial year are as follows :

Month / Year	Share price of the Company at BSE			Sensex	
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)
April 2009	50.40	50.00	50.00	11,403.25	11,403.25
May 2009	58.00	55.26	55.26	14,727.28	14,319.87
June 2009	60.00	59.00	59.00	14,907.48	14,420.41
July 2009	63.00	60.00	60.00	15,732.81	15,449.47
August 2009	75.00	67.50	67.50	15,821.35	15,589.80
September 2009	90.90	86.10	86.10	17,142.52	16,868.46
October 2009	80.00	67.00	33.50	16,360.88	15,805.20
November 2009	73.60	68.00	34.00	17,026.91	16,655.75
December 2009	80.00	73.80	36.90	17,530.94	17,365.37
January 2010	83.90	73.00	36.50	16,390.31	15,982.08
February 2010	70.00	69.50	34.75	16,669.25	16,249.67
March 2010	71.90	68.60	34.30	17,699.50	17,488.55



Note : The shares of the company were sub-divided from face value of Rs.10/- each to face value of Rs.5/- each w.e.f. October 9th 2009, hence price of share is adjusted to give correct graphical presentation.

viii. Share Transfer System:

All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within a maximum period of 30 days of the lodgement, if documents are found in order. Shares under objection are returned within two weeks. All requests for dematerialisation of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

ix. Distribution of Shareholding as on 31st March 2010

By Size	Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount	% of Total
	1 - 5000	5,572	94.63	83,82,705	17.95
	5001 - 10000	195	3.31	15,80,320	3.39
	10001 - 20000	61	1.04	9,11,900	1.95
	20001 - 30000	15	0.25	3,80,215	0.81
	30001 - 40000	10	0.17	3,46,620	0.74
	40001 - 50000	17	0.29	8,31,070	1.78
	50001 - 100000	6	0.10	4,50,960	0.97
	more than 100000	12	0.21	3,38,16,210	72.41
	Total	5,888	100.00	4,67,00,000	100.00

By Share Ownership.

No.	Category	Total No. of Shares held	% of Total Shareholdings
1.	Promoters & Promoter Group	67,96,019	72.76
2.	Other Bodies Corporate	63,653	0.70
3.	Clearing Members	17,365	0.18
4.	Indian Public	24,39,367	26.11
5.	Non Resident Indians	23,596	0.25
	TOTAL	93,40,000	100.00

xi. Dematerialization of shares and liquidity:

As on 31st March 2010 about 69.61% of the Company's Equity shares have been dematerialized. The Equity Shares of the Company are traded on The Bombay Stock Exchange Limited, Mumbai.

xii. Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

xiii. 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

xiv. Address for Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non receipt of dividend or any other query relating to shares, the investor can write to Registrar and Share Transfer Agents or please write to:

The Compliance Officer,
Menon Bearings Limited
G-1, MIDC, Gokul Shirgaon Kolhapur - 416234
Tel: 0231-2672 279/533/487, Fax: 0231-2672 278
email: admin@menonbearings.in

xiv. Plant Locations:

1. G-1, MIDC, Gokul Shirgaon Kolhapur - 416234
2. C-1 Five Star MIDC, Kagal, Kolhapur

8. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Auditor's Certificate on compliance of clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Directors' Report.

9. DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management of the Company. It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the company and a confirmation to that effect has been obtained from the directors and senior management.

DECLARATION UNDER CLAUSE 49 I (D) (ii) REGARDING COMPLIANCES WITH CODE OF CONDUCT

I Nitin Menon, Joint Managing Director do hereby declare that the Board Members and Senior Management Personals have affirmed compliance with Code of Conduct of the company.

Place : Kolhapur
Date : May 11th, 2010

NITIN MENON
Joint Managing Director

The Auditors' Certificate on Corporate Governance

The Members
Menon Bearings Limited

We have examined the compliance of conditions of Corporate Governance by Menon Bearings Limited (the Company) for the year ended on March 31st, 2010, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements, except the norms prescribed for the appointment of Independent Directors.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
M/S P. M. VARDHE & CO.
Chartered Accountants

Place : Kolhapur
Date : May 11th, 2010

P. M. Vardhe
Proprietor
Membership No. 031817

The Auditors' Report

The Members
Menon Bearings Limited

We have audited the attached Balance Sheet of Menon Bearings Limited, as at 31st March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. The accounts of Menon Alkop, division of the Company are audited by other auditors and their report is considered. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit :
- 2) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books.
- 3) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- 5) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - b) In the case of the Profit and Loss Account, of the profit of the Company, for the year ended on that date
 - c) In the case of Cash Flow Statement the Cash Flows of the company, for the year ended on that date

For M/s. P.M. Vardhe & Co.
Chartered Accountants

P. M. Vardhe
Proprietor
Membership No. 031817

Place : Kolhapur
Date : May 11th, 2010

Annexure to the Auditors' Report

Annexure referred to in para 1 of our report of even date

- I. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals during the period and no material discrepancies were noticed on such verification.
 - c. During the period, the company has not disposed off any major part of the plant and machinery.
- II.a. The physical verification of inventory has been conducted during the period by the management at reasonable intervals.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- III. The Company has not granted nor taken loans from another Company covered in the register of contracts maintained under Section 301 of the Act.
- IV. There is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- V. a. The particulars of contracts and arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section, and
 - b. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has not accepted any deposits from the public.
- VII. The company is a listed company and it has an internal audit system commensurate with the size and nature of its business.
- VIII. On broad review of books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintaining cost records under Section 209 (1) (d) of the Companies Act, 1956, we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the same.
- IX.a. The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, Service Tax, custom duty, excise-duty, and other statutory dues applicable to it. In our opinion, there are no arrears of outstanding dues as on the last day of the year concerned for a period of more than six months.
 - b. In case of Provident Fund/ Sales Tax/ Wealth Tax/ Service Tax/ Customs Duty/ Excise Duty/ Cess, there are no dues which are not deposited on account of any dispute.
- X. The Company has no accumulated losses and has not incurred any cash losses during the period covered by our audit report or in immediately preceding financial year.
- XI. The company has not defaulted in repayment of dues to banks or financial institution.

