

Annual Report 2016

2015  
2016



MENON BEARINGS LTD.

India's leading engine  
bearings company

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# Board of Directors

<b>RAM MENON</b>	Chairman
<b>R. D. DIXIT</b>	Vice Chairman & Managing Director
<b>NITIN MENON</b>	Joint Managing Director
<b>SACHIN MENON</b>	Director
<b>B.S. AJITKUMAR</b>	Independent Director
<b>CAPT. SUDHEER S. NAPHADE</b>	Independent Director
<b>NAZURA AJANEY</b>	Independent Director
<b>M. L. SHINDE</b>	Independent Director (w.e.f. 29.01.2016)

**ARUN ARADHYE**, Vice President Finance & Corporate ( CFO )

**ANUP PADMAI**, Company Secretary & Compliance Officer

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**REGISTERED OFFICE :** G-1, MIDC, Gokul Shirgaon, Kolhapur 416 234,

**Tel:** 0231-2672 279/533/487, **Fax:** 0231-2672 278

**Email:** admin@menonbearings.in, **Website :** www.menonbearings.in

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**STATUTORY AUDITORS**

M/S. P.M. VARDHE & CO.  
CHARTERED ACCOUNTANTS,  
Kolhapur

**SECRETARIAL AUDITORS**

M/S MANISH GHIA & ASSOCIATES  
COMPANY SECRETARIES  
Mumbai

**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 25<sup>th</sup> Annual General Meeting



MENON BEARINGS LIMITED

CIN - L29130PN1991PLC062352

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

Tel: 0231-2672 279/533/487, Fax: 0231-2672 278

Email: admin@menonbearings.in, Website : www.menonbearings.in

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Menon Bearings Ltd. will be held on Thursday, 21<sup>st</sup> July, 2016 at 11.00 a.m. at

**The Residency Club, P.O. New Palace, Kolhapur – 416003**

to transact the following businesses:

## Ordinary Business :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 and the Reports of the Directors' and of the Auditors' thereon.
2. To confirm the payment of interim dividend of ₹. 1 per equity share for the financial year ended 31<sup>st</sup> March, 2016.
3. To appoint a director in place of Mr. Sachin Menon, Director (DIN: 00134488), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s P. M. Vardhe & Co., Chartered Accountants, Kolhapur (having FRN: 111274W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
5. To ratify the appointment of M/s Rajesh Lohia & Co., Chartered Accountants (having FRN: 108416W), as Branch Auditors of the Company, who were appointed as such at the 23<sup>rd</sup> Annual General Meeting to hold office from the conclusion of 23<sup>rd</sup> Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting, for holding office as such from the conclusion of 25<sup>th</sup> Annual General Meeting until the conclusion of 26<sup>th</sup> Annual General Meeting.

## Special Business :

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

**“RESOLVED THAT** Mr. M. L. Shinde (DIN: 07417527), who was appointed as an Additional (Independent) Director of the Company with effect from 29<sup>th</sup> January, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 to hold office as such up to 28<sup>th</sup> January, 2021, who shall not be liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory



modification(s) or re-enactments thereof, for the time being in force), Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017, be paid the remuneration of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand Only) plus service tax and out of pocket expenses.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203, Schedule V of Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the following terms and conditions regarding payment of remuneration to Mr. Nitin Menon, Joint Managing Director of the Company for a period of 2 years from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2018 be and is hereby approved:

(a) **Remuneration payable to Mr. Nitin Menon is as follows (per month):**

Sr.No.	Particulars	Amount (₹)
1.	Salary	5,00,000
2.	House Rent Allowance	50,000
3.	PPA	1,00,000
4.	Production Incentive	1,50,000
5.	Education Allowance	40,000
6.	Soft Furnishing Allowance	45,000
7.	Servant Allowance	45,000
<b>Total</b>		<b>9,30,000</b>

(b) **Others:**

1. Provident Fund: Company's contribution to Provident Fund will not exceed 12% of the salary per annum.
2. Gratuity: Gratuity will be paid as per normal rules of the Company.
3. Car: Company's Car will be provided to Mr. Nitin Menon.
4. Conveyance: Actual
5. Medical expenses: Actual
6. Mr. Nitin Menon will be entitled to leave as per the rules of the Company as are applicable to other staff Members of his category.
7. Whenever Mr. Nitin Menon is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner:
  - a. Executive Air Fare / First Class AC Rail Fare.
  - b. Actual expenses to cover stay in hotels and cost of local conveyance.
8. Leave encashment will be provided as per the normal rules of the Company and encashment of such leave at the end of the tenure of service shall not be included in the computation of ceiling of remuneration or perquisites as aforesaid.
9. Leave Travel Assistance as per the rules.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Nitin Menon, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as computed under Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may be required from time to time for the purpose of giving effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203, Schedule V of Companies Act, 2013, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the following terms and conditions regarding payment of remuneration to Mr. R. D. Dixit, Vice Chairman & Managing Director of the Company for a period of 2 years from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2018 be and is hereby approved:

(a) **Remuneration payable to Mr. R. D. Dixit is as follows (per month):**

Sr.No.	Particulars	Amount (₹)
1.	Salary	3,50,000
2.	House Rent Allowance	35,000
3.	PPA	75,000
4.	Production Incentive	30,000
5.	Education Allowance	25,000
6.	Soft Furnishing Allowance	30,000
7.	Servant Allowance	30,000
<b>Total</b>		<b>5,75,000</b>

(b) **Others:**

1. Provident Fund: Company's contribution to Provident Fund will not exceed 12% of the salary per annum.
2. Gratuity: Gratuity will be paid as per normal rules of the Company.
3. Car: Company's Car will be provided to Mr. R. D. Dixit.
4. Conveyance : Actual
5. Medical expenses : Actual
6. Mr. R. D. Dixit will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.
7. Whenever Mr. R.D. Dixit is required to travel outstation within India and abroad on Company's duty, he shall be paid in the following manner:
  - a. Executive Air Fare / First Class AC Rail Fare.
  - b. Actual expenses to cover stay in hotels and cost of local conveyance.
8. Leave encasement will be provided as per the normal rules of the Company and encasement of such leave at the end of the tenure of service shall not be included in the computation of ceiling of remuneration or perquisites as aforesaid.
9. Leave Travel Assistance as per the rules.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. R. D. Dixit, the payment of salary, perquisites and other allowances as approved by this resolution shall be as computed under Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may be required from time to time for the purpose of giving effect to this resolution.”

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

“**RESOVLED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(8) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, consent of the members of the Company be and is hereby accorded to continue material related party transactions for purchase/sale of goods and providing services, etc. with the following related parties in which directors of the Company are interested, for a period of 2 years w.e.f. 1<sup>st</sup> April, 2016 for the values as follows:

Name of the Related Parties	Approximate Value of Transaction (₹. in Lakhs)	
	2016-17	2017-18
M/s. Mani Auto Components, Partnership Firm	2,500	3,000
M/s. M. B. Exports, Partnership Firm	3,300	3,500

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution.”

**BY ORDER OF THE BOARD OF DIRECTORS**

Place : Kolhapur  
Date : 10<sup>th</sup> May, 2016

**RAM MENON**  
Chairman

**Notes :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further, a person can act as proxy on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses is annexed hereto and forms part of this notice.
3. Members / Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to the Notice. The Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
5. Pursuant to Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 18<sup>th</sup> July, 2016 to Thursday, 21<sup>st</sup> July, 2016 (both days inclusive).
6. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
7. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account Details along with self-attested documentary proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
8. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
10. Securities Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available if the Company



proposes to avail NECS Facility. The members who have not updated their bank account details & wish to avail this facility in the future are requested to update their bank account details by submitting the NECS mandate form, available on the website of the Company i.e. <https://www.menonbearings.in>.

11. 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 (RTA), M/s. Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
12. Pursuant to the provision of Section 205 A (5) and 205 C of the Companies Act, 1956 (Which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividend for the financial year 2007-08 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company for the financial year 2008-09. The balance amount lying in Unpaid Dividend Account for the financial year 2008-09 is due for transfer to the IEPF during the month of September, 2016.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the RTA of the Company – M/s. Link Intime India Private Limited.
14. Non Resident Indian members are requested to inform the Company's RTA immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
15. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.

Members are requested to submit their e-mail ID vide the e-mail updation form enclosed with this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and returning this letter by post.

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

16. The Notice of the 25<sup>th</sup> Annual General Meeting and instructions for remote e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participants unless a member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier.
17. Route Map of the Venue of the proposed AGM of the Company is appearing at the end of this Annual Report.

**18. PROCESS AND MANNER FOR MEMBERS OPTING FOR REMOTE E-VOTING ARE AS UNDER :**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to its members as an alternative to cast their votes electronically. For this purpose, the Company has engaged services of National Securities Depository Limited (NSDL) and the business contained in the notice may be transacted through such voting.

The facility of voting through polling papers shall also be made available at the venue of the 25<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

**Instructions for remote e-voting are as under :**

- (A) In case of member receiving e-mail from NSDL (for members whose e-mail IDs are registered with the Company/Depository participant(s)).
- a. Open e-mail and open PDF file viz: "remote e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for remote e-voting. Please note that this password is an initial password.
  - b. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>.
  - c. Click on Shareholder-login.
  - d. If the shareholder is already registered with NSDL for e-voting, then enter user ID and password for casting vote. In case of log in for the first time, please enter the User ID and password as initial password noted in step (a) above. Click login.
  - e. The password change menu appears. Change the password/PIN with a new password of their choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share the password with any other persons and take utmost care to keep the password confidential.
  - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - g. Select "EVEN" of "Menon Bearings Limited".
  - h. Now the members are ready for remote e-voting as Cast Vote page opens.
  - i. Cast vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - k. Once voted on the resolution, members will not be allowed to modify vote.
  - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through E-mail at "scrutinizer@mgconsulting.in" with a copy marked to "evoting@nsdl.co.in".
- (B) In case of member receiving physical copy of the Notice by post/ courier [shareholders whose e-mail ID's are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
- (I) Initial password is provided as below/at the bottom of the Attendance Slip of the AGM:

EVEN (Remote E-Voting Event Number)	User ID	Password/PIN

- (i) Please follow all steps from Sr No. (b) to (l) above, to cast vote.
- C)** In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990

**Other Instructions:**

- a) The remote e-voting period begins on Monday, 18<sup>th</sup> July, 2016 (9:00 am) and ends on Wednesday, 20<sup>th</sup> July, 2016 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 14<sup>th</sup> July, 2016 may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m on 20<sup>th</sup> July, 2016. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast vote again.
- b) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, 14<sup>th</sup> July, 2016. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting voting at the meeting through polling papers.
- c) However, if already registered with NSDL for remote e-voting then use existing USER ID AND PASSWORD for casting vote. If members forget their password, members can reset the password by using "Forgot Use details/password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- d) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- e) CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- f) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- g) The Scrutinizer, after scrutinizing the votes cast at the meeting through poll papers and remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.menonbearings.in](http://www.menonbearings.in) and on the website of the NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- h) The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

**Statement pursuant to provisions of Section 102 of the Companies Act, 2013:****Item No. 6 :**

Mr. M. L. Shinde has been appointed as an Additional (Independent) Director of the Company for a period of five years with effect from 29<sup>th</sup> January, 2016, subject to approval of shareholders at the ensuing Annual General Meeting. His educational qualifications are CS, CA, LLM, M.Com and he has vast experience of around 37 years in the field of Finance, Taxation, Corporate Laws etc.

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act 2013, it is proposed to appoint Mr. M. L. Shinde as an Independent Director of the Company and shall not be liable to retire by rotation.

Mr. M.L. Shinde has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, ("Act") to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act. The Company has also received notice along with requisite deposit from a member under Section 160 of the Act, proposing his candidature for the office of Independent Director. Further, he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to act as director.

In the opinion of the Board, Mr. M.L. Shinde fulfills the conditions specified in the Act and the Rules made there under and SEBI ( Listing Obligations & Disclosure Requirements) Regulation, 2015 for appointment as an Independent Director and he is independent of the management.

The Nomination & Remuneration Committee has also recommended his appointment as an Independent Director for a period of 5 years.

The draft letter of appointment is available for inspection by members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail expertise of Mr. M. L. Shinde as an Independent Director.

The Board recommends the Ordinary Resolution as set out at Item No.6 of the Notice for approval of the shareholders.

Mr. M.L. Shinde is not holding any shares in the Company. Except Mr. M. L. Shinde, being an appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

**Item No. : 7**

The Board, on recommendation of the Audit Committee, has approved the appointment of Mr. Chandrashekhar S. Adawadkar, Cost Accountant, Pune, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017 at a remuneration of 1,25,000/- (Rupees One Lac Twenty Five Thousand Only) plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2017.

