



MENON BEARINGS LTD.

Annual Report 2010 - 2011

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Board of Directors

RAM MENON	Chairman
R. D. DIXIT	Vice Chairman & Managing Director
NITIN MENON	Joint Managing Director
SACHIN MENON	Director
DR. Y. S. P. THORAT	Independant Director (w. e. f. 30.01.2011)
KUMAR NAIR	Independant Director
B. S. AJITKUMAR	Independant Director
T. K. Guha	Executive Director (Upto 17.09.2010)

REGISTERED OFFICE :

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

CFO : Suhas Kulkarni

AUDITORS :

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

BANKERS :

STATE BANK OF INDIA
Gokul Shirgaon, Kolhapur.

AXIS BANK LIMITED
Kolhapur

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

Notice

Of 20th Annual General Meeting.



MENON BEARINGS LIMITED

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

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Tuesday, 30th August 2011 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. 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 2011 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 2011.
3. To appoint a director in place of Shri Ram Menon, who retires by rotation and being eligible offers himself for re-appointment..
4. To appoint a director in place of Shri Kumar Nair, 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. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary resolution**:

"RESOLVED THAT Dr. Y.S.P. Thorat, who, pursuant to the Article 130 of the Articles of Association of the Company, was appointed as an Additional Director of the Company w.e.f. 30.01.2011 and as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the conclusion of this Annual general Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit under Section 257 of the Act from a shareholder signifying his intention to propose the appointment of Dr. Y.S.P. Thorat as Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended as follows:

(I) By insertion of the following new Articles as Article Nos. 29A to 29S after the existing Article 29:

29A	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.	Dematerialisation of Securities
29B	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.	Option to receive Securities certificates or hold Securities with Depository
29C	If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.	
29D	All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.	Securities in Depositories
29E	Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.	Rights of Depositories and Beneficial Owners
29F	Save as otherwise provided here in above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the security held by it.	
29G	Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.	
29H	Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Beneficial Owner deemed as absolute owner
29I	Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.	Depository to furnish information
29J	Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.	Cancellation of certificates upon surrender by a person
29K	If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.	Option to opt out in respect of any security

29L	The Depository shall, on receipt of information as above, make appropriate entries in its records and subsequently inform the Company.	
29M	The Company shall within thirty (30) days of the receipt of the intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.	
29N	Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.	Service of Documents
29O	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.	Provisions of Articles to apply to shares held in Depository
29P	Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.	Allotment of Securities dealt with in a Depository
29Q	The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.	Distinctive number of securities held in a Depository
29R	The Company shall cause to keep a Register and Index of Members and a Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act, respectively, and the Depositories Act, with details of shares and debentures held in material/physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.	Register and Index of Beneficial Owners
29S	The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.	

(II) By insertion of the following new Article No. 71A after the existing Article 71:

71A	Subject to the provisions of sections 77A, 77AA, 77B and 217 (2B) of the Act, the Company is hereby authorised to buy-back the Company's shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any shares or other specified securities; Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or the same kind of other specified securities.	Buy-Back of shares
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(III) By inserting following para at the end of the existing Article 90:

Every Member of the Company will be allowed to participate in any general meeting of the Company through video conferencing or such other audio-visual electronic modes.

(IV) By inserting following para at the end of the existing Article 95:

Notice and other documents of General meeting of the company can be given to shareholders even by email provided every shareholder should be given advanced opportunity to register their email address and changes therein from time to time with the company. In case any member has not registered his email address with the company, the service of notice and documents should be in accordance with the provisions of section 53 of the Companies Act, 1956. The Notice of the General Meeting must inform the shareholders regarding availability of participation in the meeting through Video Conferencing and must provide necessary information to shareholders to access the available facility of video conferencing.

(V) By inserting following para at the end of the existing Article 98:

The Quorum for the meeting shall be as provided in Section 174 of the Act. Members attending the meeting through the Video conferencing will not be counted for the purpose of ascertaining the quorum of the meeting.

(VI) By insertion of the following new Article No. 109A after existing Article 109:

109A	Notwithstanding anything contained in the Articles of Association of the Company, the Company does adopt the mode of passing the resolutions by its members by means of a postal ballot (including voting by an electronic mode) pursuant to the provisions of Section 192 A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot Rules), 2001, and any modifications or amendments made thereto from time to time.	Postal Ballot
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(VII) By substituting the existing Article No.157 with the following new Article 157:

157	<p>The Directors may meet either in person or through video conferencing, capable of recording and recognizing the participation of the directors, for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings, as they think fit.</p> <p>The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall mutates mutandis apply to the meetings held through such video conferencing.</p>	Meeting of Directors
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(VIII) By substituting the existing Article No. 159 with the following new Article 159:

159	<p>Notice of every meeting of the Board shall be given in writing to every Director whether in or outside India or through written communication sent electronically, and otherwise regulate their meetings, as they think fit</p> <p>Notice of the Board Meeting must inform directors regarding availability of participation through video conferencing and should also provide necessary information to enable the directors to access the available facility of Video conferencing. Notice of the meeting shall also seek confirmation from the Director as to whether he will attend the meeting physically or through electronic mode and shall also contain contact number (s), email addresses of the Secretary / designated officer to whom the director shall confirm in this regard.</p>	Notice of the Meeting
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(IX) by substituting the existing Article No. 160 with the following new Article 160:

160	<p>Subject to Section 287 of the Act the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors, present in person or attending through video-conferencing, whichever is higher, provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength the number of the remaining director that is to say, the number of directors who are not interested shall be the quorum during such time provided such number is not less than two.</p> <p>Provided that any Director participating through video conferencing shall attend in person at least one Board Meeting held every year.</p>	Quorum
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BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date: May 26, 2011

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 books of the company will remain closed from Friday, 26th August, 2011 to Tuesday, 30th August, 2011 (both days inclusive).
3. The dividend as recommended by the Board of Directors, if approved by the shareholders at the ensuing Annual General Meeting shall be paid to those members whose names appear on the Register of Members of the Company as on 30th August 2011. 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 30th August 2011 as per the details furnished by National Securities Depository Limited (NSDL) and 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 2002-2003 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 2003-2004 is due for transfer to the Investors Education and Protection Fund administered by the Central Government during the month of September 2011. 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 remain unclaimed for a period of seven years from the date they 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 satisfactorily answer questions 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 Dividend Warrant for distribution of dividend.
10. The Ministry of Corporate Affairs, vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records.

You are thus requested to kindly submit your e-mail ID vide the e-mail updation form attached in this Annual Report of the Company. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter by post.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record's available with the RTA of the Company.

Brief particulars of the director Being re-appointed at the Annual General Meeting (pursuant to clause 49 of the listing agreement):

1. Shri Ram Menon, aged 82 years is Non-Executive Chairman and Promoter of Company. He was also Chairman of Indian Diesel Engine Manufactures Association, Maharashtra Committee, Confederation of Indian Industry, Maharashtra Council, Ex-southern Zone and Confederation Industry (Now CII), He was also member of Confederation on Indian Industry and Engineering Export Promotion council.

He is also director in Menon Pistons Limited, Menon and Menon Limited, Menon Pistons Rings Private limited, Menon Metals and Alloys Private Limited, Mani Agriculture & Research Co. Private Limited & Karveer United Leisure Private Limited.

As on 31st March 2011, Shri Ram Menon holds 25,000 equity shares of the Company.

2. Shri Kumar Nair, aged 49 years, is an Independent Director of the company. He is Chartered Accountant. He has rich and varied experience in the field of Finance, Treasury, Forex, Derivatives and Capital Market.

He is a Promoter and Managing Director of Transwarranty Finance Limited and Vertex Securities Limited. He is also director in Vertex Commodities and Finpro Private Limited.

Shri Kumar Nair does not hold any equity shares in the Company.

3. Dr. Y.S.P. Thorat, aged 63 years, is an Independent Director of the Company. He is Law and Political Science Graduate. He has also done his Ph.D. from University of Reading U.K. and Shivaji University, Kolhapur. He has rich experience in the field in Banking, Finance, Agriculture, Derivatives and Commodities.

He was Executive Director of Reserve Bank of India. He was also Chairman of NABARD and Micro Finance Development and Equity Fund by Government of India.

He was principle of Bankers Training College and Dean of International Development Center. He was also Lecturer at University of Reading UK, University of Manchester and University of Geneva.