- XII. The company has not granted any loans advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. Provisions of any special statute applicable to chit fund in respect of nidhi / mutual benefit fund/ societies are not applicable to the Company.
- XIV. The Company is occasionally dealing or trading in shares, securities, debentures and other investments. Company has maintained proper records of the transactions and timely entries have been made in these records. We also report that the company has held the shares, securities, debentures and other investments in its own name.
- XV. The Company has not given guarantee for loan taken by others from Banks / Financial Institutions.
- XVI. The company has applied the term loans for the purpose for which they were obtained.
- XVII. According to the information and explanation given to us, we are of the opinion that the Company has not utilized short term funds towards long term investment.
- XVIII. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, 1956.
- XIX. The Company has not issued any debentures.
- XX. The Company has not made any public issue of shares during the period covered by our audit report.
- XXI. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For M/s. P.M. Vardhe & Co.
Chartered Accountants

Place : Kolhapur
Date : May 11th, 2010

P. M. Vardhe
Proprietor
Membership No. 031817

Balance Sheet as at 31st March

(Amount in Rs.)

PARTICULARS	SCHEDULES	2010	2009
SOURCES OF FUNDS:			
1.SHAREHOLDERS FUNDS			
Share Capital	A	4,67,00,000	4,67,00,000
Reserves & Surplus	B	18,47,14,723	15,24,12,943
TOTAL		23,14,14,723	19,91,12,943
2. LOAN FUNDS			
Secured Loans	C	20,72,24,961	21,98,54,768
Unsecured Loans	D	4,53,73,928	4,60,71,886
		25,25,98,889	
3. DEFERRED TAX LIABILITY			
		2,58,41,908	2,24,12,050
TOTAL		50,98,55,521	48,74,51,648
APPLICATION OF FUNDS			
4. FIXED ASSETS			
Gross Block	E	49,90,22,109	42,47,94,962
Less : Depreciation		18,91,37,512	16,08,39,961
Net Block		30,98,84,597	26,39,55,000
Capital Work in process		1,65,52,714	2,80,91,207
5. INVESTMENTS			
	F	14,65,394	14,65,394
6. CURRENT ASSETS, LOANS & ADVANCES			
Inventory		7,06,79,109	6,61,80,776
Sundry Debtors		13,01,01,156	14,99,97,968
Cash and Bank Balances		4,31,71,190	1,48,33,810
Loans And Advances		15,66,96,161	15,42,50,082
TOTAL		40,06,47,616	38,52,62,635
Less : CURRENT LIABILITIES & PROVISIONS	H		
Current Liabilities		6,08,10,304	4,97,94,248
Provisions		16,15,22,678	14,62,23,501
TOTAL		22,23,32,982	19,60,17,749
Net Current Assets		17,83,14,634	18,92,44,887
7. MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT W/OFF			
Profit & Loss Account		-	-
TOTAL		50,98,55,521	48,74,51,648

As per our report of even date attached
For **M/s. P. M. Vardhe & Co.**
Chartered Accountants

P. M. Vardhe
Proprietor
Membership No.031817

Place : Kolhapur
Date : May 11th, 2010

For and on Behalf of the Board of Directors

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman &
Managing Director

NITIN MENON
Joint Managing Director

Profit & Loss Account for the year ended on 31st March

(Amount in Rs.)

PARTICULARS	SCHEDULES	2010	2009
1. INCOME			
Sales	J	56,47,66,874	43,88,80,577
Other Income	K	48,12,498	58,16,796
Increase / (Decrease) In Stock	L	7,15,531	(58,91,186)
TOTAL		57,02,94,903	43,88,06,187
2. EXPENDITURE			
Raw Material & Stores Consumed	M	25,21,06,133	19,74,08,034
Manufacturing Expenses	N	7,72,47,808	5,03,25,645
Payments to & Provision for Employees	O	6,78,64,392	5,69,04,434
Administrative selling & distribution Expenses	P	5,45,82,475	4,30,43,527
Cost of Finance	Q	2,29,06,358	2,45,74,406
Depreciation		2,85,18,497	1,82,38,895
Pre-operative Expenses W/O		10,56,977	5,28,489
TOTAL		50,42,82,640	39,10,23,430
3. PROFIT BEFORE TAXATION		6,60,12,264	4,77,82,757
Provision for Income Tax (Current)		1,65,00,000	1,99,29,858
Deferred Tax liability		34,29,858	—
Fringe Benefit Tax		—	—
			4,50,000
4. PROFIT AFTER TAXATION		4,60,82,406	3,06,47,698
5. BALANCE OF PROFIT AS PER LAST BALANCE SHEET		9,14,26,050	12,07,82,676
Add: Previous Year Adjustments		2,94,77,199	
Less: Previous Year Expenses		1,20,573	-
6. BALANCE PROFIT AVAILABLE FOR APPROPRIATION		16,68,65,082	10,82,85,800
7. APPROPRIATIONS			
Dividend		1,16,75,000	1,16,75,000
Tax on Dividend		19,84,750	19,84,750
General Reserves		47,00,000	32,00,000
		1,83,59,750	1,68,59,750
8. BALANCE OF PROFIT CARRIED TO BALANCE SHEET		14,85,05,332	9,14,26,050
9. Notes to Accounts	Q		
10. Basic and Diluted Earning per Share		4.93	3.28

As per our report of even date attached
For M/s. P. M. Vardhe & Co.
Chartered Accountants

For and on Behalf of the Board of Directors

P. M. Vardhe
Proprietor
Membership No.031817

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman &
Managing Director

NITIN MENON
Joint Managing Director

Place : Kolhapur
Date : May 11th, 2010

Cash Flow Statement for the year ended on 31st March

(Rupees in Lacs)