The Board recommends the resolution as set out at item no.7 of the Notice for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

#### **Item No. : 8**

Mr. Nitin Menon is a promoter and is associated with the Company since inception. Mr. Nitin Menon being Joint Managing Director of the Company shoulders a huge responsibility. He was re-appointed as a Joint Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018.

The terms and conditions regarding payment of remuneration to Mr. Nitin Menon, Joint Managing Director was approved by members of the Company at their meeting held on 21<sup>st</sup> August, 2013 for a period of 3 years from 01<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016. Hence the Company needs to take approval of its members for payment of remuneration to Mr. Nitin Menon, Joint Managing Director for a further period of 2 years.

Upon receiving recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at their meeting held on 11<sup>th</sup> March, 2016 approved payment of remuneration to him for a period of 2 years w.e.f. 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2018 on the terms and conditions as specified in the resolution set out at item no. 8 of the notice, subject to the approval of members of the Company in General Meeting.

Detailed statement as required under Clause (A) of Part II of Section II of Schedule V of the Companies Act, 2013 is furnished at the end of Notice.

The Board recommends the Special Resolution as set out at Item No.8 of the Notice for approval of the shareholders.

Except Mr. Ram Menon, Mr. Sachin Menon and Mr. Nitin Menon, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

#### **Item No. : 9**

Mr. R. D. Dixit is associated with the Menon Group since 50 years. Mr. R. D. Dixit being a Vice Chairman & Managing Director of the Company looks after the day to day affairs of the Company. He was re-appointed as Vice Chairman & Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2018.

The terms and conditions regarding payment of remuneration to Mr. R. D. Dixit, Vice Chairman & Managing Director was approved by members of the Company at their meeting held on 21<sup>st</sup> August, 2013 for a period of 3 years from 01<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016. Hence the Company needs to take approval of its members for payment of remuneration to Mr. R. D. Dixit, Vice Chairman & Managing Director for a further period of 2 years.

Upon receiving recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at their meeting held on 11<sup>th</sup> March, 2016 approved payment of remuneration to him for a period of 2 years w.e.f. 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2018 on the terms and conditions as specified in the resolution set out at item no. 9 of this notice, subject to the approval of members of the Company in General Meeting.

The Board recommends the Special Resolution as set out at Item No.9 of the Notice for approval of the shareholders.

Except Mr. R. D. Dixit, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

#### Item No. : 10

The Company has entered into agreements with Mani Auto Components and MB Exports, Partnership Firms in which Directors of the Company are interested for purchase/ sale of goods and availing services. The Company has also obtained necessary approvals from Shareholders of the Company vide Special Resolution at the Annual General Meeting held on 23<sup>rd</sup> July, 2014.

Further, as per the provisions of Regulation 23 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all existing material related party contracts or arrangements entered into prior to the date of notification of above mentioned Regulations and which may continue beyond such date shall be approved by the shareholders in the General Meeting held subsequent to notification of these Regulations i.e. 1<sup>st</sup> December, 2015.

In view of the same, the details of the said agreements are as under:

a.	Name of the related party	Mani Auto Components, Partnership Firm	MB Exports, Partnership Firm
b.	Name of Director Interested	Mr. Ram Menon, Mr. Sachin Menon, Mr. Nitin Menon	Mr. Ram Menon, Mr. Sachin Menon, Mr. Nitin Menon
c.	Nature of Relationship	Director and their relatives are Partners in the Firm	Director and their relatives are Partners in the Firm
d.	Nature of Contract	Purchase / sale of goods and job works	Purchase / sale of goods and job works
e.	Terms of contract	01 <sup>st</sup> April, 2016 till 31 <sup>st</sup> March, 2018	01 <sup>st</sup> April, 2016 till 31 <sup>st</sup> March, 2018
f.	Monetary Value	1. 2016-17 – ₹. 2500 lakhs 2. 2017-18 – ₹. 3000 lakhs	1. 2016-17 – ₹. 3300 lakhs 2. 2017-18 – ₹. 3500 lakhs
g.	Any other relevant information	The above related party transactions will be done at prevailing market price which will be at an arm's length basis.	

The Board recommends the Special Resolution as set out at item no. 10 to the Notice for approval of the shareholders.

Except, Mr. Ram Menon, Mr. Nitin Menon and Mr. Sachin Menon, none of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

**In Pursuance of the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of Directors seeking re-appointment at the ensuing Annual General Meeting are as follows:**

<b>Name of Director</b>	<b>Mr. Sachin Menon</b>	<b>Mr. M. L. Shinde</b>
Date of Birth/Age	27 <sup>th</sup> June, 1963 / 53 years	11 <sup>th</sup> January, 1952 / 64 years
Nationality	Indian	Indian
Date of appointment as director	4 <sup>th</sup> July, 1991	29 <sup>th</sup> January, 2016
Designation	Non Executive Director	Independent Director
Qualification	B.E., M.B.A	CA, CS, LLM, M.Com
Experience/ Expertise	He is having vast experience of around 25 years in the field of manufacturing of automobile components	He has vast experience of around 37 years in the field of Finance, Taxation, Corporate Laws etc.
Shareholding in the Company (Equity Shares of Re. 1/- each)	2,50,000	Nil
List of directorships held in various other Companies	1. Menon Pistons Limited 2. Menon Piston Rings Private Limited 3. Menon Metals and Alloys Private Limited	Nil
List of Chairmanship and Membership of various committees in Public Companies	<p><b>I. Chairmanship:</b></p> <p>1. Stakeholder Relationship Committee of the Company</p> <p>2. Corporate Social Responsibility (CSR) Committee of Menon Pistons Limited</p> <p>3. Risk Management Committee of Menon Pistons Limited</p> <p><b>II. Membership:</b></p> <p>1. Remuneration Committee of Menon Pistons Limited</p> <p>2. Stakeholder's Relationship Committee of Menon Pistons Limited</p>	<p><b>I. Chairmanship:</b></p> <p>1. Audit Committee of the Company</p> <p><b>II. Membership:</b> Nil</p>
Relationship with existing Directors of the company	Son of Mr. Ram Menon & Brother of Mr. Nitin Menon	Not Related



**ADDITIONAL INFORMATION FOR ITEM NOS. 8 AND 9:**

The details as required under Clause (A) of Part II of Section II of Schedule V of the Companies Act, 2013 are given below:

**I General Information:**

1.	Nature of industry	Manufacturing of auto components.
2.	Date or expected date of commencement of commercial production	The Company is in existence and in operation since 1991.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus	N. A.
4.	Financial performance based on given indicators	EPS: 3.19 Return on Net-worth: 29% Debt Equity Ratio: 0.04
5.	Foreign investments or collaborators, if any	N.A.

**II. Information about the Directors:****A. Mr. Nitin Menon**

1.	Background details	Mr. Nitin Menon was appointed as Director of the Company on 1 <sup>st</sup> April, 1995. Thereafter, he was appointed as Joint Managing Director of the Company w.e.f. 20 <sup>th</sup> October 2000. Mr. Nitin Menon is promoter of the Company and is associated with the Company since inception and has experience of more than 23 years in the industry.
2.	Past Remuneration	₹. 7,50,000 per month.
3.	Recognition or awards	Mr. Nitin Menon is a commerce graduate.
4.	Job profile and his suitability	Mr. Nitin Menon is engaged in day-to-day activities of the Company and is responsible for overall management.
5.	Remuneration proposed	₹. 9,30,000 per month
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to Mr. Nitin Menon is at par with the industry standards, in which it operates.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Mr. Nitin Menon has no pecuniary relationship with the Company, directly or indirectly or with managerial personnel, except that he is part of promoter group of the Company and is also relative of Mr. Ram Menon, Chairman and Mr. Sachin Menon, Director of the Company.

**B. Mr. Ramesh D. Dixit**

1.	Background details	Mr. R. D. Dixit is associated with Menon group since last 50 years. He has worked in different capacities such as Development Engineer, Works Manager, Director Technical and for last 23 years as Managing Director of the Company and Director in other group companies
2.	Past Remuneration	₹. 4,50,000 per month
3.	Recognition or awards	Mr. R. D. Dixit did his 1) Diploma in Mechanical Engineering from Government Polytechnic College, Kolhapur in 1 <sup>st</sup> Class 2) B.E. (Mech) from College of Engineering, Karad in 1 <sup>st</sup> Class and did 3) "Production Planning and Control" course from HMT, Bangalore.
4.	Job profile and his suitability	Mr. R. D. Dixit is engaged in day-to-day activities of the Company and is responsible for overall management of the Company.
5.	Remuneration proposed	₹. 5,75,000 per month
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to Mr. R. D. Dixit is at par with the industry standards, in which it operates.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Mr. R.D. Dixit has no pecuniary relationship with the Company, directly or indirectly or with managerial personnel, except that he is part of promoter group of the Company .

**III. Other information**

1.	Reasons of loss or inadequate profits	As on the date of appointment of Mr. Nitin Menon and Mr. R. D Dixit, the Company has adequate profit but considering the future, the Company is proposing the resolutions to be passed as Special Resolution.
2.	Steps taken or proposed to be taken for improvement	Since the Company is making adequate profit, this point is not applicable to the Company.
3.	Expected increase in productivity and profits in measurable terms	Productivity is expected to increase by 20% (approx.) and Profits by 22% (approx.).

BY ORDER OF THE BOARD OF DIRECTORS

Place : Kolhapur  
Date : 10<sup>th</sup> May, 2016

**RAM MENON**  
Chairman

# Board's Report

Your Directors feel great pleasure in presenting 25<sup>th</sup> Annual Report of the Company comprising the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

## FINANCIAL HIGHLIGHTS :

(₹.in Lakhs)

Sr. No.	Particulars	Current Year Ended on 31 <sup>st</sup> March, 2016	Previous Year Ended on 31 <sup>st</sup> March, 2015
1	Total Revenue (Net)	11,191.14	10,391.11
2	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	2,952.59	2,323.43
3	Less : Depreciation and Amortization Expenses	456.53	421.99
	Finance Cost	163.19	238.75
4	<b>Profit before Tax</b>	<b>2,332.87</b>	<b>1,662.69</b>
5	Less: Provision for Tax	843.81	508.20
6	<b>Profit after Tax</b>	<b>1,489.06</b>	<b>1,154.49</b>
7	<b>Balance of Profit as per last Balance Sheet</b>	<b>3,123.57</b>	<b>2,497.22</b>
8	a) Less: Depreciation difference	-	16.00
	b) Less: Short Provision and Proposed CSR	30.21	-
9	<b>Balance Available for Appropriation</b>	<b>4,582.46</b>	<b>3,635.70</b>
10	Rate of Proposed / Paid Dividend	100%	80%
11	Proposed / Dividend Paid	467.00	373.60
12	Tax on Dividend	95.07	63.49
13	Transfer to General Reserve	75.00	75.00
14	<b>Balance of Profit carried to Balance Sheet</b>	<b>3,945.39</b>	<b>3,123.61</b>

## REVIEW OF OPERATIONS

During the year under review, the Company has registered a sale of ₹. 11,191.14 Lakhs (previous year ₹. 10,391.11 Lakhs) and Net Profit after Tax of ₹. 1,489.06 Lakhs (previous year ₹. 1,154.49 Lakhs). The Company continues to operate in the business of manufacturing of "Auto Components" and there was no change in business activities. No material changes or commitments affecting the financial position of the Company occurred between end of the financial year and the date of this report.

## DIVIDEND:

The Company's overall performance during the year under review was satisfactory. Based on the performance, your directors had the pleasure of declaring payment of an interim dividend of ₹.1.00 per Equity Share (Previous Year final dividend ₹.0.80 per Equity Share), being 100% of the paid-up Equity Share Capital of the Company for the Financial Year ended on 31<sup>st</sup> March, 2016. This absorbed total cash outflow of ₹. 562.07 Lakhs (previous year ₹. 437.09 Lakhs) including Corporate Dividend Distribution Tax of ₹. 95.07 Lakhs (previous year ₹. 63.49 Lakhs).

**SHARE CAPITAL OF THE COMPANY:**

During the year under review, shares of the Company were sub-divided from face value of ₹. 5/- to ₹. 1/- per Equity share w.e.f. 10<sup>th</sup> April, 2015. Consequently, issued, subscribed and paid up Equity share capital of the Company after sub-division of the face value of Equity shares is ₹. 4,67,00,000/- (Rupees Four Crores Sixty Seven Lakhs only) divided into 4,67,00,000 ( Four Crores Sixty Seven Lakhs ) Equity shares of the face value of ₹. 1 (Rupee one) each.