He is a Member of National Commodities and Derivatives Exchange, Institute of Rural Development Foundation of Ecological Security, Chairman of Group of Experts on Sugar Policy, Chairman of Expert Group on Investment Credit appointed by the Reserve Bank of India and members of many Committees of Government of India.

He is Director of Tata Chemicals Limited, Khed Developers Limited, Sahayog Microfinance Limited, Menon Pistons Limited, Enam Infrastructure Trustee Co. Private Limited and Chairman of DM Corporation Private Limited.

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

Item No. 6

Dr. Y.S.P. Thorat was appointed as an Additional Director of the Company w.e.f. 30.01.2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Dr. Y.S.P. Thorat holds office upto the date of this Annual General Meeting. The Company has received a notice along with requisite deposit under section 257 of the Companies Act, 1956 proposing his candidature for office of Director.

The Board recommends passing of the Ordinary Resolution as set out at item no.6 of the notice.

Except, Dr. Y.S.P. Thorat, no other Director is concerned or interested in the resolution.

Item No. 7

(I) To have provisions in Articles of Association of the Company in tandem with applicable provisions regarding holding of shares of the Company in dematerialized form, it is proposed to insert new Articles 29A to 29S after the existing Article 29 of the Articles of Association of the Company.

(II) To have provisions in Articles of Association of the Company in tandem with applicable provisions of sections 77A, 77AA, 77B and all other applicable provisions of the Companies Act, 1956 regarding the Buy-Back of its own Securities, it is proposed to insert new Article 71A after the existing Article 71 of the Articles of Association of the Company.

(III), (IV) and (V)

The Ministry of Corporate Affairs, as a matter of Green Initiative has come out with General Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 to allow the companies to serve copies of Balance sheets and Auditors Report etc. as required under section 219 of the Companies Act, 1956 and other requisite documents to its members through e-mode in pursuance to Section 53 of the Companies Act, 1956.

Further, the Ministry of Corporate Affairs, has come out with another General Circular No. 27/2011 dated May 20, 2011 whereby participation by shareholders in general meeting under the Companies Act, 1956 is allowed through electronic mode.

In view of availing the said facilities, it is necessary to make suitable alterations in the existing provisions of the Articles of Association of the Company.

Therefore it is proposed to insert suitable para after the existing Article 90, 95 and 98, as set out at Item No. 7(III), 7(IV) and 7(V) to enable the Company to allow the shareholders to participate in General meetings through video conferencing or such other audio-visual electronic modes and sending the requisite documents to shareholders through e-mode.

(VI) To have provisions in Articles of Association of the Company in tandem with applicable provision of section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot Rules), 2001 regarding the passing of resolutions by postal ballot, it is proposed to insert new Article 109A after the existing Article 109 of the Articles of Association of the Company.

(VII), (VIII) and (IX)

The Ministry of Corporate Affairs, as a matter of Green Initiative has come out with the another General Circular No. 28/2011 dated May 20, 2011 whereby participation by directors in meeting of Board / Committees is also allowed through electronic mode. In view of availing the said facility it is necessary to make the suitable alteration in the existing provisions of the Articles of Association of the Company.

Therefore it is proposed to substitute existing Article 157, Article 159 and Article 160 with the new Article 157, Article 159 and Article 160 respectively as set out at Item Nos. 7(VII), 7(VIII) and 7(IX) to enable the Company to allow the directors of the Company to participate in the Board/ Committee meetings through electronic mode.

Consent of the Members by way of Special Resolution is required to carry out the proposed alterations in the Articles of Association of the Company.

Your Directors recommend passing the Special Resolution as set out at Item No. 7 of the Notice.

None of the directors of the Company are concerned or interested in the above said resolution.

A copy of the Articles of Association of the Company together with the proposed alterations would be available for inspection by the member at the Registered Office of the Company during business hours on any working days.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Kolhapur
Date: May 26, 2011

RAM MENON
Chairman

Directors' Report

Your Directors feel great pleasure in presenting 20th Annual Report of your company with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS :

(Rs.in lacs)

Sr. No.	Particulars	Current Year Ended on 31.03.2011	Previous Year Ended on 31.03.2010
1	Profit before tax	991.23	660.12
2	Provision for tax	353.26	199.30
3	Profit after tax	637.97	460.82
4	Balance of profit as per last Balance Sheet	1,485.05	914.26
5	Previous year adjustments	-	294.77
6	Previous year expenses	0.30	1.20
7	Balance available for appropriation	2,122.72	1,668.65
8	Proposed dividend (in Rs. Lacs)	210.15	116.75
9	Proposed Rate of dividend	45%	25%
10	Tax on dividend	34.09	19.84
11	General Reserve	75.00	47.00
12	Balance of profit carried to Balance Sheet	1,803.48	1,485.05

RESULTS OF OPERATIONS :

During the year under review, Company has registered a sale of Rs.7946.63 lacs and net profit of Rs. 637.98 lacs.

DIVIDEND :

The Company's overall performance during the year under review was satisfactory. Your directors have pleasure in recommending a dividend of Rs. 2.25/- (45%) per share on the company's share capital (previous years Rs. 1.25/- (25%) per share). The proposed payout will be Rs. 210.15 lacs (previous year Rs. 116.75 lacs) in addition to the dividend distribution tax of Rs.34.09 (previous year Rs. 19.84 lacs)

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 :

Dr. Y. S. P. Thorat was appointed as an additional Director of the Company w. e. f. 30.01.2011. Pursuant to the provisions of section 260 of the Companies Act 1956. Dr. Y. S. P. Thorat holds office as such upto the date of forthcoming Annual General Meeting of the Company. The Company has received notice alongwith requisite deposit under section 257 of the Companies Act 1956 proposing his candidature for the office of Director.

Mr. T. K. Guha, Executive Director of the Company resigned from the Directorship of the Company w. e. f. 17.09.2010.

Shri Ram Menon and Shri Kumar Nair retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

Your Directors recommend the appointment of Dr. Y. S. P. Thorat and reappointment of shri Ram Menon and Shri Kumar Nair as Directors of the Company.

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 60,00,000/-per annum or Rs.5,00,000/- 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, 2011 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 entered in to with the Stock exchange, the following have been made a part of the Annual Report and are attached herewith:

- * 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 26, 2011

RAM MENON
Chairman

Annexure to the Directors' Report

Information as 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 ~ 1.00 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	Development of New Lining Material for new generation Bearings. Development of Import Substitute material.
2)	Benefits derived as a result of above	Widening of product range. Reduction in Imports.
3)	Future plan of action	Increase in Productivity and Quality.
4)	Expenditure on R & D	Capital WIP : Rs. 27.57 Lacs Recurring : Rs. Nil

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

1)	Efforts in brief, made towards Absorption, Adoption	We have imported Continuous Caster Line during 2009-10 for development of new lining material. During the year we have developed lining material of various compositions.
2)	Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development.	a) Reduction in Imports and inventory levels. b) We have developed lead free lining material which is environment friendly.
3)	In case of imported technology (imported during last 5 years recorded from beginning of the financial year)	

III. 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.		Current Year (Rs. Lacs)	Previous Year (Rs. Lacs)
		Used : Imports	Rs. 225.65	Rs. 107.39
		Earned : Direct Export	Rs. 481.09	Rs. 562.37
		Deemed Export	Rs. 1,618.10	Rs. 966.79

For and on behalf of the Board of Directors

Place: Kolhapur
Date: May 26, 2011

RAM MENON
Chairman

Annexure to the Directors' Report

Statement showing particulars of employees drawing remuneration more than Rs. 60 lacs per annum or more or Rs 5 lacs per month or more.

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 Nitin Menon	Joint Managing Director	Contractual	As applicable to other senior executives of the company	Overall Management	B.Com Has 18 years of entrepreneurial experience	01-10 -1992	43 Years	Menon Bearings Limited	29.83%	64,30,822

Secretarial 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 2011 (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, Maharashtra, Pune and Central Government under the Act and rules made there under. The Company was not required to file any documents and returns with the Regional Director or Company Law Board or any other authorities.
3. The Company, being a public limited Company, has minimum prescribed paid-up capital. As on 31st March 2011, 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 4 (four) times on 11th May 2010, 31st July 2010, 23rd October 2010 and 30th January 2011 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 16th August 2010 to 20th August 2010 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March 2010 was held on 20th August 2010 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. No extra ordinary general meeting was held during the financial year.
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 21st August 2010, 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 2002 - 03.
- (v) duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. The re-appointment of directors retiring by rotation and appointment of Dr. Y.S.P. Thorat as additional director was duly made. There was no appointment of alternate director or directors to fill casual vacancy during the financial year.