Particulars	2010	2009
Cash Flow from operating activity		
Net Profit before tax and extraordinary items	1,047.14	774.64
Profit before taxation	660.12	477.83
Previous Year Expenses	(1.21)	-
Cost of Finance	229.06	245.74
Dividend & tax on dividend	(136.60)	(136.60)
Add : Adjustments for		
Depreciation	285.18	182.39
Pre-operative expenses written off	10.57	5.28
Operating Profit before working capital change	1,047.14	774.64
Adjustments for		
Trade & Other Receivables	174.51	(212.39)
Inventory	(44.98)	(13.11)
Trade Payable	109.01	604.97
Cash Generated from operations	<u>1,285.67</u>	<u>1,154.11</u>
Direct Taxes Paid	(199.30)	(171.35)
Cash Flow before Extra Ordinary Items	<u>1,086.37</u>	<u>982.76</u>
Extra Ordinary Items		40.34
Net Cash from Operating Activities	<u>1,086.37</u>	<u>1,023.10</u>
Cash Flow from Investing Activities		
Purchase of Fixed Assets	639.66	2,029.82
Sale of Fixed Assets	(10.56)	(5.68)
Total of Adjustments in Depreciation Schedule		
Purchase of Investments	629.10	(443.90)
Net Cash used in Investing Activities		
Cash Flow from Financing Activities		
Proceeds from Long-Term-Borrowings	(6.98)	(20.69)
Repayment of Finance	(166.92)	153.77
Net cash used in financing activities		
Net Increase / (Decrease) in Cash and Cash Equivalents	283.37	(424.06)
Cash and Cash Equivalents as at 31.03.2010	431.71	148.34
Cash and Cash Equivalents as at 01.04.2009	<u>148.34</u>	<u>572.40</u>
Total	<u>1,086.37</u>	<u>1,023.10</u>

As per our report of even date attached
For **M/s. P. M. Vardhe & Co.**
Chartered Accountants

P. M. Vardhe
Proprietor
Membership No.031817

Place : Kolhapur
Date : May 11th, 2010

For and on Behalf of the Board of Directors

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman &
Managing Director

NITIN MENON
Joint Managing Director

Schedules Nos. A to Q as at 31st March 2010

(Amount in Rs.)

Particulars	2010	2009
Schedule "A" : Share Capital		
Authorised: 2,02,00,000 Equity Shares of Rs.5 each fully paid (Previous Year 1,01,00,000 Equity Shares of Rs.10 each)	10,10,00,000	10,10,00,000
Issued, Subscribed and Paid up : 93,40,000 Equity Shares of Rs.5 each fully paid	4,67,00,000 <u>4,67,00,000</u>	4,67,00,000 <u>4,67,00,000</u>
Schedule "B" : Reserves and Surplus		
General Reserve	2,60,00,000	2,28,00,000
Add : Current Year	47,00,000	32,00,000
Sub-Total	<u>3,07,00,000</u>	<u>2,60,00,000</u>
Capital Reserve	25,00,000	25,00,000
Revaluation Reserve	30,09,391	3,24,86,893
Profit & Loss Account	14,85,05,332	9,14,26,050
TOTAL	<u>18,47,14,723</u>	<u>15,24,12,943</u>
Schedule "C" : Secured Loans		
a) Axis Bank Ltd.		
Term Loan	4,93,94,322	3,85,08,356
Corporate Loan	97,99,590	1,51,43,824
Bills Discount Facility	66,42,531	53,44,440
Cash Credit	2,52,88,889	2,15,09,704
(Against hypothecation of Land, Building, Plant & Machinery and Stock)		
All the above Secured Loans have been guaranteed by Mr. Nitin Menon		
b) State Bank of India		
i) Packing Credit	3,99,00,753	3,82,64,312
ii) Invoice Finance	2,99,93,121	5,03,91,553
iii) Cash Credit	1,15,30,725	1,66,90,339
iv) Term Loan	3,11,98,671	3,18,81,326
(Against hypothecation of Land, building, Plant & Machinery and stock)		
All the above Secured Loans have been jointly & severally guaranteed by Mr. Ram Menon and Mr. Nitin Menon		
Loan against Fixed Deposit	19,99,070	-
c) Car Loans		
ICICI Bank Ltd.	-	4,764
HDFC Bank Ltd.	6,14,025	9,92,478
Axis Bank Limited	3,68,913	4,45,751
State Bank of India	2,32,799	3,99,179
Maruti Udyog Ltd. - Car Loans	2,61,553	2,78,745
TOTAL	<u>20,72,24,961</u>	<u>21,98,54,768</u>
Schedule "D" : Unsecured Loan		
Interest free Sales Tax Loan from SICOM (Under the incentive scheme of Government of Maharashtra)	4,53,73,928	4,60,71,886
Loan from Menon Bearings Ltd.		
TOTAL	<u>4,53,73,928</u>	<u>4,60,71,886</u>

SCHEDULE "E"

FIXED ASSETS SCHEDULE FOR THE YEAR 2009-2010

(Amount in Rs.)