**DIRECTORS AND KMP:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Sachin Menon, Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

The Board of Directors of the Company appointed Mr. M. L. Shinde as an Additional (Independent) Director of the Company for a period of five years w.e.f. 29<sup>th</sup> January, 2016, subject to approval of shareholders at the ensuing Annual General Meeting. The Company has received a notice along with requisite deposit from a member of the Company under Section 160 of Companies Act, 2013 proposing his candidature for the office of Director of the Company. Your Board recommends his appointment.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As stipulated under the Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the Directors proposed to be appointed/re-appointed are given in the Notice convening 25<sup>th</sup> Annual General Meeting.

**PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT 9 is appended to this Report as **Annexure I**.

**MEETINGS OF THE BOARD:**

The Board meets at regular interval to discuss and decide on Company / business policy and strategy apart from other Board business. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors of the Company. Usually, meetings of the Board are held in Kolhapur, Maharashtra. The agenda of the Board / Committee meetings is circulated 7 days prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year the Board met five times, the details of which are given in the Report on Corporate Governance.

The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions contained in Section 134(3) (c) of the Companies Act, 2013, the Board of Directors state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any
- b. they 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 31<sup>st</sup> March, 2016 and of the profit of the Company for that period;
- c. they have 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 fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **REMUNERATION POLICY:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI ( Listing Regulations and Disclosure Requirements ) Regulations, 2015 and on the recommendation of Nomination and Remuneration Committee, the Board has adopted policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Report on Corporate Governance .

#### **RISKS AND AREAS OF CONCERN:**

The Company has laid down a well defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:**

Pursuant to the provisions of Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee and framed a Policy on Corporate Social Responsibility. As part of its initiatives under CSR, the Company has identified various projects. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as “**Annexure II.**”.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of Companies Act, 2013, as prescribed in Form AOC - 2 of the Rule (8) of Companies (Accounts) Rules, 2014 is appended as "Annexure III."

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The details of loans, guarantees or investments made by the Company under the provisions Section 186 of the Companies Act, 2013 are provided in the Notes on of Financial Statements.

**ANNUAL PERFORMANCE EVALUATION BY THE BOARD:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI ( Listing Regulations and Disclosure Requirements) Regulation , 2015, the performance evaluation of Independent Directors was done by the entire Board excluding the Director being evaluated and evaluation of the Board as a whole was done by Independent Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance at Board Meetings and Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

The manner in which the evaluation has been carried out has been explained in the Report on Corporate Governance .

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There was no order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on Company's operations in future.

**AUDIT COMMITTEE AND ITS COMPOSITION:**

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

As on 31<sup>st</sup> March, 2016, the Audit Committee comprised of Mr. M. L. Shinde, Mr. B. S. Ajitkumar, Capt. Sudheer S. Naphade, Independent Directors and Mr. R. D. Dixit, Vice Chairman and Managing Director of the Company.

Mr. B. S. Ajitkumar was the Chairman of the Audit Committee of the Company upto 31<sup>st</sup> January, 2016. Mr. M.L. Shinde was appointed as Chairman of Audit Committee of the Company w.e.f. 1<sup>st</sup> February, 2016. Mr. Anup Padmai, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Audit Committee.

**WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

The Company has adopted a Vigil Mechanism / Whistle Blower Policy as per the provisions of section 177 of Companies Act, 2013 and Regulation 22 of SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 to deal with instance of fraud and provides for adequate safeguards against victimization of directors or employees or any other person who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of Vigil Mechanism Policy is explained in the Report on Corporate Governance and also posted on the website of the Company i.e. <http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/55681f95e4b0f3550bf6e656/1432887189523/Whistle+Blower+Policy.pdf>. We affirm that during the financial year 2015-16, no employee or director or any other person was denied access to the Audit Committee.

**SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Secretarial Audit Report received from M/s. Manish Ghia & Associates, Company Secretaries, Mumbai is annexed as **Annexure - IV** and forms part of this report.

As per the observation of the Secretarial Auditor, the vacancy caused by the resignation of an Independent Director was to be filled in by the Company on or before 16<sup>th</sup> July, 2015, however the same was filled by 29<sup>th</sup> January, 2016. The Company was trying to identify and appoint a suitable person on its Board, whose presence can benefit the Company in particular and the shareholders at large. Since, the Company is situated at remote place at Kolhapur, Maharashtra, it was difficult to identify the right person on the Board of the Company and hence there was delay in appointment of Independent Director.

**INTERNAL AUDIT:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee reappointed Mr. Abhay Golwalkar, Chartered Accountants, Kolhapur as an Internal Auditor of the Company. The Internal Auditor submits his reports on quarterly basis to the Audit Committee.

Based on the report of internal audit, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company Policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

The Audit Committee evaluates the efficiency and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and strives to maintain the Standard in Internal Financial Control.

**REPORT ON CORPORATE GOVERNANCE :**

Pursuant to Regulations 34 & 53 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following have been made a part of the Annual Report and are enclosed /annexed to this report:

- Management Discussion and Analysis
- Report on Corporate Governance
- Declaration on Compliance with Code of Conduct
- Auditors' Certificate regarding compliance of conditions of Corporate Governance

**COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted one of its Committees. There are currently Five Committees of the Board, as follows:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Internal Complaint Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance, forming part of this Annual Report.

**PARTICULARS OF THE EMPLOYEES AND REMUNERATION:**

Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement showing the details of remuneration paid in excess to the prescribed limits and details of the ratio of remuneration of each Director to the median employee's remuneration are appended to this Report as “**Annexure V**” and “**Annexure VI**” respectively.

**STATUTORY AUDITORS AND BRANCH AUDITORS:**

M/s. P. M. Vardhe & Co., Chartered Accountants, Kolhapur, (having FRN-111274W ) the Statutory Auditors of the Company hold office as such up to the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. P. M. Vardhe & Co., Chartered Accountants, Kolhapur, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to audit Financial Statements for the Financial Year 2016-17.

The Company had appointed M/s. Rajesh Lohia & Co. Chartered Accountants, Kolhapur, (having FRN-108416W ) as Branch Auditors, to hold office from the conclusion of 23<sup>rd</sup> AGM until the conclusion of sixth consecutive AGM of the Company and to audit the Financial Statement of Menon Alkop (Division of the Company). However, such an appointment of Branch Auditors was subject to ratification at every AGM held after the 23<sup>rd</sup> AGM. Hence, the Board recommends for the ratification of appointment of M/s. Rajesh Lohia & Co, Chartered Accountant, Kolhapur, as Branch Auditor of the Company in the ensuing Annual General Meeting.

No adverse remark/comments/observations are made by the Statutory Auditors in their report.



**COST AUDITORS:**

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. Chandrashekhar S. Adawadkar, Cost Accountant, Pune ( having FRN-100401) as Cost Auditors of the Company to conduct audit of cost records for the Financial Year 2016-17, at a remuneration of ₹. 1,25,000/- (Rupees One Lac Twenty Five Thousand Only) plus service tax and out of pocket expenses, subject to approval of Shareholders in the ensuing Annual General Meeting.

**INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has constituted an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaint was filed before the said Committee.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo for the year under review is given as “**Annexure VII**”.

**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 Replacement Market segments. The Directors would also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the year under report by our bankers, customers, suppliers 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 :** 10<sup>th</sup> May, 2016

**RAM MENON**  
Chairman

# Annexure to Boards' Report

Form No. MGT-9

## Annexure I

### EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31<sup>st</sup> March, 2016)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L29130PN1991PLC062352
2.	Registration Date	4 <sup>th</sup> July, 1991
3.	Name of the Company	Menon Bearings Limited
4.	Category/Sub-Category of the Company	Non- Government / Public Company limited by shares
5.	Address of the Registered Office and Contact details	G-1, MIDC, Gokul Shirgaon, Kolhapur – 416234. Tel - 0231 -2672279/533/487 Fax – 0231-2672278 Email – admin@menonbearings.in Website – www.menonbearings.in
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai, 400078 Telephone:- 022 25963838 Fax Number:- 022 25946969 Email: inform@linkintime.co.in

#### II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Bearings, Bushes and Thrust Washers etc	3563	78%
2.	Aluminium Die Casting Components	3563	18%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### I Category-wise Share Holding.

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year *				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1. Indian									
a. Individual/ HUF	47,05,400	-	47,05,400	50.38	2,35,27,000	-	2,35,27,000	50.38	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	22,68,800	-	22,68,800	24.29	1,13,44,000	-	1,13,44,000	24.29	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A) (1):-</b>	<b>69,74,200</b>	<b>-</b>	<b>69,74,200</b>	<b>74.67</b>	<b>3,48,71,000</b>	<b>-</b>	<b>3,48,71,000</b>	<b>74.67</b>	<b>-</b>
2. Foreign	-	-	-	-	-	-	-	-	-
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Other Individual	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub-total(A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters A= (A)(1)+(A)(2)</b>	<b>69,74,200</b>		<b>69,74,200</b>	<b>74.67</b>	<b>3,48,71,000</b>		<b>3,48,71,000</b>	<b>74.67</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank / FI	-	-	-	-	-	-	-	-	-
c. Central Government	-	-	-	-	-	-	-	-	-
d. State Governments	-	-	-	-	-	-	-	-	-
e. Venture Capital Investors	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub- total – (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a. Bodies Corporate	-	-	-	-	-	-	-	-	-
I. Indian	63,418	-	63,418	0.68	2,26,932	-	2,26,932	0.49	0.49
II. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 Lakh	12,38,418	9,41,638	21,80,056	23.34	64,90,528	43,26,940	10,817,468	23.16	23.16
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	41,907	-	41,907	0.45	1,01,770	-	1,01,770	0.22	0.22
c. Others	-	-	-	-	-	-	-	-	-
(i) NRI (Rep)	13,112	-	13,112	0.14	85,432	-	85,432	0.18	0.18
(ii) NRI (Non-Rep)	59,008	-	59,008	0.63	1,91,317	-	1,91,317	0.41	0.41
(iii) Clearing Members	8,299	-	8,299	0.09	2,58,074	-	2,58,074	0.55	0.55
(iv) Hindu Undivided Family	-	-	-	-	1,48,007	-	1,48,007	0.32	0.32
<b>Sub-total (B) (2)</b>	<b>14,24,162</b>	<b>9,41,638</b>	<b>23,65,800</b>	<b>25.33</b>	<b>75,02,060</b>	<b>43,26,940</b>	<b>1,18,29,000</b>	<b>25.33</b>	-
<b>Total Public Shareholding B=(B)(1)+(B)(2)</b>	<b>14,24,162</b>	<b>9,41,638</b>	<b>23,65,800</b>	<b>25.33</b>	<b>75,02,060</b>	<b>43,26,940</b>	<b>1,18,29,000</b>	<b>25.33</b>	-
<b>C. Shares held by Custodians for GDR's &amp; ADR's</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>83,98,362</b>	<b>9,41,638</b>	<b>93,40,000</b>	<b>100.00</b>	<b>4,23,73,060</b>	<b>43,26,940</b>	<b>4,67,00,000</b>	<b>100.00</b>	-

\*Note: W.e.f.10<sup>th</sup> April, 2015, on account of sub-division of shares, the face value of Equity Shares at the beginning of the year was ₹ 5/- and at the end of the year was ₹ 1/-.

## ii. Shareholding of Promoters and Promoters Group:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year*			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Mr. Nitin R Menon	28,36,130	30.36	-	1,41,80,650	30.36	-	-
2	Karveer United Pvt. Ltd.	22,68,800	24.29	-	1,13,44,000	24.29	-	-
3	Mrs. Sucheta Nitin Menon	8,40,802	9.00	-	42,04,010	9.00	-	-
4	Mr. Aditya Nitin Menon	4,75,328	5.09	-	23,76,640	5.09	-	-
5	Mast. Anshul Nitin Menon	4,75,140	5.09	-	23,75,700	5.09	-	-
6	Mr. Sachin R Menon	50,000	0.54	-	2,50,000	0.54	-	-
7	Mrs. Smita Ramesh Dixit	17,600	0.19	-	88,000	0.19	-	-
8	Mr. Ramesh Dattatraya Dixit	10,400	0.11	-	52,000	0.11	-	-
	<b>Total</b>	<b>69,74,200</b>	<b>74.67</b>	<b>-</b>	<b>3,48,71,000</b>	<b>74.67</b>	<b>-</b>	<b>-</b>

\*Note: W.e.f. 10<sup>th</sup> April, 2015, on account of sub-division of shares, the face value of Equity Shares at the beginning of the year was ₹ 5/- and at the end of the year was ₹ 1/-.

## iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Sr. No	Promoters' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Nitin R Menon					
A	At the beginning of year		28,36,130	30.36	-	-
B	Changes during the year					
	Date	Reason	1,41,80,650	30.36	1,41,80,650	30.36
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	1,41,80,650	30.36

Sr. No	Promoters' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>2.</b>	<b>Karveer United Pvt. Ltd.</b>					
A	At the beginning of year		22,68,800	24.29	-	-
B	Changes during the year					
	Date	Reason	1,13,44,000	24.29	1,13,44,000	24.29
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	1,13,44,000	24.29
<b>3.</b>	<b>Mrs. Sucheta Nitin Menon</b>					
A	At the beginning of year		8,40,802	9.00	-	-
B	Changes during the year					
	Date	Reason	42,04,010	9.00	42,04,010	9.00
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	42,04,010	9.00
<b>4.</b>	<b>Mr. Aditya Nitin Menon</b>					
A	At the beginning of year		4,75,328	5.09	-	-
B	Changes during the year					
	Date	Reason	23,76,640	5.09	23,76,640	5.09
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	23,76,640	5.09
<b>5.</b>	<b>Mast. Anshul Nitin Menon</b>					
A	At the beginning of year		4,75,140	5.09	-	-
B	Changes during the year					
	Date	Reason	23,75,700	5.09	23,75,700	5.09
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	23,75,700	5.09

Sr. No	Promoters' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>6.</b>	<b>Mr. Sachin R. Menon</b>					
A	At the beginning of year		50,000	0.54	-	-
B	Changes during the year					
	Date	Reason	2,50,000	0.54	2,50,000	0.54
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	2,50,000	0.54
<b>7.</b>	<b>Mrs. Smita Ramesh Dixit</b>					
A	At the beginning of year		17,600	0.19	-	-
B	Changes during the year					
	Date	Reason	88,000	0.19	88,000	0.19
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	88,000	0.19
<b>8.</b>	<b>Mr. Ramesh Dattatraya Dixit</b>					
A	At the beginning of year		10,400	0.11	-	-
B	Changes during the year					
	Date	Reason	52,000	0.11	52,000	0.11
	17.04.2015	Sub-division of shares				
C	At the end of year		-	-	52,000	0.11

**Note:** W.e.f.10<sup>th</sup> April, 2015, on account of sub-division of shares, the face value of Equity Shares at the beginning of the year was ₹ 5/- and at the end of the year was ₹1/-.

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Shareholders' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>M/s. Angel Fincap Private Limited</b>					
A	At the beginning of year		30,288	0.3243	-	-
B	Changes during the year					
	Date	Reason				
	17.04.2015	Sub-division of shares	1,51,440	0.3243	1,51,440	0.3243
	01.05.2015	Purchase	700	0.0015	1,52,140	0.3258
	08.05.2015	Purchase	100	0.0002	1,52,240	0.3260
	15.05.2015	Sell	(350)	(0.0007)	1,51,890	0.3252
	17.07.2015	Purchase	6,033	0.0129	1,57,923	0.3382
	24.07.2015	Sell	(15)	(0.0000)	1,57,908	0.3381
	14.08.2015	Purchase	15	0.0000	1,57,923	0.3382
	21.08.2015	Sell	(211)	(0.0005)	1,57,712	0.3377
	28.08.2015	Sell	(150)	(0.0003)	1,57,562	0.3374
	11.09.2015	Purchase	10	0.0000	1,57,572	0.3374
	18.09.2015	Sell	(60)	(0.0001)	1,57,512	0.3373
	25.09.2015	Purchase	29	0.0001	1,57,541	0.3373
	30.09.2015	Purchase	1,600	0.0034	1,59,141	0.3408
	09.10.2015	Purchase	497	0.0011	1,59,638	0.3418
	16.10.2015	Purchase	878	0.0019	1,60,516	0.3437
	23.10.2015	Purchase	101	0.0002	1,60,617	0.3439
	06.11.2015	Purchase	30	0.0001	1,60,647	0.3440
	13.11.2015	Purchase	3,310	0.0071	1,63,957	0.3511
	20.11.2015	Purchase	170	0.0004	1,64,127	0.3514



	Date	Reason			-	-
	11.12.2015	Purchase	2,573	0.0055	1,66,700	0.3570
	18.12.2015	Purchase	862	0.0018	1,67,562	0.3588
	31.12.2015	Purchase	50	0.0001	1,67,612	0.3589
	08.01.2016	Sell	(200)	(0.0004)	1,67,412	0.3585
	15.01.2016	Purchase	187	0.0004	1,67,599	0.3589
	22.01.2016	Sell	(370)	(0.0008)	1,67,229	0.3581
	29.01.2016	Purchase	80	0.0002	1,67,309	0.3583
	05.02.2016	Purchase	50	0.0001	1,67,359	0.3584
	12.02.2016	Purchase	40	0.0001	1,67,399	0.3585
	19.02.2016	Purchase	110	0.0002	1,67,509	0.3587
	04.03.2016	Sell	(45)	(0.0001)	1,67,464	0.3586
C	At the end of year		-	-	1,67,464	0.3586
<b>2.</b>	<b>Mr. Tejas Thakorebhai Godiwala</b>					
A	At the beginning of year		52005	0.5568	-	-
B	Changes during the year					
	Date	Reason				
	17.04.2015	Sub-division of shares	2,60,025	0.5568	2,60,025	0.5568
	17.04.2015	Sell	(26,613)	(0.0570)	2,33,412	0.4998
	08.05.2015	Sell	(28,500)	(0.0610)	2,04,912	0.4388
	26.06.2015	Sell	(15,840)	(0.0339)	1,89,072	0.4049
	10.07.2015	Sell	(605)	(0.0013)	1,88,467	0.4036
	17.07.2015	Sell	(9,395)	(0.0201)	1,79,072	0.3835
	14.08.2015	Sell	(14,000)	(0.0300)	1,65,072	0.3535
C	At the end of year		-	-	1,65,072	0.3535
<b>3.</b>	<b>Mrs. Jayashree Vithoba Shetti</b>					
A	At the beginning of year		24,031	0.2573	-	-
B	Changes during the year					

	Date	Reason				
	17.04.2015	Sub-division of shares	1,20,155	0.2573	1,20,155	0.2573
	17.04.2015	Sell	(500)	0.0011	1,19,655	0.2562
C	At the end of year		-	-	1,19,655	0.2562
<b>4.</b>	<b>Mr. Harvinder Kaur Nath</b>					
A	At the beginning of year		19,200	0.2056	-	-
B	Changes during the year					
	Date	Reason				
	17.04.2015	Sub-division of shares	96,000	0.2056	96,000	0.2056
C	At the end of year				96,000	0.2056
<b>5.</b>	<b>Mr. D Srimathi</b>					
A	At the beginning of year		19,159	0.2051	-	-
B	Changes during the year					
	Date	Reason				
	17.04.2015	Sub-division of shares	95,795	0.2051	95,795	0.2051
C	At the end of year		-	-	95,795	0.2051
<b>6.</b>	<b>Mr. Sanjay J Poddar</b>					
A	At the beginning of year		-	-	-	-
B	Changes during the year					
	Date	Reason				
	26.06.2015	Purchase	68,200	0.1460	68,200	0.1460
C	At the end of year		-	-	68,200	0.1460
<b>7.</b>	<b>Mr. Dharamdas Nandlal Mehta</b>					
A	At the beginning of year		12,475	0.1336	-	-
B	Changes during the year					
	Date	Reason				
	17.04.2015	Sub-division of shares	62,375	0.1336	62,375	0.1336
C	At the end of year				62,375	0.1336

<b>8.</b>	<b>Mr. Desai Pallavkumar Saubhagyachandra</b>					
A	At the beginning of year		-	-	-	-
B	Changes during the year					
	Date	Reason				
	24.04.2015	Purchase	4,688	0.0100	4,688	0.0100
	01.05.2015	Purchase	19,129	0.0410	23,817	0.0510
	08.05.2015	Purchase	583	0.0012	24,400	0.0522
	15.05.2015	Purchase	2,000	0.0043	26,400	0.0565
	05.06.2015	Purchase	23,600	0.0505	50,000	0.1071
	31.12.2015	Purchase	3,500	0.0075	53,500	0.1146
	05.02.2016	Purchase	1,000	0.0021	54,500	0.1167
	31.03.2016	Purchase	500	0.0011	55,000	0.1178
C	At the end of year		-	-	55,000	0.1178
<b>9.</b>	<b>Mrs. Jayaben Dahyalal Patel</b>					
A	At the beginning of year		10,400	0.1113	-	-
B	Changes during the year					
	Date	Reason				
	17.04.2015	Sub-division of shares	52,000	0.1113	52,000	0.1113
C	At the end of year		-	-	52,000	0.1113
<b>10.</b>	<b>Mr. Vithoba Gopal Shetti</b>					
A	At the beginning of year		10,639	0.1139	-	-
B	Changes during the year					
	Date	Reason				
	17.04.2015	Sub-division of shares	53,195	0.1139	53,195	0.1139
	17.04.2015	Sell	(1,500)	(0.0032)	51,695	0.1107
C	At the end of year		-	-	51,695	0.1107

**Note:** W.e.f.10<sup>th</sup> April, 2015, on account of sub-division of shares, the face value of Equity Shares at the beginning of the year was ₹ 5/- and at the end of the year was ₹1/-.

**V. Shareholding of Directors and Key Managerial Personnel:**

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year*	
		Name of the Director / KMP	No. of Shares	% of total shares of the Company	No. of Shares
1	Mr. Ram Menon	-	-	-	-
2	Mr. R D Dixit	10,400	0.11	52,000	0.11
3	Mr. Nitin Menon	28,36,130	30.36	1,41,80,650	30.36
4	Mr. Sachin Menon	50,000	0.54	2,50,000	0.54
5	Mr. Ajit Kumar Belur	-	-	-	-
6	Capt. Sudheer Naphade	-	-	-	-
7	Mrs. Nazura Ajaney	-	-	-	-
8	Mr. Mukund L. Shinde	-	-	-	-
9	Mr. Arun R. Aradhye	-	-	-	-
10	Mr. Anup S Padmai	-	-	-	-

\*Note: W.e.f.10<sup>th</sup> April, 2015, on account of sub-division of shares, the face value of Equity Shares at the beginning of the year was ₹ 5/- and at the end of the year was ₹1/-.

**V. INDEBTEDNESS:-**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year as on 01.04.2015				
1) Principal Amount	1437.29	227.77	-	1665.06
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>1437.29</b>	<b>227.77</b>	<b>-</b>	<b>1665.06</b>

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the Financial Year				
+ Addition	227.33	-	-	227.33
-Reduction	658.08	-	-	658.08
<b>Net change</b>	<b>(430.75)</b>	-	-	<b>(430.75)</b>
Indebtedness at the end of the Financial Year as on 31.03.2016				
1) Principal Amount	1006.54	227.77	-	1234.31
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>1006.54</b>	<b>227.77</b>	-	<b>1234.31</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		MD	JMD	
		Mr. R.D. Dixit	Mr. Nitin Menon	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	52.20	81.31	133.51
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>52.20</b>	<b>81.31</b>	<b>133.51</b>
	Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013		

**B. Remuneration of other Directors:**

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. B.S. Ajitkumar	Capt. Sudheer Naphade	Mrs. Nazura Ajaney	Mr. M. L. Shinde	
1	<b>Independent Directors</b>					
	-Fee for attending Board/ Committee Meetings	0.04	0.05	0.05	0.01	0.15
	- Commission	-	-	-	-	-
	-Others	-	-	-	-	-
	Total (1)	0.04	0.05	0.05	0.01	0.15
2	<b>Other Non Executive Directors</b>					
		Mr. Ram Menon	Mr.Sachin Menon			
	-Fee for attending Board / Committee Meetings	0.05	0.04	-	-	0.09
	- Commission	-	-	-	-	-
	-Others	-	-	-	-	-
	Total (2)	0.05	0.04	-	-	0.09
	<b>Total Managerial Remuneration</b>	<b>0.09</b>	<b>0.09</b>	<b>0.05</b>	<b>0.01</b>	<b>0.24</b>
	Overall Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013				

**C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD**

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Arun Aradhya, Chief Financial Officer	Mr. Anup Padmai, Company Secretary & Compliance Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	21.06	2.28	23.34
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>21.06</b>	<b>2.28</b>	<b>23.34</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):- None**