15. The Company has not appointed any managing Director / whole-time Director/ manger during the financial year.

16. The Company has not appointed any sole-selling agents during the financial year.

17. The Company was not required to obtain any approvals of the Company Law Board, Regional Director, registrar and /or such other authorities prescribed under the various provisions of the Act during the financial year. The company has obtained the necessary approval from the Central Government for reappointment and payment of remuneration to Mr. R. D. Dixit as Vice Chairman & Managing Director of the Company and Mr. Nitin Menon as joint Managing Director.

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 not made any loans or advances and investments, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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 not altered the provisions of Memorandum of Association with respect to share Capital of the company during the financial year.
30. The company has not altered its Articles of Association during the financial year.
31. 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

For Manish Ghia & Associates
Company Secretaries

Place : Mumbai
Date : May 26, 2011

Manish L. Ghia
Partner
M. No. FCS : 6252
C.P. No. : 3531

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 2011 :

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.	8	135	Particulars of modification of charge created in favor of State Bank of India by reducing credit facility by executing Supplemental agreement of loan cum-hypothecation dated 08.05.2009, modified to Rs.19.70 Crore. (Charge Id 10056494)	02.04.2010	Yes	N.A.
2.	1INV	205C	Particular of transfer of unpaid /unclaimed dividend to the investor Education Protection fund for the year 2001-02.	11.05.2010	Yes	N.A.
3.	23	192	Particulars of re-appointment of Shri Ramesh D. Dixit as Vice Chairman & Managing Director, Shri Nitin Menon as Joint Managing Director, and Shri T. K. Guha as Executive Director of the Company by the Board of Directors in their meeting held on 11.05.2010 w.e.f. 01.07.2010.	21.08.2010	No	Yes
4.	66	383A	Compliance Certificate u/s 383A for the financial year ended 31.03.2010.	17.09.2010	Yes	N.A.

5.	23	192	Particulars of Special Resolution passed at Annual General Meeting of the Company held on 20.08.2010 for re-appointment of Shri Ramesh D. Dixit as Vice Chairman & Managing Director , Shri Nitin Menon as Joint Managing Director, and Shri T.K.Guha as Executive director of the Company w.e.f.01.07.2010.	17.09.2010	Yes	N.A.
6.	23AC & ACA	220 (1)	Schedule – VI (Annual Accounts) for the financial year ended 31.03.2010	18.09.2010	Yes	N.A.
7.	32	303 (2)	Particulars of resignation of Shri T. K. Guha from the Directorship of the Company w.e.f 17.09.2010	23.09.2010	Yes	N.A.
8.	20B	159	Schedule – V (Annual Return as on Annual General meeting held on 20.08.2010) .	15.10.2010	Yes	N.A.
9.	1INV	205C	Particular of transfer of unpaid /unclaimed dividend to the investor Education Protection fund for the year 2002-03.	27.10.2010	Yes	N.A.
10.	8	135	Particulars of modification of charge created in favor of State Bank of India by securing credit facility further by creating charge on fixed assets of the company by executing 'Memorandum for Recording creation of Mortgage by deposit of Title Deeds' dated 07.09.2010, modified from 19.70 Crore to Rs.20.96 Crore. (Charge Id 10056494)	01.11.2010	No	Yes
11.	8	135	Particulars of modification of charge created in favor of Axis Bank Limited by Supplemental Deed of Hypothecation and Memorandum of Entry dated 29.10.2010, increasing total Credit Facilities from Rs. 14.05 Crore to 18.13 Crore by (Charge Id 90092967)	27.11.2010	Yes	N.A.
12.	17	138	Particulars of satisfaction of Charge created in favor of Bank of Baroda (Charge ID 90090088).	24.01.2011	Yes	N.A.
13.	17	138	Particulars of satisfaction of Charge created in favor of United Western Bank Limited (Charge ID 90087764).	28.01.2011	Yes	N.A.
14.	32	303(2)	Particulars of appointment of Dr. Y.S.P. Thorat as an Additional Director of the Company w.e.f. 30.01.2011.	15.02.2011	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:

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.	25A	198, 269 & 309	Application to Central Government for re-appointment and payment of remuneration to Shri Nitin Menon as Joint Managing Director of the Company w.e.f. 01.07.2010	13.10.2010	No	Yes
2.	25A	198, 269 & 309	Application to Central Government for re-appointment and payment of remuneration to Shri Ramesh D. Dixit as vice chairman & Managing Director of the company w.e.f. 01.07.2010.	13.10.2010	No	Yes

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

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

India completes 20 years of economic freedom this year. The change has been tumultuous and large swathes of India have been magically transformed, lifting millions of Indians out of poverty. As per industry body ACMA, the Indian auto component industry is expected to achieve an annual turnover of Rs. 5 Lac Crores (USD 110 billion) by 2020, for which a total investment of USD 35 billion is likely to be made.

According to a report, jointly prepared by Automotive Component Manufacturing Association of India (ACMA) and consultancy firm Ernst & Young, the industry is expected to contribute 3.6 per cent of India's GDP by 2020 from the current level of 2.1 per cent.

ii. Futuristic Outlook

In view of volatility in the prices of raw material we are implementing "Kizen" Projects within the Company. Initially 14 projects are taken for implementation and we are sure that we will achieve substantial savings through these efforts.

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.

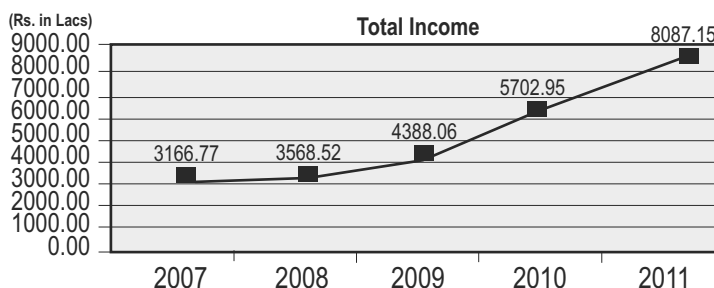
Our export to Europe is comparatively less; hence we are not much affected due to recent turmoil in European economy.

iv. Future Challenge

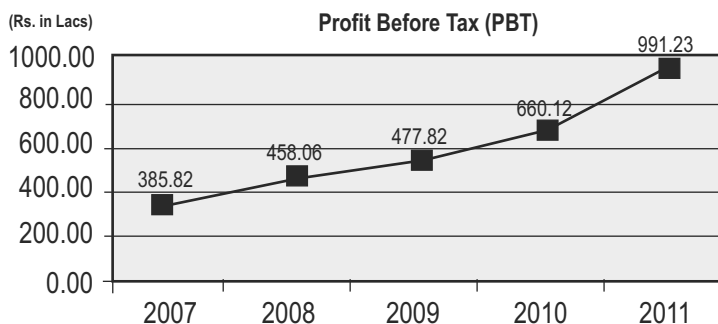
Environmental norms are becoming very stringent all over the globe. We are also not behind in facing the challenges of reducing emission and eliminating use of hazardous metals like lead. We are continuously putting our efforts to search new composition of metals.

v. Financial Performance:

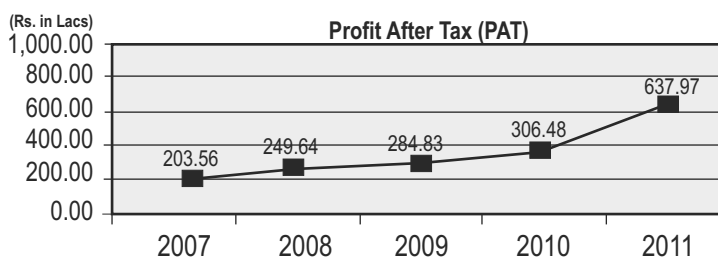
Year	Income (Rs.Lacs)
2007	3166.77
2008	3568.52
2009	4388.06
2010	5702.95
2011	8087.15