Sr. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		OPENING BALANCE (Rs.)	ADDITIONS (Rs.)	DELETIONS (Rs.)	TOTAL (Rs.)	UPTO (Rs.)	FOR THE YEAR (Rs.)	ADJUSTMENTS (Rs.)	TOTAL (Rs.)	As on 31.03.2010 (Rs.)	As on 31.03.2009 (Rs.)
1	LAND (Lease hold)	1,03,13,530	—	—	1,03,13,530	4,61,776	88,814	—	5,51,590	97,61,940	98,51,754
2	LAND (Free hold)	52,500	—	—	52,500	—	—	—	—	52,500	52,500
3	SITE DEVELOPMENT	1,45,73,350	37,674	—	1,46,11,024	—	—	—	—	1,46,11,024	1,45,73,349
4	BUILDING	8,10,72,033	41,50,903	—	8,52,22,936	1,48,21,766	27,88,330	—	1,76,10,097	6,76,12,839	6,62,50,267
5	PLANT AND MACHINERY	25,61,03,704	6,95,84,475	8,82,521	32,48,05,658	11,43,31,416	2,12,86,450	1,61,800	13,54,55,066	18,93,51,825	14,17,72,288
6	ELECTRICAL INSTALLATION	1,39,70,544	3,24,643	—	1,42,95,187	53,29,951	10,30,862	—	63,60,813	79,34,374	86,40,593
7	TOOLS AND IMPLEMENTS	1,58,97,805	4,36,751	—	1,63,34,556	1,00,88,965	10,04,469	—	1,10,93,434	52,41,122	58,08,839
8	MATERIAL HANDLING EQUIP.	23,45,255	5,30,123	—	28,75,378	5,32,373	2,06,934	—	7,39,307	21,36,071	18,12,883
9	FIRE FIGHTING	1,15,577	—	—	1,15,577	56,541	7,268	—	63,809	51,768	59,036
10	EFFLUENT TREATMENT PLANT	24,59,334	—	—	24,59,334	5,76,854	1,31,349	—	7,08,203	1,751,131	18,82,481
11	OFFICE EQUIPMENTS	25,38,327	66,763	27,067	25,78,023	9,75,239	94,176	5,540	10,63,875	15,12,915	15,63,088
12	MISCELLANEOUS ASSETS	9,17,551	55,409	—	9,72,960	3,11,372	52,711	—	3,64,083	6,08,877	6,06,179
13	COMPUTERS	60,13,947	1,59,285	—	61,73,232	32,07,810	7,69,366	—	39,77,176	21,96,056	28,06,137
14	FURNITURE	48,02,625	1,18,325	2,56,500	46,64,450	16,85,243	2,60,247	32,473	19,13,017	27,51,433	31,17,382
15	VEHICLE	83,74,289	40,118	1,11,234	83,03,173	32,16,065	7,97,520	21,134	39,92,451	43,10,722	51,58,224
16	TECHNICAL KNOWHOW	52,44,590	—	—	52,44,590	52,44,590	—	—	52,44,590	—	—
	TOTAL	42,47,94,962	7,55,04,469	12,77,322	49,90,22,109	16,08,39,962	28,518,497	220,947	18,91,37,512	30,98,84,597	26,39,55,000
	PREVIOUS YEAR	41,61,66,114	99,95,490	13,66,643	424,794,962	143,228,670	18,238,896	627,603	16,08,39,962	26,39,54,999	10,22,75,469

Schedules to Balance Sheet as at 31 st March	2010	2009
Schedule "F" : Investment (At cost)		
Non Trade (unquoted)		
10,925.977 units of SBI Mutual Fund @ Rs. 36.61 each	4,00,000	4,00,000
Trade (Quoted)		
1) 312 Equity Shares of Reliance Industries Limited @ Rs. 1527.87 each '(Market Value as on 31.03.2010 Rs. 1074.65 per share) (Previous year 5000 Equity shares of Reliance Petroleum Limited @ Rs. 95.34)	4,76,694	4,76,694
2) 500 Equity Shares of Bank of Maharashtra of Rs. 23 each (Market value as on 31.03.2010 Rs. 49.65 /- per share)	11,500	11,500
3) 11,100 Shares of Transwarranty Finance Ltd. @ Rs. 52 each (Market value as on 31.03.2010 Rs. 15.49/- per share)	5,77,200	5,77,200
SUB-TOTAL	14,65,394	14,65,394
Schedule "G" : Current Assets, Loans and Advances		
Inventories		
a) Raw Material	1,41,39,093	1,38,25,322
b) Stores & Spares	94,05,589	59,36,558
c) Finished goods	1,79,49,207	2,24,93,829
d) Work in Process	2,91,85,220	2,39,25,067
TOTAL	7,06,79,109	6,61,80,776
Sundry Debtors		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months	19,13,828	5,39,65,835
Other Debts	12,81,87,328	9,60,32,132
TOTAL	13,01,01,156	14,99,97,968
Cash & Bank balances		
a) Cash in Hand	8,65,726	2,67,990
b) Balances with Banks		
i) In Current A/c(s) With scheduled banks	3,23,25,072	65,85,428
ii) In Fixed Deposits	99,80,394	79,80,394
TOTAL	4,31,71,190	1,48,33,810
Loans & Advances		
Other advance	20,78,005	17,87,393
Staff advance	6,03,512	5,88,333
Interest accrued but not received	9,49,386	3,82,766
Other Deposits	32,67,013	27,45,113
Prepaid expenses	7,36,054	3,33,608
Telephone deposit	43,450	42,950

Schedules to Balance Sheet as at 31 st March	2010	2009
Water Deposit	1,94,115	1,94,115
Advance Income Tax	13,00,64,709	11,34,64,331
Fringe Benefit Tax	13,89,388	14,38,393
Advance to suppliers	1,10,65,131	2,70,23,464
Excise Duty	11,17,280	24,57,911
Service Tax	35,05,464	21,09,052
VAT Refund Receivable	16,82,656	16,82,656
TOTAL	15,66,96,161	15,42,50,082
Total Current Assets	40,06,47,616	38,52,62,635
Schedule "H" : Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors	4,75,02,980	3,37,65,983
Sales Tax Payable	10,95,481	3,69,758
Statutory Liabilities	8,78,580	5,58,763
Liability for expenses and other liabilities	1,13,33,264	1,50,99,745
TOTAL	6,08,10,304	4,97,94,248
Provisions		
Provision for expenses	2,31,58,605	2,54,05,664
Unpaid Dividend	28,56,783	27,21,522
Proposed Dividend	1,16,75,000	1,16,75,000
Tax on Dividend	19,84,750	19,84,750
Company Income Tax	11,92,22,000	10,18,07,000
Fringe Benefit Tax	19,65,000	19,65,000
Leave Encashment	6,60,540	6,64,566
TOTAL	161,522,678	146,223,501
Total Current Liabilities & Provisions	222,332,982	196,017,749
Schedule "I" : Miscellaneous Expenditure		
Pre-operative Expenses	46,95,159	52,23,648
Less : Written Off during the year	10,56,977	5,28,489
TOTAL	36,38,182	46,95,159
Schedule "J" : Sales		
1) Bearings, Bushes and Thrust Washers etc.	42,60,22,804	39,68,23,477
2) Aluminium Die Casting Components	13,78,21,461	4,03,17,149
3) Other Products	9,22,610	17,39,951
TOTAL	56,47,66,874	43,88,80,577
Schedule "K" :		
a) Other Income	-	-
b) Dividend from Companies	9,198	12,100
c) Excess Provision Written off	1,48,577	4,31,686
d) Income from other sources	19,09,094	7,84,932
e) Interest Received	12,02,431	30,22,903
f) Scrap Sales	14,70,979	15,65,173
g) Profit on sale of Assets	72,219	-
TOTAL	48,12,498	58,16,796