## Annexure II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Sr. No	Particulars				Details		
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs				The CSR policy of the Company lays down the guidelines to make CSR a key business process for sustainable development of the society. The CSR policy also encompasses the scope of CSR activities of the Company. The CSR policy of the Company is available on the Company's website i.e. <a href="https://www.menonbearings.in">https://www.menonbearings.in</a>		
2	The Composition of the CSR Committee				Mrs. Nazura Ajaney- Chairperson Mr. R D Dixit- Member Mr. Nitin Menon- Member		
3	Average net profit of the Company for last three financial years				₹. 1068.73 Lakhs.		
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)				₹. 21.37 Lakhs.		
5	Details of CSR spent during the financial year. a) Total amount to be spent for the financial year b) Amount unspent , if any c) Manner in which the amount spent during the financial year is detailed below:				₹.40.52 Lakhs. ₹.34.91 Lakhs.		
Sr no.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs Local Area or other Specify the State and district where projects or programs are taken	Amount Outlay (Budget) project or program wise (amount in ₹)	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period (amount in ₹)	Amount spent: Direct or through implementing agency
a	Swayam School for Mentally Challenged Children: Financial assistance for construction of school building and other activities for Rehabilitation of Mentally Challenged Children	Promotion of education to differently abled Children	Nyaynagari Kolhapur, Maharashtra	₹. 5,00,000	Direct expenditure	₹. 5,00,000	Direct

b.	State level Kolhapur Shahu Marathon organized by "Shri Binkhambi Ganesh Mitra Mandal"	Promotion of Health Care including preventive health care regarding HIV free India, Polio Free India, Pollution Free India and to save the Girl Child (Female Infanticide)	Kolhapur, Maharashtra	₹. 50,501	Direct expenditure	₹. 50,501	Direct
c	Vibhagiya Mahasool Krida Tournament	Promotion of rural sports	Kolhapur, Maharashtra	₹. 10,000	Direct expenditure	₹. 10,000	Direct
	<b>Total</b>			<b>₹. 5,60,501/-</b>		<b>₹.5,60,501/-</b>	
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:				The Company has identified the purposes for which the amount is to be spent and the same is being utilized accordingly.		
<p>The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.</p> <p style="text-align: center;">S/d Nitin Menon Joint Managing Director</p> <p style="text-align: center;">Place: Kolhapur Date: 10<sup>th</sup> May, 2016</p> <p style="text-align: center;">S/d Nazura Ajaney Chairman of CSR Committee</p> <p style="text-align: center;">Place: Pune Date: 10<sup>th</sup> May, 2016</p>							



**Annexure III  
FORM- AOC-2**

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

**Details of Material contracts or arrangements or transactions at arm's length basis:**

A.

Sr. No	Particulars	Details
1	Name(s) of the related party and nature of relationship	M/s. MB Exports, Partnership Firm in which Director and his relatives are interested.
2	Nature of contracts / arrangements / transactions	Sale of goods / services
3	Duration of the contracts / arrangements / transactions	1 <sup>st</sup> April, 2015 till 31 <sup>st</sup> March, 2018
4	Salient terms of the contracts or arrangements or transactions including the value, if any	F.Y. 2015-16 – ₹. 3100 lakhs F.Y. 2016-17 – ₹. 3300 lakhs F.Y. 2017-18 - ₹. 3500 lakhs
5	Date of approval by the Board	11 <sup>th</sup> May, 2014.
6	Amount paid in advance, if any	Nil

B.

Sr. No	Particulars	Details
1	Name(s) of the related party and nature of relationship	M/s. Mani Auto Components, Partnership Firm in which Director and his relatives are interested.
2	Nature of contracts / arrangements / transactions	Purchase/Sale of goods and availing services.
3	Duration of the contracts / arrangements / transactions	1 <sup>st</sup> April, 2015 till 31 <sup>st</sup> March, 2018
4	Salient terms of the contracts or arrangements or transactions including the value, if any	F.Y. 2015-16 – ₹. 2100 lakhs F.Y. 2016-17 – ₹. 2500 lakhs F.Y. 2017-18 - ₹. 3000 lakhs
5	Date of approval by the Board	11 <sup>th</sup> May, 2014.
6	Amount paid in advance, if any	Nil

## Annexure IV

### Secretarial Audit Report

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION PERSONNEL) RULES, 2014]

To,  
The Members,  
**Menon Bearings Limited**  
Kolhapur

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Menon Bearings Limited** (CIN:L29130PN1991PLC062352) and having its Registered Office at G-1, MIDC Gokul Shirgaon, Kolhapur – 416234 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective up to 14<sup>th</sup> May 2015) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May 2015);

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period); and**
- (l) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1<sup>st</sup> December, 2015;
- (vi) There are no laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from 1<sup>st</sup> July, 2015; and
- (ii) The Listing Agreements entered into by the Company with BSE Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai (effective up to 30<sup>th</sup> November, 2015).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except:

- a. *that the vacancy in the Board of Directors which was to be filled latest by 16<sup>th</sup> July 2015 created on account of resignation of one of the Independent director on 17<sup>th</sup> April 2015, was however filled only by 29<sup>th</sup> January, 2016; and on account of the aforesaid delay in filling up the vacancy of Independent Director, the composition of the Board was not in conformity with the requirement during the period for which such vacancy continued.*

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors (*except as per the observation made in the foregoing paragraph*). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period:

1. the Board of Directors of the company declared an Interim Dividend of Re.1/- per share at their meeting held on 11<sup>th</sup> March 2016; and
2. the sub divided Equity Capital comprising of 4,67,00,000 Equity Shares of ₹.1/- (ISIN - INE071D01033) each were admitted for dealings in the Stock Exchanges of BSE Ltd. and National Stock Exchange of India Ltd. with effect from 10<sup>th</sup> April 2015.

This report is to be read with our letter of even date which is annexed as “**Annexure A**” and forms an integral part of this report.

For **Manish Ghia & Associates**  
**Company Secretaries**

**Manish L. Ghia**

Partner

M. No. FCS 6252 C.P. No. 3531

**Place:** Mumbai

**Date :** 10<sup>th</sup> May, 2016

**'Annexure A'**

To,  
The Members,  
**Menon Bearings Limited**  
Kolhapur

Our report of even date is to read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**  
**Company Secretaries**

**Manish L. Ghia**  
Partner

M. No. FCS 6252 C.P. No. 3531

**Place:** Mumbai  
**Date :** 10<sup>th</sup> May, 2016

**Annexure V****Information as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel Rules), 2014**

(i)	Name of employee	Mr. Nitin Menon
(ii)	Designation of the employee	Joint Managing Director
(iii)	Remuneration received	₹. 81,30,723/-
(iv)	Nature of employment, whether contractual or otherwise	Contractual
(v)	Qualifications and experience of the employee	B. Com. and has 23 years of entrepreneurial experience.
(vi)	Date of commencement of employment	01-10-1992
(vii)	Age	49 years
(viii)	Last employment held before joining the Company	N. A.
(ix)	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule (5)	1,41,80,650 (30.36%)
(x)	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager	Mr. Ram Menon, Chairman. Mr. Sachin Menon, Non Executive Director.

**Annexure VI****Details of the ratio of remuneration of each Director to the median employee's remuneration.**

Median Remuneration of the employees of the Company for the Financial Year is ₹ 2.78 Lacs.

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>Ratio of remuneration to the median remuneration of the employees</b>
1	Mr. R.D. Dixit	19
2	Mr. Nitin Menon	29
(ii)	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>% Increase over last F.Y.</b>
1	Mr. R.D. Dixit	11%
2	Mr. Nitin Menon	11%
3	Mr. Arun Aradhya- CFO (KMP)	26%
4	Mr. Anup Padmai- CS (KMP)	25%



## Annexure VII

### STATEMENT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

#### I. CONSERVATION OF ENERGY

- a) The Company is committed to optimizing use of energy in operations and also brings about continuous improvements in the efficiency of processes and products through use of energy efficient technologies.
- b) Your Company took numerous steps to reduce the electricity consumption, as under:
- Automatic power factor control (APFC) Panel added at Caster Line for improving power factor; at the same time APF Controller is installed at LT Panels resulted into power factor improvement.
  - Power foundry diesel holding furnace replaced with electrical heated furnace, so that oil consumption came down drastically with marginal increase in electrical consumption
  - New electric motor with low HP is installed without compromising in performance of machine and additional investment
  - Programmable logic controller at various machines in production line is modified as such; if machines are idle for more than 3 minutes then main motor of 15 KW will automatically shut off.
  - Capacity of Spindle motor at Bush boring machine is changed from 3HP to 1 HP; without hampering smooth process of finishing and extra investment.

#### II. TECHNOLOGY ABSORPTION

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

##### A. Research and Development (R&D):

1	Specific areas in which R & D is being carried out by the company	1) Copper base Sintered Lead free material is developed. 2) Special Bushes are developed in bi-metallic version instead of mono metal version.
2	Benefits derived as a result of above	1) Reduction in pollution on account of environment friendly Lead free material. 2) Increase in the market share by producing new products as per the requirement of customers. 3) Products are available at more competitive price.
3	Future plan of action	To undertake different kaizen projects in manufacturing process with intent to overall cost saving at the same time less harm to environment.
4	Expenditure on R & D	a) Capital WIP: Nil b) Recurring: ₹. 23.79 Lakhs c) Total: ₹. 23.79 Lakhs d) Total R & D expenditure as a percentage of total turnover : 0.21%



**B. Technology Absorption, Adaptation & Innovation**

1) Efforts in brief, made towards Technology Absorption, Adaptation and Innovation	<ol style="list-style-type: none"> <li>1) VMC machine is used; instead of SPM machine.</li> <li>2) Inserts used on one SPM are reused for other operation.</li> <li>3) Oil groove embossing is introduced in place of machining.</li> <li>4) Reduction in machining allowance.</li> <li>5) Rack designs are changed to minimize patchwork problem.</li> <li>6) In-house development of holder using waste material.</li> </ol>
2) Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development etc.	<ol style="list-style-type: none"> <li>1) Improved productivity.</li> <li>2) Saving in cost of man power.</li> <li>3) Reuse of material resulted in to reduction of material cost.</li> <li>4) Overall cost reduction due to saving in Milling and Flatening operations.</li> </ol>
3) In case of imported technology (imported during last 5 years recorded from beginning of the Financial Year)	<p>We have imported following machineries and the same are in operation trouble free:-</p> <ul style="list-style-type: none"> <li>· Boring machine and Height Broach Machine during the year 2011-12</li> <li>· During the year 2015-16 following machineries are imported</li> <li>· VMC Machine from Taiwan</li> <li>· High Pressure Die Casting Machine (total 4 machines) from China.</li> <li>· Die Making Vertical Machining Center from Taiwan .</li> <li>· 400 Tones Knuckle Joint Press from Lithunia.</li> </ul>

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to export initiative for development of new export markets for products, services and exports.	Currently, the Company is exporting its products to U.S.A. U.K., Italy, France, China, Mexico, Brazil, etc.		
Total foreign exchange used and earned.		<b>Current Year (₹. in Lakhs)</b>	<b>Previous Year (₹. in Lakhs)</b>
Used	<b>Imports</b>	157.80	320.83
Earned	<b>Direct Export</b>	769.70	1,614.82
	<b>Deemed Export</b>	2,216.97	2,025.48

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Place: Kolhapur  
Date : 10<sup>th</sup> May, 2016

**RAM MENON**  
Chairman

# Management Discussion and Analysis

## Industrial Review:

The Indian Auto-Components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 19 million people, both directly and indirectly.

The Auto Component industry grew by 10% during FY 15-16, however growth momentum slowed down from 3<sup>rd</sup> quarter of F.Y. 15-16 onwards. Demand for the Indian Auto Component industry can be broadly classified into Original Equipments sales (54% of revenues), aftermarket/replacement (17% of revenues) and exports (29% of revenues). Healthy growth in the domestic two wheeler market during 1<sup>st</sup> half of F.Y. 15-16 and M & HCV segment coupled with modest recovery in the domestic passenger vehicle demand resulted in 10% growth in auto component demand from the Original Equipments Manufacturing segment during F.Y. 15-16. Growth, however tapered from 3<sup>rd</sup> quarter of F.Y. 15-16 onwards following slowdown in the high volume 2 wheeler segment, especially in the motorcycle segment, and sluggish demand from the tractor (8% of OE led auto component demand) and LCV segments (5% of OE demand).

The Auto ancillaries are benefitting from steady decline in commodity prices, which has pushed their operating margin positively. Despite the slowdown in demand, operating margins for several players has continued to expand sequentially. Hence the favourable input costs helped industry to post moderate gain. Owing to subdued demand in the OE segment as well as robust export growth, the share of exports increased gradually from 24% in F.Y. 12-13 to 29% in F.Y. 15-16 primarily at the expense of OE demand share

In spite of current scenario of uncertain socio – economic events, your Company has succeeded to retain the increased graph of excellent performance.