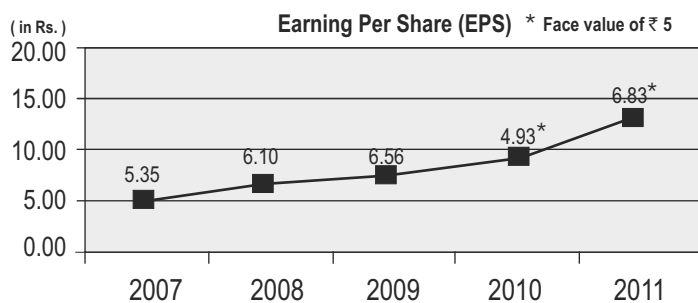
Year	PBT (Rs.Lacs)
2007	385.82
2008	458.06
2009	477.82
2010	660.12
2011	991.23



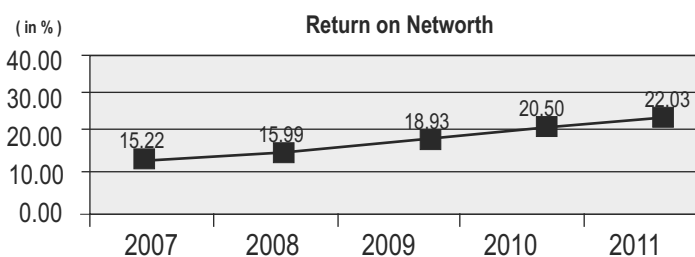
Year	PAT (Rs.Lacs)
2007	249.64
2008	284.83
2009	306.48
2010	460.82
2011	637.97



Year	EPS (in Rs.)
2007	5.35
2008	6.10
2009	6.56
2010	4.93
2011	6.83



Year	Return on Networth (%)
2007	15.22
2008	15.99
2009	18.93
2010	20.50
2011	22.03



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 in human resources as the supporting pillars for the success of the organisation and had already implemented policy of production linked incentive scheme. As a part of this during the year Company has entered into wage agreement with the workers and implemented "Production Based" 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 major action in 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, three are independent directors. The Company is in search of an 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 working 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 2010-11, the Board of Directors met four times on 11.05.2010, 31.07.2010, 23.10.2010 and 30.01.2011. As stipulated, the gap between two board meetings did not exceed four months.

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 , 2011 (Excluding position in the Company)		
			Board	AGM	No. of Directorships	Committees	
						Membership	Chairmanship
1.	Shri Ram Menon	Non Executive Chairman – Promoter	4	Yes	2	-	-
2.	Shri R. D. Dixit	Vice Chairman and Managing Director	4	Yes	1	-	2
3.	Shri Nitin Menon	Joint Managing Director	4	Yes	1	-	-
4.	Shri Sachin Menon	Non Executive Director	4	Yes	1	1	-
5.	Shri Dr. Y. S. P. Thorat (w.e.f 30.01.2011)	Independent Director	1	No	4	-	1
6.	Shri Kumar Nair	Independent Director	2	No	2	-	-
7.	Shri B.S.Ajitkumar	Independent Director	2	No	1	-	-
8.	Shri T. K. Guha (upto 17.09.2010)	Executive Director	1	Yes	-	-	-

- The directorship held by directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Companies.
- Membership/Chairmanships of only the Audit Committee and Share Transfer and Investor Grievance Committees of all public Limited Companies have been considered.

3. Board Committees:

I. Audit Committee

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

During the financial year 2010-11, the Audit Committee met 4 times on 11.05.2010, 31.07.2010, 23.10.2010 and 30.01.2011.

As stipulated, the gap between two committee meetings did not exceeded four months. The details of attendance of members in Audit Committee Meeting are as follows :

Name of the Member	Status	No. of Meetings	
		Held during tenure	Attended
Dr. Y. S. P. Thorat (w.e.f. 30.01.2011)	Chairman	-	-
Shri Kumar Nair	Member	4	2
Shri R. D. Dixit	Member	4	4
Shri B.S.Ajitkumar	Member	4	2
Shri Nitin Menon (From 23.10.2010 to 30.01.2011)	Member	4	2

Shri Suhas Kulkarni –AGM – Finance & Accounts and Compliance Officer of the Company acts as a secretary of the Committee.

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 and
- 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 Dr. Y. S. P. Thorat, Shri Kumar Nair and Shri B. S. Ajitkumar. Shri Kumar Nair is Chairman of the Committee. During the financial year 2010 - 11, the Remuneration Committee met once on 11-05-2010.

The details of attendance of members in Remuneration Committee meeting are as follows:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Shri Kumar Nair	Chairman	1	-
Shri Ram Menon (up to 30.01.2011)	Member	1	1
Shri B.S.Ajitkumar	Member	1	1
Dr. Y. S. P. Thorat (w.e.f. 30.01.2011)	Member	-	-

Shri Suhas Kulkarni –AGM – Finance & Accounts and Compliance Officer of the Company acts as a secretary of the Committee.

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

Details of remuneration paid during the year 2010-11 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	4,000	4,000	Nil
Shri R. D. Dixit	20,90,518	1,92,528	12,15,740	Nil	34,98,786	Nil
Shri Nitin Menon	41,07,285	2,12,400	21,11,137	Nil	64,30,822	Nil
Shri Sachin Menon	Nil	Nil	Nil	4,000	4,000	Nil
Dr. Y. S. P. Thorat	Nil	Nil	Nil	1,000	1,000	Nil
Shri Kumar Nair	Nil	Nil	Nil	2,000	2,000	Nil
Shri B S Ajitkumar	Nil	Nil	Nil	2,000	2,000	Nil
Shri T. K. Guha	5,47,000	65,640	4,59,450	Nil	10,72,090	Nil
Total	67,44,803	4,70,568	37,86,327	13,000	1,10,14,698	-

iii. Shareholders / 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 R. D. Dixit and Shri Nitin Menon. Shri Sachin Menon is Chairman of the Committee

During the financial year 2010-11, the Committee met 4 times on 11.05.2010, 31.07.2010, 23.10.2010 and 30.01.2011.

The details of attendance of members in Shareholders / Investors Grievance Committee meetings are as follows:

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

Shri Suhas Kulkarni – AGM – Finance & Accounts and Compliance Officer of the Company acts as a secretary of the Committee. During the financial year 2010-11, 33 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
2009-10	Bharat Ratna Dr.M.Vishveshvarayya Memorial Hall, Tarabai Park, Kolhapur.	August 20 th , 2010	10.30 a.m.
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, Kolhapur	September 26 th , 2008	10.30 a.m.

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

Year	Description of Resolution
20.08.2010	1.Re-appointment of Shri Nitin Menon as Joint Managing Director w.e.f. July 1, 2010. 2.Re-appointment of Shri R. D. Dixit as Vice Chairman and Managing Director w.e.f. July 1, 2010. 3.Re-appointment of Shri T. K. Guha Executive Director w.e.f. July 1, 2010.
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, 2008. 2. Re-appointment of Shri R. D. Dixit as Vice Chairman and Managing Director w.e.f. July 1, 2008. 3. Re-appointment of Shri T. K. Guha Executive Director w.e.f. July 1, 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

Company has not passed any special resolution through postal ballot during the financial year ended March 31, 2011 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 31, 2011 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 2010-11, 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 R. D. Dixit, Vice Chairman & Managing Director and Shri Suhas Kulkarni - AGM - Finance and Accounts 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 2011 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 :

- a) At present yearly report on accounts is being sent to each shareholder.
- b) The quarterly, half-yearly, nine monthly and full year results are published in Business Standard (English)/ HT Mint (English) and Lokmat (Marathi).
- c) The Company has not made any presentation to Institutional Investors and Analysts.
- d) The Management Discussion and Analysis for the year ended March 31st, 2011 forms part of the Directors' report.