Schedules to Profit & Loss account for the year ended on 31 st March	2010	2009
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Schedule "L" : Increase / (Decrease) in stock of Work-in-Process and finished goods**Opening Stock**

Finished Goods	2,24,93,829	3,12,58,066
Work in Process	2,39,25,067	2,10,52,016
Total	4,64,18,896	5,23,10,082

Closing Stock :

Finished Goods	1,79,49,207	2,24,93,829
Work in Process	2,91,85,220	2,39,25,067
Total	4,71,34,427	4,64,18,896
Increase / (Decrease) in Stock	7,15,531	(58,91,186)

Schedule "M" : Raw Material & Stores Consumed**Opening Stock**

Raw Material	1,34,74,611	1,99,74,223
Stores & Spares	59,36,557	50,08,705
Total	1,94,11,169	2,49,82,928

Add : Purchases

Raw Material	19,51,49,178	16,13,06,422
Stores & Spares	60,739,757	3,08,80,563
Total	25,58,88,935	19,21,86,986

Less : Closing Stock

Raw Material	1,37,88,382	1,38,25,322
Stores & Spares	94,05,589	59,36,557
Total	2,31,93,971	1,97,61,879

Raw Material & Stores Consumed

25,21,06,133	19,74,08,034
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Schedule "N" : Manufacturing Expenses

Outside labour charges	2,95,26,490	2,30,33,746
Electricity	4,04,06,501	2,32,62,073
Water charges	15,42,192	10,38,324
Repairs & Maintenance	53,90,549	24,80,520
Electric Material	3,82,076	5,10,982
TOTAL	7,72,47,808	5,03,25,645

Schedule "O" : Provision for and Payments to employees

Salary and Wages	6,30,71,446	5,00,18,912
Labour Welfare	5,25,347	9,16,414
Contribution to Provident Fund	33,68,911	30,68,484
Contribution to Group Gratuity Trust	8,98,689	29,00,624
TOTAL	67,864,392	56,904,434

Schedules to Profit & Loss account for the year ended on 31st March**2010****2009****Schedule "P" : Administrative, Selling & Distribution Expenses**

Rent, Rates and Taxes	10,63,659	6,47,101
Insurance	6,52,513	8,06,330
Freight Outward	61,29,051	42,48,480
Legal & Consultation	29,73,816	21,58,081
Postage, Telephone	19,11,050	14,50,839
Business Expenses	6,96,860	6,11,666
Sales Promotion Expenses	3,00,31,490	2,30,36,008
Printing & Stationery	11,76,938	12,90,541
Vehicle & Conveyance Expenses	10,88,237	8,78,175
Other Expenses	31,51,423	15,87,607
Traveling Expenses	42,26,634	31,43,163
Sitting Fees	18,000	17,000
Advertisement	3,95,900	5,31,952
Audit Fees	94,999	1,56,545
Foreign Tour Expenses	1,77,876	12,33,378
Establishment Expenses	3,57,224	4,62,756
Loss on sale of Fixed Assets	-	3,23,206
Donation	7,502	5,001
Loss on sale of toolings	4,29,304	4,30,294
Excess provision w/o	-	25,405
TOTAL	5,45,82,475	4,30,43,527

Schedule "Q" : Cost of Finance

Interest	2,16,73,157	2,32,36,443
Bank Commission & Other Charges	12,33,201	13,37,962
TOTAL	2,29,06,358	2,45,74,406

Schedule "R" :

**Schedule of Notes annexed to and forming part of the Balance Sheet
as at and the Profit & Loss Account for the year ended 31st March, 2010.**

I. SIGNIFICANT ACCOUNTING POLICIES:

A) Basis of Accounting:

Accounts of the Company are prepared under the historical cost convention. Company has complied with Accounting Standards as recommended by Institute of Chartered Accountants of India, provisions of companies Act 1956 and guidelines issued by Securities and Exchange Board of India.

B) Fixed Assets:

- i. Fixed assets except lease hold land are stated at cost (net of Cenvat and MVAT wherever applicable) of appreciation less accumulated depreciation. Cost includes all costs incurred for bringing the assets to its working condition for intended use.
- ii. The cost of leasehold land is amortised over the period of lease.

C) Impairment of Fixed Assets:

The company has reviewed the carrying costs of fixed assets and does not expect any loss on account of impairment.

D) Depreciation:

1. Depreciation is charged on all the assets on Straight Line basis (SLM) at the rates and manner prescribed in schedule XIV of the Companies Act, 1956 as amended up to date.
2. Leasehold land is amortized over the period of lease.

E) Investment:

Investments are stated at cost and income thereon is credited to revenue on accrual basis.

F) Inventories:

Inventories are valued at cost or market price whichever is lower. The Company has valued closing stock exclusive of excise duty as per the new guidelines.

G) Foreign Exchange Transactions:

Foreign Currency transactions are accounted at the exchange rates ruling on the date of the transactions. At the year end all monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rate. Exchange differences arising out of actual payments/realizations and from the year end restatement referred to above are dealt with in the Profit & Loss Account.

H) Contingent Liabilities & Provisions:

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved. Provisions are recognized when the company has a legal obligation and on management discretion as a result of past events for which it is probable that cash outflow may be required and reliable estimate can be made of the amount of obligation.

I) Sales:

Sales are recognized on despatches to customers. Sales exclude Excise Duties, VAT and CST.