## Futuristic Outlook:

While the last decade was predominantly driven by domestic demand going forward, industry is geared up to meet both domestic and global demand. Considering this, Government of India has started working on the next phase of Automotive Mission Plan (AMP) i.e. AMP 2016-26 so as to address the unfinished agenda of AMP 2016 and target new initiatives keeping in mind the current and expected market dynamics. This will enable industry to plan and realize future potential thereby contributing more to the Indian economy. As per the recent Budget, the Government is giving thrust on building of roads and allowing private players in passenger transport segment; may result in smart growth in the demand from OE's in M & HCV as well as tractor segment.

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. The Indian Auto-Components industry is set to become the third largest in the world by 2025. Indian Auto Component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

We expect the Auto Component industry's revenue growth to moderate during F.Y. 16-17, as the performance of automotive segments namely tractor, motorcycles and LCV segment continue to remain subdued. The OE demand to grow by 5%-6% in F.Y. 16-17 which coupled with relatively better growth in aftermarket and export segment would translate into 8% revenue growth for overall industry. Some environmental factors like monsoons remain an important factor and it will have a bearing on industry's performance. Over the medium to long term, growth in the Auto Component industry will be higher than the underlying automotive industry growth given the increasing localization by OEMs, higher component content per vehicle and rising exports from India.

### Concerns and Threats:

The Auto Component industry has been exposed to many risks of varying intensity. Three important concerns and threats Auto Component industry is facing are:-

- Regulatory & Infrastructure Bottleneck
- Low R&D spending and dependence on global suppliers for technology knowhow
- Rising imports from China

At the same time, increase in electricity charges all of a sudden, volatility in the prices of raw materials and other inputs, currency fluctuations, stiff competition by the entry of Multinational Companies and their home country partnership and just in time supplies are the major risks and challenges faced by the Company. It is forcing Company to plan operation more effectively and produce quality components at low costs.

### Future Challenge:

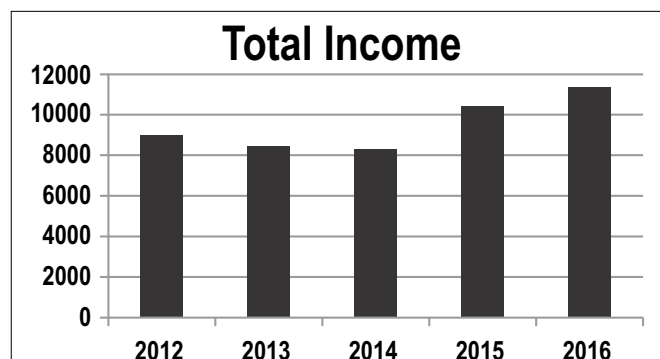
Many interventions as envisaged under AMP 2016 have been implemented but some of the interventions have progressed slowly or could not be taken up. Further, several new issues have emerged that need immediate attention of both the government and the industry. The sluggish macro-economic factors during the last 3 years have led to a significant slowdown, which is amongst the worst that the Indian automotive industry has witnessed. This has impacted the pace of growth resulting in underachievement of some targets envisaged in AMP 2016. We need to focus on improving quality levels and basic shop floor practices to develop capability to keep pace with the international quality standards which are constantly moving upwards.

Some challenges need to be addressed by Auto Components industry along with the government, are as follows:-

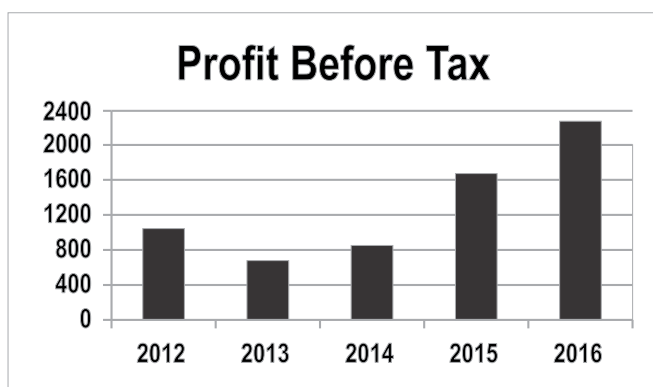
- New and alternative vehicle technologies viz. Electric Vehicles, Hybrid, Hydrogen, Fuel Cells and others;
- Setting up a technology acquisition fund for acquiring latest technologies and making it available to the industry for commercial purposes;
- Regulations pertaining to automotive aftermarket to bring in minimum quality and qualification criteria for repair, service and spare parts;
- Regulatory framework for setting up of independent garages and repair establishments;
- Scheme for technology upgradation and R&D focused on increasing fuel efficiency, reducing emissions and improving vehicle safety.

### Financial Performance:

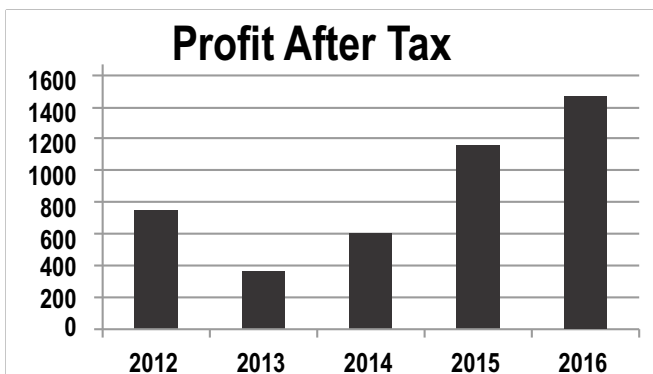
Year	Income (₹. in Lakhs)
2012	8795.26
2013	8409.69
2014	8744.11
2015	10391.12
2016	11191.14



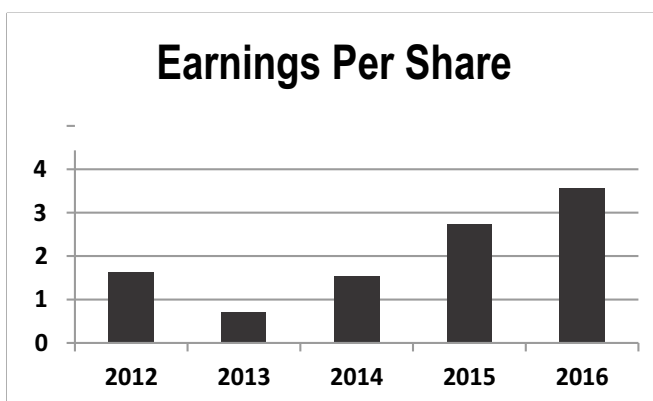
Year	PBT (₹. in Lakhs)
2012	1069.36
2013	671.80
2014	901.74
2015	1662.69
2016	2332.88



Year	PAT (₹. in Lakhs)
2012	740.37
2013	369.58
2014	617.75
2015	1154.49
2016	1489.06



Year	EPS* (in ₹.)
2012	1.59
2013	0.80
2014	1.32
2015	2.47
2016	3.19



\*Note: EPS is adjusted to the face value of ₹.1/- per share.

#### Internal Control System and Adequacy:

The Company has an adequate Internal Audit System that promotes reliable financial reporting, safeguards assets, encourages adherence to fair management and ethical conduct. The strong Internal Control Systems have been designed in a way that, they not only prevent fraud and misuse of the Company's resources but also protect shareholders' interest. The Audit Committee of Board of Directors, on regular intervals and in co-ordination with Internal and Statutory Auditors, reviews the adequacy of Internal Control Systems within the Company.

Based upon the recommendations of the Audit Committee, an Annual Audit Plan (AAP) is prepared and which is reviewed periodically by the top management and the Audit Committee. The internal audit focuses on compliance as well as on robustness of various business processes. A feedback on non conformities along with recommendation for process improvements is directly provided to the top management of the Company. Compliance on audit findings and tracking of process improvements is carried out on regular basis.

**Development in Human Resources:**

The Company strives to develop the most superior workforce so that it can accomplish along with the individual employees, their work goals and services to its customers and stakeholders. Our fundamental belief in immense power of human potential and team work is epitomised in our 'WE' approach. To us, 'WE' represents a strong collective energy. A transformational force that stimulates enterprise accelerates our constant pursuit of excellence and empowers our people to realise their full potential. The Company also believes human resources as the supporting pillars for the organization's success.

**Development and Upgradation of Technology:**

All the staff members working in manufacturing departments have been advised to take different projects to;

1. Reduce rejection and wastage in raw materials and consumables,
2. To reduce setting time, to have production time more,
3. To optimize production activities to reduce electrical energy per unit of production,
4. To work on packing to enhance preservation and safety,
5. To develop new items in shortest possible time to have early business,

This is ongoing process and projects are getting completed one by one and new projects are being undertaken. This has given increase in top as well as bottom line.

**Global Approach:**

The Company trusts its capabilities to capture every opportunity of business in the global arena. Your Company is globally positioned with business activities spanning 24 Countries around the globe. Exporting about 25% of its production, it enjoys strong brand equity among leading OEM's all over the world.

**Forward Looking Statements:**

Certain statements in the Management Discussion and Analysis Report 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. Corporate Governance

### 1.1 Company's philosophy on Corporate Governance:

At Menon Bearings, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Corporate Governance as an integral principle is adhered by the Board of Directors and Management of your Company ensuring fairness, accountability, transparency in all dealings and functioning of the management and the Board. The Company strives for an enduring relationship with the stakeholders and protection of their interests.

The Company places great emphasis on values such as empowerment, integrity and safety of its employees and communities surrounding our plants, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since inception have contributed to the Company's sustained growth.

### 1.2 The Governance Structure:

Menon Bearings governance structure follows the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, reporting mechanism and accountability and decision making process to be followed.
- (ii) Committees of Directors –The various Committees namely, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility ('CSR')Committee are focused on financial reporting, audit and internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities and the risk management framework.
- (iii) Executive Management – The entire business including the support services are managed with specifically defined responsibilities and authorities at different levels.

## 2. Board of Directors

### 2.1 Composition:

The Company has a very balanced and diverse Board of Directors, who are experienced, competent and highly renowned persons from the fields of manufacturing, finance, taxation, economics, law, governance, etc. The Board of Directors has been vested with requisite powers, authorities and duties. The Board plays an imperative role in the management, strategic directions and performance of the Company.

They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance, etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'). As on financial year ended 31<sup>st</sup> March, 2016, the total Board strength comprises of the following:

Executive Directors	2
Non -Executive Non – Independent Directors	2
Independent Directors	4
Total	8

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office as per their terms of appointment.

## 2.2 Profile of Directors:

All the Directors are professionals with experience and erudition in their respective areas and fields and Corporate Management Practices. The brief profile of the Directors as on 31<sup>st</sup> March, 2016 is given below:

1. **Mr. Ram Menon**, (DIN: 00111469) aged 86 years, Promoter, Non-Executive Chairman of the Company since 1991, is founder of the Company. He is Bachelor of Commerce and has tremendous experience of more than 58 years in Technical and Administrative fields.
2. **Mr. Ramesh D. Dixit**, (DIN: 00626827) aged 73 years, is Vice Chairman & Managing Director of the Company since 1992. He is a Bachelor of Engineering (Mech.). His excellence has served Menon Group since more than 49 years.
3. **Mr. Nitin Menon**, (DIN: 00692754) aged 49 years, is Promoter and Joint Managing Director of the Company since 1995. He has rich and varied experience in the field of Automobile Sector. Apart from business activity, he is also engaged in the field of Agriculture and allied services thereof.
4. **Mr. Sachin Menon**, (DIN: 00134488) aged 53 years, is Promoter, Non-Executive Director of the Company since 1991. He is Bachelor of Engineering (Mech.) and has expertise in the fields of manufacturing of automobile components.
5. **Mr. B. S. Ajitkumar**, (DIN: 00205336) aged 68 years, is Independent Director of the Company since 2008. He is Bachelor of Engineering (Mech.) and M. Tech from IIT, Kharagpur and has vast experience in the field of manufacturing of automobiles components. He has worked with TELCO, BEML, ESCORT, etc.
6. **Capt. Sudheer S. Naphade**, (DIN: 02011352) aged 73 years, is Independent Director of the Company since 2013. He has acquired Masters and Extra Masters Certificate of Competency issued by Government of India and U.K., respectively. He has been Master of Ships on International Trade, also served as Nautical Surveyor, Marine Superintendent, Principal Officer, Chief Marine Surveyor, Nautical Advisor, Director General of Shipping, Chief Examiner of Masters & Mate, etc.