7. General information for Members:

I. Annual General Meeting :

Date, Time & Venue : August 30, 2011, 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 2011-12)

- Result for the quarter ending June 30, 2011 – by August 14, 2011
- Result for the quarter ending Sept. 30, 2011 – by November 14, 2011
- Result for the quarter ending Dec. 31, 2011 – by February 14, 2012
- Audited Result for the year ending March 31, 2012 – by May 30, 2012.

iii. Date of Book Closure : August 26, 2011 to August 30, 2011 (both days inclusive)

iv. Dividend payment date : August 30, 2011

v. Listing : Bombay Stock Exchange Limited

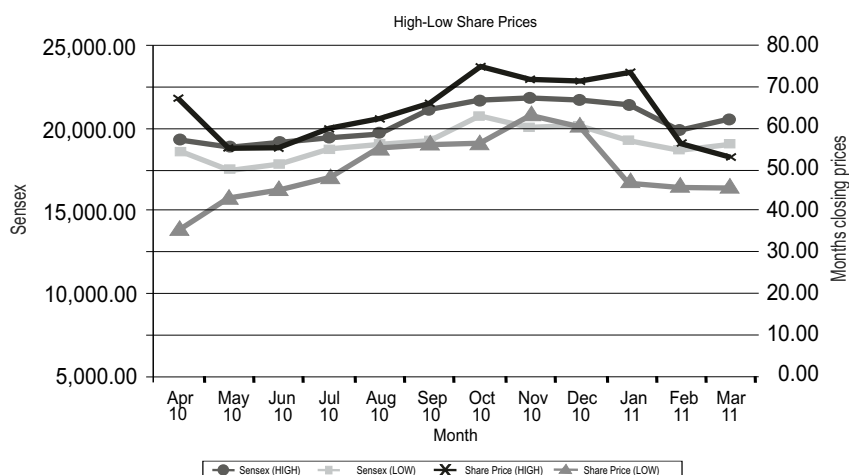
vi. ISIN : INE071D01025

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	Low
April 2010	66.90	35.50	18,047.86	17,276.80
May 2010	55.00	43.00	17,536.86	15,960.15
June 2010	54.80	45.10	17,919.62	16,318.39
July 2010	59.80	47.90	18,237.56	17,395.58
August 2010	62.40	55.10	18,475.27	17,819.99
September 2010	65.90	55.85	20,267.98	18,027.12
October 2010	75.00	56.20	20,854.55	19,768.96
November 2010	71.85	63.00	21,108.64	18,954.82
December 2010	71.20	60.00	20,552.03	19,074.57
January 2011	73.35	46.30	20,664.80	18,038.48
February 2011	56.60	45.50	18,690.97	17,295.62
March 2011	52.95	45.15	19,575.16	17,792.17



ix. 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.

x. Distribution of Shareholding as on 31st March 2011

By Size

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount	% of Total
1 - 5000	5,479	95.3035	79,17,325	16.95
5001 - 10000	168	2.9222	13,74,395	2.94
10001 - 20000	49	0.8523	7,57,535	1.62
20001 - 30000	14	0.2435	3,49,920	0.75
30001 - 40000	05	0.0870	1,76,220	0.38
40001 - 50000	16	0.2783	7,83,005	1.67
50001 - 100000	05	0.0870	4,76,000	1.02
more than 100000	13	0.2261	3,48,65,600	74.66
Total	5,749	100.00	4,67,00,000	100.00

By Share Ownership.

Sr.No.	Category	Total No. of Shares held	% of Total Shareholdings
1.	Promoters & Promoter Group	69,81,800	74.75
2.	Other Bodies Corporate	39,563	0.42
3.	Clearing Members	5,953	0.06
4.	Indian Public	22,73,601	24.35
5.	Non Resident Indians	39,083	0.42
	TOTAL	93,40,000	100.00

xi. Dematerialization of shares and liquidity:

As on 31st March 2011 about 77.58% 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 : isrl@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
E mail: admin@menonbearings.in

xv. 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 Personnel have affirmed compliance with Code of Conduct of the company during the year ended 31st March 2011.

Place : Kolhapur
Date : May 26, 2011

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 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchange.

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 Agreement, 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 M/S P. M. VARDHE & CO.
Chartered Accountants**

Place : Kolhapur
Date : May 26, 2011

P. M. Vardhe
Proprietor
Membership No. 031817
Firm's Registration No. 111274W

The Auditors' Report

The Members Menon Bearings Limited

We have audited the attached Balance Sheet of Menon Bearings Limited, as at 31st March 2011 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. 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, 2011 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, 2011;
 - b) In the case of the Profit and Loss Account, of the profit of the Company, for the year ended on that date; and
 - 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

Place : Kolhapur
Date : May 26, 2011

P. M. Vardhe
Proprietor
Membership No. 031817
FRN : 111274W

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.
(FRN : 111274W)
CHARTERED ACCOUNTANTS

Place : Kolhapur
Date : May 26, 2011

P. M. Vardhe
Proprietor
Membership No. 031817

Balance Sheet as at 31st March 2011

(Amount in Rs.)

PARTICULARS	SCHEDULES	2011	2010
SOURCES OF FUNDS:			
1.SHAREHOLDERS FUNDS			
Share Capital	A	4,67,00,000	4,67,00,000
Reserves & Surplus	B	22,40,58,344	18,47,14,723
Sub Total		27,07,58,344	23,14,14,723
2. LOAN FUNDS			
Secured Loans	C	18,92,96,585	20,72,24,961
Unsecured Loans	D	4,18,74,796	4,53,73,928
3. DEFERRED TAX LIABILITY			
Sub Total		25,88,38,905	27,84,40,798
GRAND TOTAL		52,95,97,249	50,98,55,521
APPLICATION OF FUNDS			
4. FIXED ASSETS			
Gross Block	E	53,28,26,573	49,90,22,109
Less : Depreciation		22,54,19,622	18,91,37,512
Net Block		30,74,06,951	30,98,84,597
Capital Work in process		2,09,72,073	1,65,52,714
5. INVESTMENTS			
	F	14,65,394	14,65,394
6. CURRENT ASSETS, LOANS & ADVANCES			
Inventory		7,94,82,684	7,06,79,109
Sundry Debtors		16,57,72,637	13,01,01,156
Cash and Bank Balances		5,64,29,377	4,31,71,190
Loans And Advances		2,43,23,345	3,74,74,161
TOTAL		32,60,08,043	28,14,25,616
Less : CURRENT LIABILITIES & PROVISIONS	H		
Current Liabilities		7,76,21,847	6,36,67,087
Provisions		5,12,14,570	3,94,43,895
TOTAL		12,88,36,417	10,31,10,982
Net Current Assets		19,71,71,626	17,83,14,634
7. MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT W/OFF			
	I	25,81,205	36,38,182
GRAND TOTAL		52,95,97,249	50,98,55,521

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

P. M. Vardhe
Proprietor
Membership No.031817
Firm's Registration No. 111274W

Place : Kolhapur
Date : May 26, 2011

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 2011

(Amount in Rs.)

PARTICULARS	SCHEDULES	2011	2010
1. INCOME			
Sales	J	79,46,62,668	56,47,66,875
Other Income	K	81,02,006	48,12,498
Increase / (Decrease) In Stock	L	59,50,255	7,15,531
TOTAL		80,87,14,928	57,02,94,903
2. EXPENDITURE			
Raw Material & Stores Consumed	M	38,33,99,535	25,21,06,132
Manufacturing Expenses	N	11,30,40,568	7,72,47,808
Payments to & Provision for Employees	O	8,43,16,437	6,78,64,392
Administrative selling & distribution Expenses	P	6,74,24,634	5,45,82,475
Cost of Finance	Q	2,28,92,419	2,29,06,358
Depreciation		3,74,61,626	2,85,18,497
Pre-operative Expenses W/O		10,56,977	10,56,977
TOTAL		70,95,92,197	50,42,82,639
3. PROFIT BEFORE TAXATION		9,91,22,732	6,60,12,264
Provision for Income Tax (Current)		3,35,00,000	1,65,00,000
Deferred Tax liability		18,25,616	34,29,858
4. PROFIT AFTER TAXATION		6,37,97,116	4,60,82,406
5. BALANCE OF PROFIT AS PER LAST BALANCE SHEET		14,85,05,332	9,14,26,050
Add: Previous Year Adjustments		-	2,94,77,199
Less: Previous Year Expenses		29,861	1,20,573
6. BALANCE PROFIT AVAILABLE FOR APPROPRIATION		21,22,72,586	16,68,65,082
7. APPROPRIATIONS			
Dividend		2,10,15,000	1,16,75,000
Tax on Dividend		34,08,633	19,84,750
General Reserves		75,00,000	47,00,000
		3,19,23,633	1,83,59,750
8. BALANCE OF PROFIT CARRIED TO BALANCE SHEET		18,03,48,953	14,85,05,332
9. Notes to Accounts	R		
10. Basic and Diluted Earning per Share		6.83	4.93