J) Retirement Benefits:

The Company has created The Employees Group Gratuity Fund, which has taken Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. Base for gratuity is the premium paid on the above policy. Provision for leave encashment is made on the basis of Actuarial Valuation. Company's contribution to Provident Fund has been charged to Profit and Loss Account.

Disclosure pursuant to Accounting standard 15 (Revised) "Employee Benefits"																																																																													
A	<p><u>Principle Actuarial Assumptions as at Balance Sheet</u> Date:-</p> <p>Discount Rate 8% Salary Escalation Rate 4% Withdrawal Rate 1% to 3% depending on age</p>																																																																												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Particulars</th> <th style="width: 30%;">2009-10 (Rs. in Lacs)</th> </tr> </thead> <tbody> <tr> <td>B</td> <td></td> </tr> <tr> <td><u>Change in the Present Value of defined benefit Obligation</u></td> <td></td> </tr> <tr> <td>Opening Obligation</td> <td style="text-align: right;">28.23</td> </tr> <tr> <td>Current Service cost</td> <td style="text-align: right;">3.19</td> </tr> <tr> <td>Interest cost</td> <td style="text-align: right;">2.26</td> </tr> <tr> <td>Benefits Paid</td> <td style="text-align: right;">-0.97</td> </tr> <tr> <td>Actuarial (Gain)/Loss</td> <td style="text-align: right;">6.31</td> </tr> <tr> <td>Closing Obligation</td> <td style="text-align: right;">39.02</td> </tr> <tr> <td>C</td> <td></td> </tr> <tr> <td><u>Change in the Fair Value of Plan Assets</u></td> <td></td> </tr> <tr> <td>Opening Fair Value</td> <td></td> </tr> <tr> <td>Expected Return on Plan Assets</td> <td style="text-align: right;">1.12</td> </tr> <tr> <td>Contribution by Employer</td> <td style="text-align: right;">15.02</td> </tr> <tr> <td>Benefits Paid</td> <td style="text-align: right;">-0.97</td> </tr> <tr> <td>Closing Value of Assets</td> <td style="text-align: right;">18.33</td> </tr> <tr> <td>Actuarial Gain / (Loss)</td> <td style="text-align: right;">3.16</td> </tr> <tr> <td>D</td> <td></td> </tr> <tr> <td><u>Amount Recognised in Balance Sheet</u></td> <td></td> </tr> <tr> <td>Liability at the end of the Year</td> <td style="text-align: right;">39.02</td> </tr> <tr> <td>Fair Value of the plan Assets at end of the year</td> <td style="text-align: right;">18.33</td> </tr> <tr> <td>Difference</td> <td style="text-align: right;">20.69</td> </tr> <tr> <td>Add:- Excess Provision made</td> <td style="text-align: right;">0.18</td> </tr> <tr> <td>Difference</td> <td style="text-align: right;">20.87</td> </tr> <tr> <td>E</td> <td></td> </tr> <tr> <td><u>(Income) / Expenses Recognised in Profits & Loss Account</u></td> <td></td> </tr> <tr> <td>Current Service Cost</td> <td style="text-align: right;">3.19</td> </tr> <tr> <td>Interest Cost on benefit obligation</td> <td style="text-align: right;">2.26</td> </tr> <tr> <td>Expected return on plan asset</td> <td style="text-align: right;">-1.12</td> </tr> <tr> <td>Net Actuarial (Gain) / Loss</td> <td style="text-align: right;">3.15</td> </tr> <tr> <td>Net (Benefit) / Expense</td> <td style="text-align: right;">7.48</td> </tr> <tr> <td>F</td> <td></td> </tr> <tr> <td><u>Movement in Net Liability recognised in Balance Sheet</u></td> <td></td> </tr> <tr> <td>Opening Net Liability</td> <td style="text-align: right;">28.23</td> </tr> <tr> <td>Expense Recognised</td> <td style="text-align: right;">7.48</td> </tr> <tr> <td>Employers Contribution</td> <td style="text-align: right;">15.02</td> </tr> <tr> <td>Excess Provision made</td> <td style="text-align: right;">0.18</td> </tr> <tr> <td>Amount recognised in Balance Sheet</td> <td style="text-align: right;">20.87</td> </tr> </tbody> </table>	Particulars	2009-10 (Rs. in Lacs)	B		<u>Change in the Present Value of defined benefit Obligation</u>		Opening Obligation	28.23	Current Service cost	3.19	Interest cost	2.26	Benefits Paid	-0.97	Actuarial (Gain)/Loss	6.31	Closing Obligation	39.02	C		<u>Change in the Fair Value of Plan Assets</u>		Opening Fair Value		Expected Return on Plan Assets	1.12	Contribution by Employer	15.02	Benefits Paid	-0.97	Closing Value of Assets	18.33	Actuarial Gain / (Loss)	3.16	D		<u>Amount Recognised in Balance Sheet</u>		Liability at the end of the Year	39.02	Fair Value of the plan Assets at end of the year	18.33	Difference	20.69	Add:- Excess Provision made	0.18	Difference	20.87	E		<u>(Income) / Expenses Recognised in Profits & Loss Account</u>		Current Service Cost	3.19	Interest Cost on benefit obligation	2.26	Expected return on plan asset	-1.12	Net Actuarial (Gain) / Loss	3.15	Net (Benefit) / Expense	7.48	F		<u>Movement in Net Liability recognised in Balance Sheet</u>		Opening Net Liability	28.23	Expense Recognised	7.48	Employers Contribution	15.02	Excess Provision made	0.18	Amount recognised in Balance Sheet	20.87
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K) DISCLOSURE OF BORROWING COST CAPITALISED UNDER ACCOUNTING STANDARD 16.

During the year Company has capitalised certain assets. Appropriate borrowing cost directly related to asset has been capitalized to respective assets including Capital Work in Process as required under AS 16.

L) SEGMENT REPORTING UNDER ACCOUNTING STANDARD 17

The Company operates in one business segment namely "Auto Components". Hence reporting under this standard is not applicable to the Company.

M) RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD 18

Following are the related parties as per AS 18.