7. **Mrs. Nazura Ajaney**, (DIN: 06947881) aged 46 years, is Independent Director of the Company since 2014. She is having vast experience in various capacities as she is CEO of Childology (company which provides counseling to children & parents), working with NGOs for rehabilitating women and children with HIV/AIDS by providing them support, advice, creating awareness and involved in CSR activities.
8. **Mr. M. L. Shinde**, (DIN: 07417527) aged 64 years, is Independent Director of the Company w.e.f 29<sup>th</sup> January, 2016. He is M.COM, LLM, FCA and FCS and has vast experience in the fields of Finance, Accounts, Corporate laws, Taxation, etc.

### 2.3 Meetings, agenda and proceedings etc. of the Board Meeting:

#### Meetings:

The Board generally meets 4 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. The Directors are also given an option of attending the Board Meeting through video conferencing, whenever they request for the same. During the year ended on 31<sup>st</sup> March, 2016, the Board of Directors met 5 times on 5<sup>th</sup> May, 2015, 14<sup>th</sup> July, 2015, 16<sup>th</sup> October 2015, 20<sup>th</sup> January, 2016 and 11<sup>th</sup> March, 2016. The previous Annual General Meeting ('AGM') of the Company was held on 14<sup>th</sup> July, 2015. The attendance record of the Directors at the meetings of the Board and at previous AGM is as under:-

Sr. No.	Name of Director	Category	Attendance at meetings		As on 31 <sup>st</sup> March, 2016 ( Excluding position in the Company )			Inter se relationship among Directors
			Board	AGM	No. of Directorships	Committee		
						Membership	Chairmanship	
1.	Mr. Ram Menon	Chairman	5	Yes	1	-	-	Mr. Ram Menon is father of Mr. Nitin Menon and Mr. Sachin Menon.
2.	Mr. Sachin Menon	Non Executive Director	4	No	1	1	-	Mr. Sachin Menon is son of Mr. Ram Menon and brother of Mr. Nitin Menon.
3.	Mr. R. D. Dixit	Vice Chairman and Managing Director	5	Yes	1	1	1	No relation with any Directors.
4.	Mr. Nitin Menon	Joint Managing Director	5	Yes	1	-	-	Mr. Nitin Menon is the son of Mr. Ram Menon and brother of Mr. Sachin Menon.
5.	Mr. B. S. Ajitkumar	Independent Director	4	Yes	1	-	1	No relation with any Directors.
6.	Capt. Sudheer S. Naphade	Independent Director	5	Yes	-	-	-	No relation with any Directors.
7.	Mrs. Nazura Ajaney	Independent Director	5	Yes	1	-	-	No relation with any Directors.
8.	Mr. M.L.Shinde (w.e.f. 29 <sup>th</sup> January, 2016)	Independent Director	1	-	-	-	-	No relation with any Directors.
9.	Mr. Kumar Nair (Upto 17 <sup>th</sup> April, 2015)	Independent Director	-	-	-	-	-	-

1. The Directorship held by Directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies.
2. Membership/Chairmanship in Audit Committee and Stakeholder's Relationship Committee are considered.



**Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 20<sup>th</sup> January, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole.

**Director's Familiarization programme:**

The Company undertakes and makes necessary provision of an appropriate induction programme for new Directors and ongoing training for existing Directors. The new directors are introduced to the Company culture, through appropriate training programmes. Such kind of training programmes helps to develop relationship of the Directors with the Company and familiarise them with Company processes. The management provides such information and training either at the meeting of Board of Directors or otherwise.

**The induction process is designed to:**

- build an understanding of the Company processes and
  - fully equip Directors to perform their role on the Board effectively
- Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization are available on the Company's website at [http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c35c4d088eb41\\_1a0883b/1459143658277/Terms+of+Appointment+of+Independent+Director.pdf](http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c35c4d088eb41_1a0883b/1459143658277/Terms+of+Appointment+of+Independent+Director.pdf)

**Agenda:**

All the meetings are conducted as per well designed and structured agenda complying with the provisions of Secretarial Standard-1 on "Meetings of the Board of Directors", issued by the Institute of Company Secretaries of India. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated in the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of the Board and its Committees for the information of the Board. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting.

**Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for Business and Ethics ('the Code') for all the Board members and the employees in the management grade of the Company. The Code covers Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and Senior Management Personnel have confirmed compliance with the code. A declaration by Mr. Nitin Menon, Joint Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2016 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, Designated employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The

trading window is closed during the time of declaration of results and occurrence of any material events as per the code.

### 3 Audit Committee:-

The Board has constituted a well-qualified Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, etc. Mr. Anup Padmai, Company Secretary acts as Secretary to the Committee.

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

During the year ended on 31<sup>st</sup> March, 2016 the Audit Committee met five times on 5<sup>th</sup> May, 2015, 14<sup>th</sup> July, 2015, 16<sup>th</sup> October, 2015, 20<sup>th</sup> January, 2016 and 11<sup>th</sup> March, 2016. As stipulated, the gap between two committee meetings did not exceed one hundred and twenty days.

#### 3.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. M. L. Shinde	Chairman (w.e.f. 01.02.2016)	1	1
Mr. B. S. Ajitkumar	Chairman (upto 31.01.2016) Member (w.e.f. 01.02.2016)	5	4
Mr. R. D. Dixit	Member	5	5
Capt. Sudheer S. Naphade	Member	5	5

#### 3.2 Terms of reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulations, read with Section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal financial controls and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- Matter to be included in the Director's Responsibility Statement.
- Changes, if any, in the accounting policies.
- Major accounting estimates and significant adjustments in financial statement.
- Compliance with listing and other legal requirements concerning financial statements.
- Disclosures in financial statement including related party transactions.
- Management's Discussions and Analysis of Company's operations.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Periodical review of Internal Audit Reports.
- Findings of any special investigations carried out either by the Internal Auditors.
- Letters of Statutory Auditors to management on internal control weakness, if any.
- Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.

- Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the Statutory Auditors considering their independence and effectiveness, and recommend the audit fees.
- Review the functioning of the whistle blower mechanism

#### 4. Nomination and Remuneration Committee:-

The Nomination and Remuneration Committee recommends the remuneration payable to executive Directors and Senior Management Personnel of the Company. The Company pays sitting fees to independent directors for attending board meetings and professional services rendered to the Company. Mr. Anup Padmai, Company Secretary of the Company acts as a secretary to the Committee.

During the year ended on 31<sup>st</sup> March, 2016 the Nomination and Remuneration Committee met three times on 5<sup>th</sup> May, 2015, 20<sup>th</sup> January, 2016 and 11<sup>th</sup> March, 2016.

##### 4.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Capt. Sudheer S. Naphade	Chairman	3	3
Mr. B. S. Ajitkumar	Member	3	2
Mrs. Nazura Ajaney	Member	3	3

##### 4.2 Terms of reference of the Nomination and Remuneration Committee:

The Committee is empowered to –

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identify and access potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnels.
- Formulate a policy relating to remuneration of the Directors and the Senior Management Employees of the Company. The same is also available on the website of the Company at <http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c9c4a3360c3a90bf041e/1459145236512/Policy+on+criteria+for+appointment+%26+remuneration+of+directors%2C+KMPs+%26+Senior+Management+personnel.pdf>
- Determine terms and conditions for appointment of Independent Directors. The same is also available on the website of the Company at <http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c35c4d088eb411a0883b/1459143658277/Terms+of+Appointment+of+Independent+Director.pdf>

##### 4.3 Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

##### Remuneration of Managing Directors:

- At the time of appointment or re-appointment, the Managing Directors shall be paid such remuneration

as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act, 2013.

- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Directors is broadly divided into fixed and variable component.
- The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.
- In determining the remuneration (including the fixed increment and performance bonus) the Nomination and Remuneration Committee shall consider the following:
  1. The relationship of remuneration and performance benchmarks is clear;
  2. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
  3. Responsibility of the Managing Director's and the industry benchmarks and the current trends;
  4. The Company's performance vis-à-vis the annual budget achievement and individual performance.

#### **Remuneration of Non-Executive Directors:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him not exceeding the sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

#### **Remuneration of Senior Management Employees:**

In determining the remuneration of the Senior Management Employees (i.e. Key Managerial Personnels and Executive Committee Members), the Nomination and Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear;
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. The components of remuneration includes salaries, perquisites and retirement benefits;
4. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment to the Nomination and Remuneration Committee for its review and approval.

#### **4.4 Details of remuneration and sitting fees paid to the Directors:**

Details of remuneration / sitting fees paid during the year 2015-16 and number of shares held as on 31<sup>st</sup> March, 2016, by the Directors of the Company are as follows:

(Amount in ₹.)

Name of the Director	Salary	Contribution to Provident Fund	Other Perquisites	Sitting Fees	Total	Shares held
Mr. Ram Menon	Nil	Nil	Nil	5,000	5,000	Nil
Mr. R. D. Dixit	40,99,860	2,70,288	8,50,034	Nil	52,20,182	52,000
Mr. Nitin Menon	44,53,440	2,75,760	34,01,523	Nil	81,30,723	1,41,80,650
Mr. Sachin Menon	Nil	Nil	Nil	4,000	4,000	2,50,000
Mr. B S Ajitkumar	Nil	Nil	Nil	4,000	4,000	Nil
Capt. Sudheer S. Naphade	Nil	Nil	Nil	5,000	5,000	Nil
Mrs. Nazura Ajaney	Nil	Nil	Nil	5,000	5,000	Nil
Mr. M. L. Shinde	Nil	Nil	Nil	1,000	1,000	Nil

Note: The Company has not granted any Stock Options.

## 5. Stakeholder's Relationship Committee:-

Stakeholder's Relationship Committee is empowered to oversee the redressal of investors' complaints pertaining to Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

During the year ended on 31<sup>st</sup> March, 2016, the Stakeholder's Relationship Committee met four times on 5<sup>th</sup> May, 2015, 14<sup>th</sup> July, 2015, 16<sup>th</sup> October, 2015 and 20<sup>th</sup> January, 2016.

### 5.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Sachin Menon	Chairman	4	3
Mr. R. D. Dixit	Member	4	4
Mr. Nitin Menon	Member	4	4

Mr. Anup Padmai, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year 2015-16 are as under:

Nature of Complaints	Opening	Received during the year	Resolved	Pending at the end of year
Non-receipt of Share Certificate	Nil	16	16	Nil
Non-receipt of Dividend/ Interest/ Redemption Warrant	Nil	11	11	Nil
Non-receipt of Annual Report	Nil	Nil	Nil	Nil
others	Nil	3	3	Nil
Total	Nil	30	30	Nil

## 6. Corporate Social Responsibility(CSR)Committee:-

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. During the year ended on 31<sup>st</sup> March, 2016, this Committee met twice on 16<sup>th</sup> October, 2015 and 20<sup>th</sup> January, 2016.

### 6.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mrs. Nazura Ajaney	Chairperson	2	2
Mr. R. D. Dixit	Member	2	2
Mr. Nitin Menon	Member	2	2

### 6.2 Terms of reference:

- To frame the CSR Policy and its review from time-to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

## 7. Vigil Mechanism Policy/ Whistle Blower Mechanism:

With the rapid expansion of business, various risks associated with the business have also increased considerably. Some such risks identified are the risk of fraud, misconduct and unethical behavior. To ensure fraud-free work and ethical environment, the Company has laid down a Vigil Mechanism Policy, by which the Company provides a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud, misconduct, unethical behavior, etc. through any of the following reporting protocols:

- E-mail : admin@menonbearings.in
- Phone No. : 0231-2672 279/533/487
- Fax Number : 0231-2672 278
- Written Communication to : G-1, MIDC. Gokul Shirgaon, Kolhapur – 416234.

In order to repose more confidence amongst Whistle Blowers, the management of the above referred reporting protocols are managed by an independent agency under the control of Audit Committee. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases. Vigil Mechanism/Whistle Blower Policy is also available on the website of the Company at <http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/55681f95e4b0f3550bf6e656/1432887189523/Whistle+Blower+Policy.pdf>

### 7.1 Objectives of Vigil Mechanism Policy/ Whistle Blower Mechanism:

- To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct.
- To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.
- To provide healthy and fraud-free work culture.

## 7.2 Working of Vigil Mechanism Policy/ Whistle Blower Mechanism:

The Committee under the control of Audit Committee is responsible for:

- Implementation of the policy and spreading awareness amongst employees; Review all reported cases of suspected fraud, misconduct, unethical behavior ;
- Order investigation of any case either through internal audit department or through external investigating agencies or experts;
- Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;
- Annual review of the policy.