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
Firm's Registration No. 111274W

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman &
Managing Director

NITIN MENON
Joint Managing Director

Place : Kolhapur
Date : May 26, 2011

Cash Flow Statement

for the year ended on 31st March 2011

(Rupees in Lacs)

Particulars	2011	2010
Cash Flow from operating activity		
Net Profit before tax and extraordinary items	1,360.80	1,047.12
Profit before taxation	991.23	660.12
Previous Year Expenses	(0.30)	(1.21)
Cost of Finance	228.92	229.06
Dividend & tax on dividend	(244.24)	(136.60)
Add : Adjustments for		
Depreciation	374.62	285.18
Pre-operative expenses written off	10.57	10.57
Operating Profit before working capital change	1,360.80	1,047.12
Adjustments for		
Trade & Other Receivables	(223.90)	174.51
Inventory	(88.04)	(44.98)
Trade Payable	281.51	(30.42)
Cash Generated from operations	1,330.38	1,285.66
Direct Taxes Paid	(353.26)	(199.30)
Cash Flow before Extra Ordinary Items	977.13	1,086.36
Extra Ordinary Items	-	-
Net Cash from Operating Activities	977.13	1,086.36
Cash Flow from Investing Activities		
Purchase of Fixed Assets	427.73	639.66
Sale of Fixed Assets	(33.69)	(10.56)
Total of Adjustments in Depreciation Schedule		
Purchase of Investments		
Net Cash used in Investing Activities	394.03	629.10
Cash Flow from Financing Activities		
Proceeds from Long-Term-Borrowings	(62.70)	(6.98)
Repayment of Finance	(513.21)	(166.92)
Net cash used in financing activities	450.51	173.90
Net Increase / (Decrease) in Cash and Cash Equivalents	132.58	283.36
Cash and Cash Equivalents as at 31.03.2011	564.29	431.71
Cash and Cash Equivalents as at 01.04.2010	431.71	148.34
Total	977.13	1,086.36

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
Firm's Registration No. 111274W

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman &
Managing Director

NITIN MENON
Joint Managing Director

Place : Kolhapur
Date : May 26, 2011

Schedule Nos. A to R

as at 31st March 2011

(Amount in Rs.)

Particulars	2011	2010
Schedule "A" : Share Capital		
Authorised:		
2,02,00,000 Equity Shares of Rs.5 each fully paid (Previous Year 2,02,00,000 Equity Shares of Rs.5 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 (Previous Year 93,40,000 Equity Shares of Rs.5 each)	4,67,00,000	4,67,00,000
	4,67,00,000	4,67,00,000
Schedule "B" : Reserves and Surplus		
General Reserve	3,07,00,000	2,60,00,000
Add : Current Year	75,00,000	47,00,000
Sub-Total	3,82,00,000	3,07,00,000
Capital Reserve	25,00,000	25,00,000
Revaluation Reserve	30,09,391	30,09,391
Profit & Loss Account	18,03,48,953	14,85,05,332
TOTAL	22,40,58,344	18,47,14,723
Schedule "C" : Secured Loans		
a) Axis Bank Ltd.		
Term Loan	5,70,72,528	5,91,93,912
Bills Discount Facility	1,35,90,907	66,42,531
Cash Credit	1,59,31,072	2,52,88,889
Pre Shipment Export Packing Credit	24,20,000	
(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	4,00,13,997	3,99,00,753
ii) Invoice Finance	2,09,69,749	2,99,93,121
iii) Cash Credit	2,11,61,596	1,15,30,725
iv) Term Loan	75,85,307	3,11,98,671
(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	92,01,900	19,99,070
c) Car Loans		
ICICI Bank Ltd.	8,78,623	-
HDFC Bank Ltd.	-	6,14,025
Axis Bank Limited	2,81,919	3,68,913
State Bank of India	-	2,32,799
Maruti Udyog Ltd. - Car Loans	1,88,988	2,61,553
TOTAL	18,92,96,585	20,72,24,961
Schedule "D" : Unsecured Loan		
Interest free Sales Tax Loan from SICOM (Under the incentive scheme of Government of Maharashtra)	4,18,74,796	4,53,73,928
TOTAL	4,18,74,796	4,53,73,928

SCHEDULE "E"

FIXED ASSETS SCHEDULE FOR THE YEAR 2010-2011

(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.)	ADJUST-MENTS (Rs.)	TOTAL (Rs.)	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
1	LAND (Lease hold)	—	1,03,13,530	—	—	1,03,13,530	89,814	—	6,41,404	96,72,126	97,61,940	
2	LAND (Free hold)	0%	52,500	—	—	52,500	—	—	—	52,500	52,500	
3	SITE DEVELOPMENT	0%	1,46,11,024	6,98,678	—	1,53,09,702	—	—	—	1,53,09,702	1,46,11,024	
4	BUILDING	3.34%	8,52,22,936	—	—	8,52,22,936	28,46,446	—	2,04,56,543	6,47,66,393	6,76,12,839	
5	PLANT AND MACHINERY	10.34%	32,48,05,658	2,95,30,398	11,76,363	35,31,59,693	2,95,79,688	3,28,339	16,47,06,415	18,84,54,511	18,93,51,825	
6	ELECTRICAL INSTALLATION	10.34%	1,42,95,187	7,90,294	—	1,50,85,481	13,15,098	—	76,75,911	74,09,570	79,34,374	
7	TOOLS AND IMPLEMENTS	10.34%	1,63,34,556	15,47,634	—	1,78,82,190	11,82,683	—	1,22,76,117	56,06,073	52,41,122	
8	MATERIAL HANDLING EQUIP.	10.34%	28,75,378	4,82,869	—	33,58,247	3,25,823	—	10,65,130	22,93,117	21,36,071	
9	FIRE FIGHTING	10.34%	1,15,577	—	—	1,15,577	7,945	—	71,754	43,823	51,768	
10	EFFLUENT TREATMENT PLANT	5.28%	24,59,334	6,53,150	—	31,12,484	1,61,648	—	8,69,851	22,42,633	17,51,131	
11	OFFICE EQUIPMENTS	4.75%	25,78,023	2,31,226	—	28,09,249	77,298	—	11,41,173	16,66,843	15,12,915	
12	MISCELLANEOUS ASSETS	10.34%	9,72,960	1,18,195	—	10,91,155	83,116	—	4,47,199	6,43,956	6,08,877	
13	COMPUTERS	16.21%	61,73,232	5,52,264	—	67,25,496	8,21,648	—	47,98,824	19,26,672	21,96,056	
14	FURNITURE	6.33%	46,64,450	11,06,997	—	57,71,447	2,62,818	—	21,75,835	35,95,612	27,51,433	
15	VEHICLE	9.50%	83,03,173	26,41,618	33,72,496	75,72,295	7,07,601	8,15,857	38,48,875	37,23,420	43,10,722	
16	TECHNICAL KNOW HOW	10.34%	52,44,590	—	—	52,44,590	—	—	52,44,590	—	—	
17	ELECTRICAL FORKLIFT	10.34%	—	—	—	—	—	—	0	(0)	—	
	TOTAL		49,90,22,109	3,83,53,323	45,48,859	53,28,26,573	3,74,61,626	11,79,516	22,54,19,622	30,73,71,631	30,98,84,594	
	PREVIOUS YEAR		42,47,94,962	7,55,04,469	12,77,322	49,90,22,109	2,85,18,497	2,20,947	18,91,37,512	30,98,84,597	26,39,55,000	

Schedules to Balance Sheet as at 31 st March	2011	2010
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
SUB- TOTAL	4,00,000	4,00,000
Trade (Quoted)		
1) 624 Equity Shares of Reliance Industries Limited @ Rs. 763.93 each '(Market Value as on 31.03.2011 Rs. 1047.80 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 31.03.2011 Rs. 59.40 /- per share)	11,500	11,500
3) 11,100 Shares of Transwarranty Finance Ltd. @ Rs. 52 each (Market value as on 31.03.2011 Rs. 16.15/- per share)	5,77,200	5,77,200
SUB- TOTAL	10,65,394	10,65,394
TOTAL	14,65,394	14,65,394
(Total market value of quoted investments as on 31-03-2011 is Rs. 8,62,792/-)		