Sr.No.	Name of Party	Relation	Nature of Transaction	Amount in Rs.
1.	MB Exports	Shri Nitin Menon is a partner	Sale	7,44,61,328
			Services Rendered	27,82,513
2.	Mani Auto Components	Shri Nitin Menon is a partner	Jobwork / tooling	92,96,874
			Sale	67,758
3.	Ripin Engineering	Shri T.K. Guha is a relative of partner.	Sale	6,778
			Jobwork / tooling	13,52,629
			Purchase - Machinery	40,41,304
4.	Menon Pistons Ltd.	Shri Ram Menon is Chairman & Managing Director, Shri Sachin Menon is Managing Director, Shri R. D. Dixit & Shri Nitin Menon are Directors	Purchase	4,69,532
5.	Shri Ram Menon	Chairman	Sitting fees	7,000
6.	Shri Sachin Menon	Director	Sitting fees	6,000
7.	Shri R. D. Dixit	Vice Chairman & Managing Director	Salary	33,62,607
8.	Shri Nitin Menon	Joint Managing Director	Salary	58,81,275
9.	Shri T. K. Guha	Executive Director	Salary	29,47,193
10.	Shri Kumar Nair	Independent Director	Sitting Fees	1,000
11.	B.S.Ajitkumar	Independent Director	Sitting Fees	4,000

Shri R. D.Dixit – Vice Chairman & Managing Director, Shri Nitin Menon – Joint Managing Director and Shri T. K. Guha – Executive Director are employees of the Company. Shri Kumar Nair and Shri B. S. Ajitkumar, Independent Directors are not paid any remuneration. The salary, perquisites and remuneration paid are disclosed under Note No.6 as "Managerial Remuneration".

Apart from above mentioned parties following parties are also related parties of the Company. However, no significant transactions took place with these parties during the year.

- 1) Menon & Menon Limited
- 2) Menon Engineering Services.
- 3) Menon Piston Rings Private Limited
- 4) Menon Pistons Limited

There are no write offs / write backs of any amount for any of the above parties during the year .

N) LEASE ACCOUNTING AS PER ACCOUNTING STANDARD 19

Not applicable to the company since no new lease transaction took place during the year which is covered under the preview of AS-19

O) EARNINGS PER SHARE AS PER ACCOUNTING STANDARD 20

The basic earnings per share for the year 2009-2010 is Rs.4.93 (Previous year Rs. 6.56). During the year the shares of the Company were sub-divided from face value of Rs.10/- each to Rs. 5/- each w.e.f. 9th Oct. 2009. Hence the current year EPS is not comparable with previous year. Diluted earnings per share is not applicable as the Company has not issued any Preference Shares / security / warrant / debentures which are convertible into equity shares in future.

P) ACCOUNTING FOR TAXES ON INCOME AS PER ACCOUNTING STANDARD 22

Deferred taxes on income are computed as per accounting standard 22 and same are provided in the audited accounts at appropriate places. The details thereof are as under.

(Amount in Rupees)

Particulars	Opening Balance as on 01-04-09	During the year	Closing Balance as on 31-03-10
Depreciation	2,24,12,050	+ 44,86,443	2,68,98,493
Disallowance U/s 43 B		- 10,56,585	-10,56,585
Deferred Tax Liability	2,24,12,050	34,29,858	2,58,41,908

II. CONTINGENT LIABILITIES

- 1) Central Sales Tax and Bombay Sales Tax assessments are completed upto 31.03.2003. The liability in respect of pending assessments / appeals under BST / CST / VAT is unascertainable
- 2) The Income Tax assessments are completed up to the Assessment Year 2007-2008. (relevant to accounting year ended 31.03.2007). Liability if any, in respect of the pending assessments or appeals under the Income Tax Act, 1961 is unascertainable.

III. OTHER NOTES

- 1) Previous year figures are regrouped wherever necessary to conform to current year figures.
- 2) Paises are rounded off to the nearest rupee.
- 3) The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the "Micro Small and Medium Enterprises Development Act 2006"), claiming their status as micro, small or medium enterprises. Consequently, the amount paid or payable to these parties during the year is unascertainable.
- 4) The Company has been accounting liability for Excise Duty on Finished Goods as and when they are cleared. A liability in respect of finished goods in stock at the close of the year estimated at Rs 18,48,768 and has not been provided in the accounts nor included in the valuation of the inventory. However the said liability, if accounted, would have no impact on the profit for the year.

5) **AUDITOR'S REMUNERATION:**

(Amount in Rupees)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
As Auditor's	75,000	75,000
Other Matters	29,000	29,000
Total (Rs.)	1,04,000	1,04,000

6) **MANAGERIAL REMUNERATION:**

Details of payment and provisions on account of Remuneration to Directors included in Profit and Loss Account.

(Amount in Rupees)

Sr. No.	Particulars	Current Year Ended on 31.3.2010	Previous Year Ended on 31.3.2009
1	Salary	99,21,720	77,79,312
2	Contribution to P.F.	5,45,184	5,25,024
3	Other Perquisites	17,24,171	15,57,385
4	Sitting Fees	18,000	17,000
	Total	1,22,09,075	98,78,721

7) **CONSUMPTION OF RAW MATERIAL, STORES, SPARES & CONSUMABLES :**

Sr. No.	Particulars	Current Year 31.03.2010		Previous Year 31.03.2009	
		Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
1	Copper	2,05,523	6,35,51,617	1,83,637	5,86,03,793
2	Steel Strip	12,69,899	4,70,83,906	9,57,100	5,26,38,073
3	Others	3,08,180	4,34,15,116	—	4,07,95,756
4	Stores, Spares & Consumables	—	4,15,31,004	—	2,99,52,710
5	Aluminium Alloy	4,13,381	4,07,84,770	1,59,415	1,54,01,360
6	Bought Out Components	—	1,57,39,721	—	16,342
	TOTAL	—	25,21,06,133	—	19,74,08,034

8) **C.I.F. VALUE OF IMPORTS :**

Sr. No.	Particulars	Current Year 31.03.2010	Previous Year 31.03.2009
		Value (Rs.)	Value (Rs.)
1	Raw Material & Consumables	48,93,605	47,83,064
2	Plant & Machinery	60,84,020	33,51,643
	TOTAL	1,09,77,625	81,34,707