Schedule "G" : Current Assets, Loans and Advances**Inventories**

a) Raw Material	1,77,83,986	1,41,39,093
b) Stores & Spares	86,14,016	94,05,589
c) Finished goods	2,75,13,398	1,79,49,207
d) Work in Process	2,55,71,284	2,91,85,220
TOTAL	7,94,82,684	7,06,79,109

Sundry Debtors

(Unsecured, considered good)		
Outstanding for a period exceeding 6 months	89,89,751	19,13,828
Other Debts	15,67,82,886	12,81,87,328
TOTAL	16,57,72,637	13,01,01,156

Cash & Bank balances

a) Cash in Hand	13,36,820	8,65,726
b) Balances with Banks		
i) In Current A/c(s) With scheduled banks	80,97,607	3,23,25,070
ii) In Fixed Deposits	4,69,94,949	99,80,394
TOTAL	5,64,29,376	4,31,71,190

Loans & Advances

Other advance	26,31,246	20,78,005
Staff advance	14,081	6,03,512
Interest accrued but not received	22,57,161	9,49,386
Other Deposits	44,11,063	32,67,013
Prepaid expenses	16,14,276	7,36,051
Telephone deposit	52,450	43,450

(Amount in Rs.)

Schedules to Balance Sheet as at 31st March	2011	2010
Water Deposit	1,94,115	1,94,115
Advance Income Tax	5,37,488	1,08,42,709
Fringe Benefit Tax	10,76,385	13,89,388
Advance to suppliers	78,56,862	1,10,65,131
Excise Duty	14,20,092	11,17,280
Service Tax	5,75,470	35,05,464
VAT Refund Receivable	16,82,656	16,82,656
TOTAL	2,43,23,345	3,74,74,161
Total Current Assets	32,60,08,043	28,14,25,618
Schedule "H" : Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors	5,96,59,571	4,75,02,980
Sales Tax Payable	14,51,666	10,95,481
Statutory Liabilities	41,31,843	8,78,580
Liability for expenses and other liabilities	92,43,011	1,13,33,264
Unpaid / Unclaimed Dividend	31,35,756	28,56,783
TOTAL	7,76,21,847	6,36,67,087
Provisions		
Provision for expenses	2,44,65,061	2,31,58,605
Proposed Dividend	2,10,15,000	1,16,75,000
Tax on Dividend	34,08,633	19,84,750
Fringe Benefit Tax	17,26,345	19,65,000
Leave Encashment	5,99,531	6,60,540
TOTAL	5,12,14,570	3,94,43,895
Total Current Liabilities & Provisions	12,88,36,417	10,31,10,982
Schedule "I" : Miscellaneous Expenditure		
Pre-operative Expenses	36,38,182	46,95,159
Less : Written Off during the year	10,56,977	10,56,977
TOTAL	25,81,205	36,38,182
Schedule "J" : Sales		
1) Bearings, Bushes and Thrust Washers etc.	55,72,41,735	42,60,22,804
2) Aluminium Die Casting Components	23,06,81,355	13,78,21,461
3) Other Products	67,39,578	9,22,610
TOTAL	79,46,62,668	56,47,66,875
Schedule "K" :		
a) Dividend from Companies	5,368	9,198
b) Excess Provision Written off	1,10,524	1,48,577
c) Income from other sources	36,05,123	19,09,094
d) Interest Received	23,80,230	12,02,431
e) Scrap Sales	18,48,196	14,70,979
f) Profit on sale of Assets	-	72,219
g) Labour charges	1,52,565	-
TOTAL	81,02,006	48,12,498

Schedules to Profit & Loss account for the year ended on 31 st March	2011	2010
Schedule "L" : Increase / (Decrease) in stock of Work-in-Process and finished goods		
Opening 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
Closing Stock :		
Finished Goods	2,75,13,398	1,79,49,207
Work in Process	2,55,71,284	2,91,85,220
Total	5,30,84,682	4,71,34,427
Increase / (Decrease) in Stock	59,50,255	7,15,531
Schedule "M" : Raw Material & Stores Consumed		
Opening Stock		
Raw Material	1,41,39,093	1,38,25,322
Stores & Spares	94,05,589	59,36,557
Total	2,35,44,682	1,97,61,879
Add : Purchases		
Raw Material	30,41,57,993	19,51,49,178
Stores & Spares	8,20,94,863	6,07,39,757
Total	38,62,52,856	25,58,88,935
Less : Closing Stock		
Raw Material	1,77,83,986	1,41,39,093
Stores & Spares	86,14,016	94,05,589
Total	2,63,98,003	2,35,44,682
Raw Material & Stores Consumed	38,33,99,535	25,21,06,132
Schedule "N" : Manufacturing Expenses		
Outside labour charges	4,65,71,728	2,95,26,490
Electricity	5,52,56,855	4,04,06,501
Water charges	13,69,920	15,42,192
Repairs & Maintenance	94,15,199	53,90,549
Electric Material	4,26,866	3,82,076
TOTAL	11,30,40,568	7,72,47,808
Schedule "O" : Provision for and Payments to employees		
Salary and Wages	7,45,64,682	6,30,71,446
Labour Welfare	5,79,894	5,25,347
Contribution to Provident Fund	40,78,414	33,68,911
Contribution to Group Gratuity Trust	50,93,448	8,98,689
TOTAL	8,43,16,437	6,78,64,392

(Amount in Rs.)

Schedules to Profit & Loss account for the year ended on 31 st March	2011	2010
Schedule "P" : Administrative, Selling & Distribution Expenses		
Rent, Rates and Taxes	5,06,735	10,63,659
Insurance	6,80,585	6,52,513
Freight Outward	78,43,576	61,29,051
Legal & Consultation	35,53,903	29,73,816
Postage, Telephone	13,70,259	19,11,050
Business Expenses	9,79,099	6,96,860
Sales Promotion Expenses	3,33,74,351	3,00,31,490
Printing & Stationery	13,09,303	11,76,938
Vehicle & Conveyance Expenses	8,14,523	10,88,237
Other Expenses	56,09,009	31,51,423
Traveling Expenses	45,00,476	42,26,634
Sitting Fees	13,000	18,000
Advertisement	4,82,056	3,95,900
Audit Fees	1,04,000	94,999
Foreign Tour Expenses	9,60,016	1,77,876
Establishment Expenses	10,62,508	3,57,224
Loss on sale of Fixed Assets / toolings	16,21,732	4,29,304
Donation	11,001	7,502
Lease Expenses	26,28,503	-
TOTAL	6,74,24,634	5,45,82,475
Schedule "Q" : Cost of Finance		
Interest	2,09,51,070	2,16,73,157
Bank Commission & Other Charges	19,41,348	12,33,201
TOTAL	2,28,92,419	2,29,06,358

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, 2011.

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"		
1	Valuation Method (Projected Unit Credit Method)	Amount Rs.
2	RESULTS OF VALUATION	
	a. PV of Past Service Benefit	72,51,762
	b. Current Service Cost	6,88,316,
	c. Total Service Gratuity	3,76,34,326
	d. Accrued Gratuity	1,18,80,963
	e. LCSA	2,54,48,054
	f. LC Premium	66,887
	g. Service Tax @ 10.3%	6,889
3	RECOMMENDED CONTRIBUTION RATE	
	a. Fund Value as on Renewal Date	37,99,330
	b. Additional Contribution for existing Fund	34,52,432
	c. Current Service Cost	6,88,316
4	Total Amount Payable (Rs) (2.f +2.g + 3.b+3.c)	42,14,524
5	Less : Payment Made	11,91,055
6	Liability appearing in Balance Sheet	30,23,469

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	9,94,20,530
			Services Rendered	2,04,800
2.	Mani Auto Components	Shri Nitin Menon is a partner	Jobwork / tooling	1,47,93,800
			Sale	24,310
3.	Ripin Engineering	Shri T.K. Guha is a relative of partner.	Jobwork / tooling	27,72,939
4.	Shri. Ram Menon	Chairman	Sitting fees	4,000
5.	Shri. R. D. Dixit	Vice Chairman & Managing Director	Salary	34,98,786
6.	Shri. Nitin Menon	Joint Managing Director	Salary	64,30,822
7.	Shri. Sachin Menon	Director	Sitting fees	4,000
8.	Shri. T. K. Guha	Executive Director	Salary	10,72,090
9.	Shri. Kumar Nair	Independent Director	Sitting Fees	2,000
10.	Shri. B.S.Ajitkumar	Independent Director	Sitting Fees	2,000
11.	Shri. Dr. Y. S. P. Thorat	Independent Director	Sitting Fees	1,000

Shri R.D.Dixit – Vice Chairman & Managing Director, Shri Nitin Menon – Joint Managing Director are employees of the Company. Shri Kumar Nair, Shri B. S. Ajitkumar and Dr. Y. S. P. Thorat 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 pervue of AS-19

O) EARNINGS PER SHARE AS PER ACCOUNTING STANDARD 20

The basic earnings per share for the year 2010-2011 is Rs.6.83 (Previous year Rs.4.93). 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 01-04-10	During the year	Closing Balance as on 31-03-11
Depreciation	2,68,98,493	30,79,784	2,99,78,277
Disallowance U/s 43 B	(10,56,585)	16,488	(10,40,097)
Other		(12,70,655)	(12,70,655)
Deferred Tax Liability	2,58,41,908	18,25,617	2,76,67,525

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 2008-2009. (relevant to accounting year ended 31.03.2008). Liability if any, in respect of the pending assessments or appeals under the Income Tax Act, 1961 is unascertainable.
- 3) Axis Bank Ltd. and State Bank of India have given guarantees on behalf of the Company for Rs. 50,000/- and for Rs. 2,15,000/- respectively. (Previous Year Rs. 50,000/- and Rs. 2,15,000/-) and Letter of Credit for Rs. 1,01,30,000/- from State Bank of India (Previous year Rs."Nil")
- 4) The Export obligation remaining to be complied upto 13.10.2016, is Rs.5,48,826/- and duty involved into it is Rs.91,434/-

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) Disclosure relating to Micro, Small and Medium Enterprises

Particulars	2011	2010
a) Total amount outstanding at the end of the year	17,62,189	11,85,465
b) Total amount outstanding beyond the appointed date	Nil	Nil
c) Amount of interest accrued and due at the end of the year on the balance outstanding	Nil	Nil
d) Total amount paid during the year beyond the appointed date	Nil	Nil
e) Amount of interest accrued and due at the end of the year on amount paid during the year beyond the appointed date.	Nil	Nil
f) Total interest due but not paid at the end of the year	Nil	Nil

The above information given regarding Micro, Small and medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

- 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 28,33,766 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 31.03.2011	For the year ended 31.03.2010
As Auditor's	84,000	75,000
Other Matters	30,500	29,000
Total (Rs.)	1,14,500	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 31.3.2011	Previous Year Ended on 31.3.2010
1	Salary	67,44,803	99,21,720
2	Contribution to P.F.	4,70,568	5,45,184
3	Other Perquisites	37,86,327	17,24,171
4	Sitting Fees	13,000	18,000
	Total	1,10,14,698	1,22,09,075

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

Sr. No.	Particulars	Current Year 31.03.2011		Previous Year 31.03.2010	
		Qty (Kgs.)	Value (Rs.)	Qty (Kgs.)	Value (Rs.)
1	Copper	2,39,725	9,40,57,544	2,05,523	6,35,51,617
2	Steel Strip	15,19,555	6,60,16,009	12,69,899	4,70,83,906
3	Others	—	6,11,82,377	—	4,34,15,116
4	Stores, Spares & Consumables	—	6,34,91,059	—	4,15,31,002
5	Aluminium Alloy	6,69,961	7,92,57,169	4,13,381	4,07,84,770
6	Bought Out Components	—	1,93,95,377	—	1,57,39,721
	TOTAL	—	38,33,99,535	—	25,21,06,132

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

Sr. No.	Particulars	Current Year 31.03.2011	Previous Year 31.03.2010
		Value (Rs.)	Value (Rs.)
1	Raw Material & Consumables	81,37,143	48,93,605
2	Plant & Machinery	1,28,23,344	60,84,020
	TOTAL	2,09,60,487	1,09,77,625

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

Sr. No.	Particulars	Current Year 31.03.2011		Previous Year 31.03.2010	
		%	Value (Rs.)	%	Value (Rs.)
1	Imported	2.37	92,43,467	2.26	56,96,981
2	Indigenous	97.63	37,41,56,068	97.74	24,64,09,152
		100.00	38,33,99,535	100.00	25,21,06,133

10) EXPENDITURE IN FOREIGN CURRENCY :

Sr. No.	Particulars	Current Year 31.03.2011	Previous Year 31.03.2010
		Value (Rs.)	Value (Rs.)
1	Foreign tour expenses	13,65,184.00	1,77,876
2	Agency commission and reimbursement of freight and Octroi	5,29,141.00	11,53,383
3	Raw Material and Consumables	81,56,665.00	34,20,244
4	Renewal of fees (American Express Card)	8,797.00	0
5	Plant and Machinery	1,15,07,414.00	57,38,550
6	Bought Out Components	9,97,674.00	2,49,529
	TOTAL	2,25,64,875.00	1,07,39,582

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	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
a)	Registered Capacity	6,00,00,000	6,00,00,000	-	-	50,00,000	50,00,000	-	-
b)	Installed Capacity	3,68,40,000	2,30,00,000	-	-	50,00,000	50,00,000	-	-
c)	Actual Production	2,54,17,066	2,12,56,429	-	-	-	9,94,023	-	-
d)	Opening Stock								
	1 Quantity	19,83,106	27,11,721	-	-	-	-	-	-
	2 Value	1,79,49,207	2,24,93,829	-	-	-	-	-	-
e)	Closing Stock								
	1 Quantity	28,47,949	19,83,106	-	-	-	-	-	-
	2 Value	3,01,64,107	1,79,49,207	-	-	-	-	-	-
f)	Turnover								
	1 Quantity	2,45,52,223	2,19,85,044	-	-	14,53,034	9,94,023	-	-
	2 Value	54,99,88,971	41,99,58,827	72,52,764	60,63,977	23,06,81,355	13,78,21,462	85,87,774	23,93,589

Balance Sheet Abstracts & Company's General Business Profile

REGISTRATION DETAILS

Registration No. : 062352
Balance Sheet Date : 31.03.2011

State Code 11

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

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

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

Total Liabilities	5,29,597	Total Assets	5,29,597
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SOURCES OF FUNDS

Paid - up capital	46,700	Reserves & Surplus	2,24,058
Secured Loans	1,89,297	Unsecured Loans	41,875
Deferred Tax Liability	27,667		

APPLICATION OF FUNDS :

Net Fixed Assets	3,28,379	Investment	1,465
Net Current Assets	1,97,172	Miscellaneous Expenses	2,581

PERFORMANCE OF THE COMPANY :

Turnover	8,08,715	Total Expenditure	7,09,592
Profit before tax	99,123	Profit after tax	63,797
Earning per share in Rs.	6.83	Dividend	45%

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
Firm's Registration No. 111274W

RAM MENON
Chairman

R. D. DIXIT
Vice Chairman &
Managing Director

NITIN MENON
Joint Managing Director

Place : Kolhapur
Date : May 26, 2011



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. / Mis. _____
 of _____
 or failing him _____
 Mr. / Mis. _____
 of _____

as my/our proxy to attend and vote for me / us on my / our behalf at the 20th Annual General Meeting of the company to be held on Tuesday the 30th August 2011 at 10.30 A. M. and any adjournment thereof

Signed _____

Place : _____

Date : _____2011.

Affix
 One Rupee
 Revenue
 Stamp

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

Note : 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.



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 20th Annual General Meeting of the Company to be held at Bharat Ratna Dr. M. Vishveshvaraya Memorial Hall, City Survey No. 227/1, Plot No. 5, "E", Ward, Tarabai Park, Kolhapur 416003 on Tuesday the 30th August 2011 at 10.30 A. M.

NAME OF THE ATTENDING MEMBER (In Block letters)

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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. :

Note : 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 putting signatures on them.

UNDER CERTIFICATE OF POSTING

BOOK - POST

If undelivered please return to :

Menon Bearings Ltd.,

G-1, MIDC, Gokul Shirgaon,

Kolhapur - 416234

Ph. 0231-2672533, 2672487

E-mail : admin@menonbearings.in