9) VALUATION OF IMPORTED & INDIGENOUS RAW MATERIAL AND STORES CONSUMED :

Sr. No.	Particulars	Current Year 31.03.2010		Previous Year 31.03.2009	
		%	Value (Rs.)	%	Value (Rs.)
1	Imported	2.26	56,96,981	2.42	47,83,064
2	Indigenous	97.74	24,64,09,152	97.58	19,26,24,970
		100.00	25,21,06,133	100.00	19,74,08,034

10) EXPENDITURE IN FOREIGN CURRENCY :

Sr. No.	Particulars	Current Year 31.03.2010	Previous Year 31.03.2009
		Value (Rs.)	Value (Rs.)
1	Foreign tour expenses	1,77,876	12,33,378
2	Labour Sorting (PTUI QCS)	0	12,05,577
3	Agency commission and reimbursement of freight and Octroi	11,53,383	12,30,459
4	Raw Material and Consumables	34,20,244	45,07,181
5	Renewal of fees (American Express Card)	0	12,340
6	Plant and Machinery	57,38,550	1,52,84,593
7	Bought Out Components	2,49,529	
	TOTAL	1,07,39,582	2,34,73,528

11) PARTICULARS IN RESPECT OF EACH CLASS OF GOODS MANUFACTURED BY THE COMPANY :

(amount in Rs.)

Sr. No.	Particulars	Bearings / Bushes / Thrust Washers		Bi-Metal Strips (Kgs)		Aluminium Die Casting		Other	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
a)	Registered Capacity	6,00,00,000	6,00,00,000	-	-	5,50,00,000	50,00,000	-	-
b)	Installed Capacity	2,30,00,000	2,30,00,000	-	-	5,50,00,000	50,00,000	-	-
c)	Actual Production	2,12,56,429	2,10,43,059	-	-	9,94,023	3,26,939	-	-
d)	Opening Stock								
	1 Quantity	27,11,721	31,29,282	-	-	-	-	-	-
	2 Value	2,24,93,829	3,12,58,066	-	-	-	-	-	-
e)	Closing Stock								
	1 Quantity	19,83,106	2,711,721	-	-	-	-	-	-
	2 Value	1,79,49,207	2,24,93,829	-	-	-	-	-	-
f)	Turnover								
	1 Quantity	2,19,85,044	2,14,60,620	-	-	9,94,023	3,26,939	-	-
	2 Value	41,99,58,827	39,03,83,100	60,63,977	45,99,377	13,78,21,462	4,03,17,149	23,93,589	5,146,124

Balance Sheet Abstract & Company's General Business Profile

REGISTRATION DETAILS

Registration No. : 062352
Balance Sheet Date : 31.03.2010

State Code 11

CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands) (Rs. in 000)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs.in Thousands) (Rs. in 000)

Total Liabilities	5,09,856	Total Assets	5,09,856
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SOURCES OF FUNDS

Paid - up capital	46,700	Reserves & Surplus	1,84,715
Secured Loans	2,07,225	Unsecured Loans	45,374
Deferred Tax Liability	25,842		

APPLICATION OF FUNDS :

Net Fixed Assets	3,26,437	Investment	1,465
Net Current Assets	1,78,315	Miscellaneous Expenses	3,638

PERFORMANCE OF THE COMPANY :

Turnover	5,70,295	Total Expenditure	5,04,283
Profit before tax	66,012	Profit after tax	46,082
Earning per share in Rs.	4.93	Dividend	25%

GENERIC NAME OF PRINCIPLE PRODUCTS OF THE COMPANY :

Item Code No. (ITC code No.)	3536
Product Description	Thin Walled Engine Bearings, Bushings and Thrust Washers
Item Code No. (ITC code No.)	3359
Product Description	Aluminium Die Castings Components

As per our report of even date attached
For **M/s. P. M. Vardhe & Co.**
Chartered Accountants

For and on Behalf of the Board of Directors

P. M. Vardhe
Proprietor
Membership No.031817

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman &
Managing Director

NITIN MENON
Joint Managing Director

Place : Kolhapur
Date : May 11th, 2010



MENON BEARINGS LIMITED

Regd. Office : MIDC, Gokul - Shirgaon, Kolhapur - 416234

PROXY

I / We _____
 Of _____ being a member / members of Menon Bearings Limited hereby appoint
 Mr. / Mrs. _____
 of _____
 or failing him
 Mr. / Mrs. _____
 of _____
 as my/our proxy to attend and vote for me / us on my / our behalf
 at the 19th Annual General Meeting of the company to be held
 on Friday 20th August 2010 at 10.30 A. M. and any adjournment

thereof
 Signed _____
 Place : _____
 Date : _____ 2010.

Affix
 One Rupee
 Revenue
 Stamp

Members' Folio Number :
No. of Shares held :
DP ID :
Client ID No. :



MENON BEARINGS LIMITED

Regd. Office : MIDC, Gokul - Shirgaon, Kolhapur - 416234

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)
 I hereby record my presence at the 19th Annual General Meeting of the Company to be held at Bharat Ratna Dr. M. Vishveshvarayya Memorial Hall, City Survey No. 227/1, Plot No. 5, "E", Ward, Tarabai Park, Kolhapur 416 003 on Friday the 20th August 2010 at 10.30 A. M.

NAME OF THE ATTENDING MEMBER (In Block letters)

NAME OF THE PROXY (To be filled in if the proxy attends instead of the members) (in block letters)

Signature of the Member / proxy

Members' Folio Number :
No. of Shares held :
DP ID :
Client ID No. :

Notes :
 1. Shareholders / proxy holders are requested to bring the attendance slip with them duly completed when they come to the meeting and hand them over at the gate after affixing signatures on them.
 2. The proxy form must be deposited at the Registered Office of the company G-1, MIDC, Gokul - Shirgaon, Kolhapur - 416234, not less than 48 hours before the time for holding the meeting.