Audit Committee reports to the Board of Directors.

## 8. Internal Complaint Committee:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has framed a policy for Prevention of Sexual Harassment at Workplace and adopted the same. The existing policy has been amended by incorporating the rules and procedures as mandated in the notification issued by Ministry of Woman & Child Development on 9<sup>th</sup> December, 2013.

The objective of the policy is to provide its woman employees, a workplace free from harassment/ discrimination and every employee is treated with dignity and respect.

### 8.1 Composition of Internal Complaint Committee:

Name of the Members	Status
Mrs. Nazura Ajaney	Chairperson
Ms. Neha Harolikar	Member
Mr. Suresh Kulkarni	Member
Mr. Swapnil Patil	Member

## 9. General Body Meetings:

### 9.1 Annual General Meetings:

The Company convenes Annual General Meeting generally within five months from the close of the Financial Year. The details of Annual General Meetings held in last 3 years are as under

Financial Year	Date	Location	Time
2014-15	14 <sup>th</sup> July, 2015	Residency Club, P.O. New Palace, Kolhapur - 416003	11.00 a.m.
2013-14	23 <sup>rd</sup> July, 2014	Residency Club, P.O. New Palace, Kolhapur - 416003	11.00 a.m.
2012-13	21 <sup>st</sup> August, 2013	Residency Club, P.O. New Palace, Kolhapur - 416003	10.30 a.m.

**9.2 Details of Special Resolutions passed in last three Annual General Meetings:**

Date of AGM	Description of Resolution
14 <sup>th</sup> July, 2015	No special resolution was passed.
23 <sup>rd</sup> July, 2014	<ol style="list-style-type: none"> <li>1. Entering into contract for purchase / sale of goods and providing services with related parties:</li> <li>2. To adopt new set of Article of Association of the company</li> <li>3. To authorize board of directors of the company to mortgage and to create charge on properties of company for securing any loan obtained from any banks or financial institutions</li> </ol>
21 <sup>st</sup> August, 2013	<ol style="list-style-type: none"> <li>1. Payment of bonus of ₹. 11,00,000/- to Mr. Nitin Menon, Joint Managing Director of the Company.</li> <li>2. Waiver from recovery of ₹. 29,06,963/- being excess amount of remuneration paid to Mr. Nitin Menon, Joint Managing Director of the Company.</li> <li>3. Re-appointment of Mr. Nitin Menon as Joint Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2013.</li> <li>4. Re-appointment of Mr. R D Dixit, Vice Chairman &amp; Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2013.</li> </ol>

**9.3 Postal Ballot:**

During the year under review, no resolution was passed by means of Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

**10. Disclosures:****10.1 Related Party Transactions:**

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended 31<sup>st</sup> March, 2016 that may have potential conflict with the interest of the Company at large. The transactions with the related parties, as per the requirements of the Accounting Standard (AS) 18, are disclosed in the Notes to Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transactions is available on Company's website at

<http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c9391bbee011fb4f9f08/1459145073393/Related+Party+Transaction+Policy.pdf> under 'Investor Relation' tab.

**10.2 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. The Company has complied with all the mandatory requirements of the Listing Regulations.

**10.3 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.



**10.4 Risk Management:**

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

**10.5 CEO / CFO Certification:**

As required under Regulation 17(8) of the Listing Regulations, a certificate from Mr. R. D. Dixit, Vice Chairman & Managing Director and Mr. Arun Aradhye, Vice President - Finance & Corporate of the Company certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs, was placed before the board.

**10.6 Review of Directors' Responsibility Statement:**

The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2016 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**10.7 Details of Compliance with discretionary Requirements under Regulation 27 read with Schedule II Part E of the Listing Regulations:**

The status of compliance with non-mandatory recommendations under Regulation 27 of the Listing Regulations is provided below:

- Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director & CEO.
- Shareholders' Rights: As the quarterly and half yearly financial performance are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.
- Modified opinion in Audit Report: The Company's financial statement for the year ended on 31<sup>st</sup> March, 2016 does not contain any modified opinion.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**11. Means of Communication:**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are widely published in Business Standard (English) and other local language newspaper like Pudhari (Marathi). The results are simultaneously posted on the website of the Company at <https://www.menonbearings.in> and also uploaded on the website of the BSE Ltd. and National Stock Exchange of India Ltd

The official press releases and presentation made to Institutional Investors / Analysts, if any, are also available on the Company's website.

**12. Non-Compliance in Corporate Governance and Reasons thereof:**

As per the observation of the Secretarial Auditor, the vacancy caused by the resignation of an Independent Director was to be filled in by the Company on or before 16<sup>th</sup> July, 2015, however the same was filled by 29<sup>th</sup> January, 2016. The Company was trying to identify and appoint a suitable person on its Board, whose presence can benefit the Company in particular and the shareholders at large. Since, the Company is situated at remote place at Kolhapur, Maharashtra, it was difficult to identify the right person on the Board of the Company and hence there was delay in appointment of Independent Director.

**13. General Shareholders' Information:****13.1 Annual General Meeting:**

**Day & Date** : Thursday, 21<sup>st</sup> July, 2016.  
**Time** : 11.00 a.m.  
**Venue** : The Residency Club, P.O. New Palace, Kolhapur-416003

**13.2 Financial Calendar:**

The Company follows the period of 1<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year.

First quarterly results	: by 14 <sup>th</sup> August, 2016
Second quarterly / Half yearly results	: by 14 <sup>th</sup> November, 2016
Third quarterly results	: by 14 <sup>th</sup> February, 2017
Annual results for the year ending on 31 <sup>st</sup> March, 2017	: by 30 <sup>th</sup> May, 2017
Annual General Meeting for the year ending on 31 <sup>st</sup> March, 2017	: by 14 <sup>th</sup> August, 2017

**13.3 Book Closure:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, the 18<sup>th</sup> July, 2016 till Thursday, the 21<sup>st</sup> July, 2016 till (both days inclusive).

**13.4 Cut-off date for remote e-voting:**

The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e Thursday, 14<sup>th</sup> July, 2016.

**13.5 Dividend History:**

Financial Year	Dividend amount per share	Percentage
2005-06	₹. 2.20 per share (Face value ₹. 10/-)	22%
2006-07	₹. 2.50 per share (Face value ₹. 10/-)	25%
2007-08	₹. 2.50 per share (Face value ₹. 10/-)	25%
2008-09	₹. 2.50 per share (Face value ₹. 10/-)	25%
2009-10	₹. 1.25 per share (Face value ₹. 5/-)	25%
2010-11	₹. 2.25 per share (Face value ₹. 5/-)	45%
2011-12	₹. 2.75 per share (Face value ₹. 5/-)	55%
2012-13	₹. 2.00 per share (Face value ₹. 5/-)	40%
2013-14	₹. 3.00 per share (Face value ₹. 5/-)	60%
2014-15	₹. 0.80 per share (Face value ₹. 1/-)	80%
2015-16 (Interim Dividend)	₹. 1.00 per share (Face value ₹. 1/-)	100%

**13.6 Unclaimed Dividend:**

As per the provisions of Section 124 of the Companies Act, 2013 read with the Companies (Declaration & Payment of Dividend) Rules, 2014, any dividend remaining unpaid / unclaimed for a period of seven years, needs to be transferred to the Investor Education & Protection Fund administered by the Central Government. The unpaid/ unclaimed dividends upto the financial years 2007-08 have been transferred to the said fund. The members who have not claimed their dividend for the financial year 2008-09 and subsequent years may write to the Company immediately.

**The details of due date for transfer of unpaid/unclaimed dividend is as follows:**

Year	Dividend Rate per share	Date of Declaration	Due Dates for transfer to IEPF
2008-09	₹. 2.50	12 <sup>th</sup> August, 2009	19 <sup>th</sup> September, 2016
2009-10	₹. 1.25	20 <sup>th</sup> August, 2010	27 <sup>th</sup> September, 2017
2010-11	₹. 2.25	30 <sup>th</sup> August, 2011	7 <sup>th</sup> October, 2018
2011-12	₹. 2.75	16 <sup>th</sup> August, 2012	22 <sup>nd</sup> September, 2019
2012-13	₹. 2.00	21 <sup>st</sup> August, 2013	27 <sup>th</sup> September, 2020
2013-14	₹. 3.00	23 <sup>rd</sup> July, 2014	29 <sup>th</sup> August, 2021
2014-15	₹. 0.80	14 <sup>th</sup> July, 2015	20 <sup>th</sup> August, 2022
2015-16	₹. 1.00	11 <sup>th</sup> March, 2016	17 <sup>th</sup> April, 2023

**13.7 Listing of Shares:**

- a) The equity shares are at present listed at the following Stock Exchanges:

**Name of the Stock Exchanges****Scrip Code / Symbol****BSE Ltd.**

Stock Code: 523828

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

**National Stock Exchange of India Ltd.**

Symbol: MENONBE

Exchange Plaza, 5th Floor, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

Series: EQ

- b) ISIN Code for the Company's equity share :

Up to 10<sup>th</sup> April, 2015 – INE071D01025 (having face value of ₹. 5/-)From 11<sup>th</sup> April, 2015 - INE071D01033 (having face value of ₹. 1/-)

- c) Corporate Identity Number (CIN) : L29130PN1991PLC062352

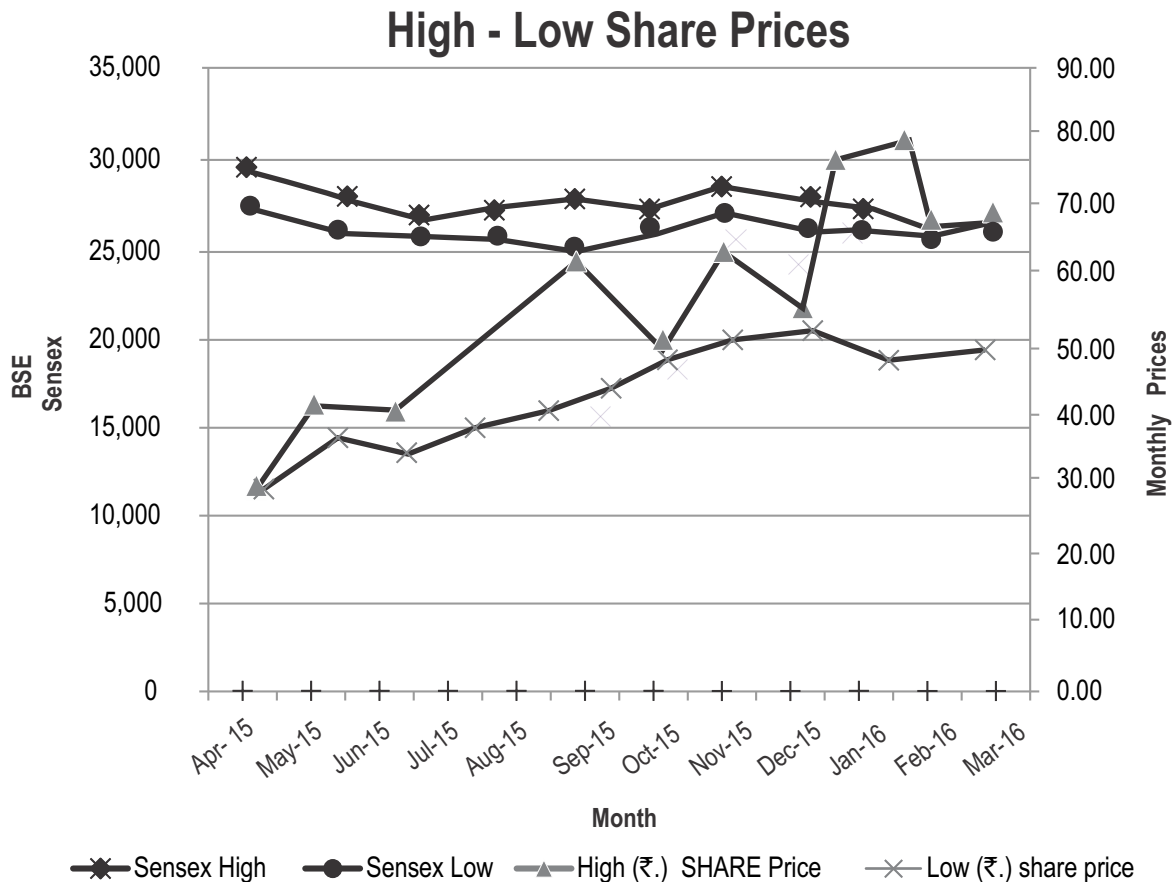
- d) The Company has paid listing fees for the year 2015 -16 to BSE Ltd. and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

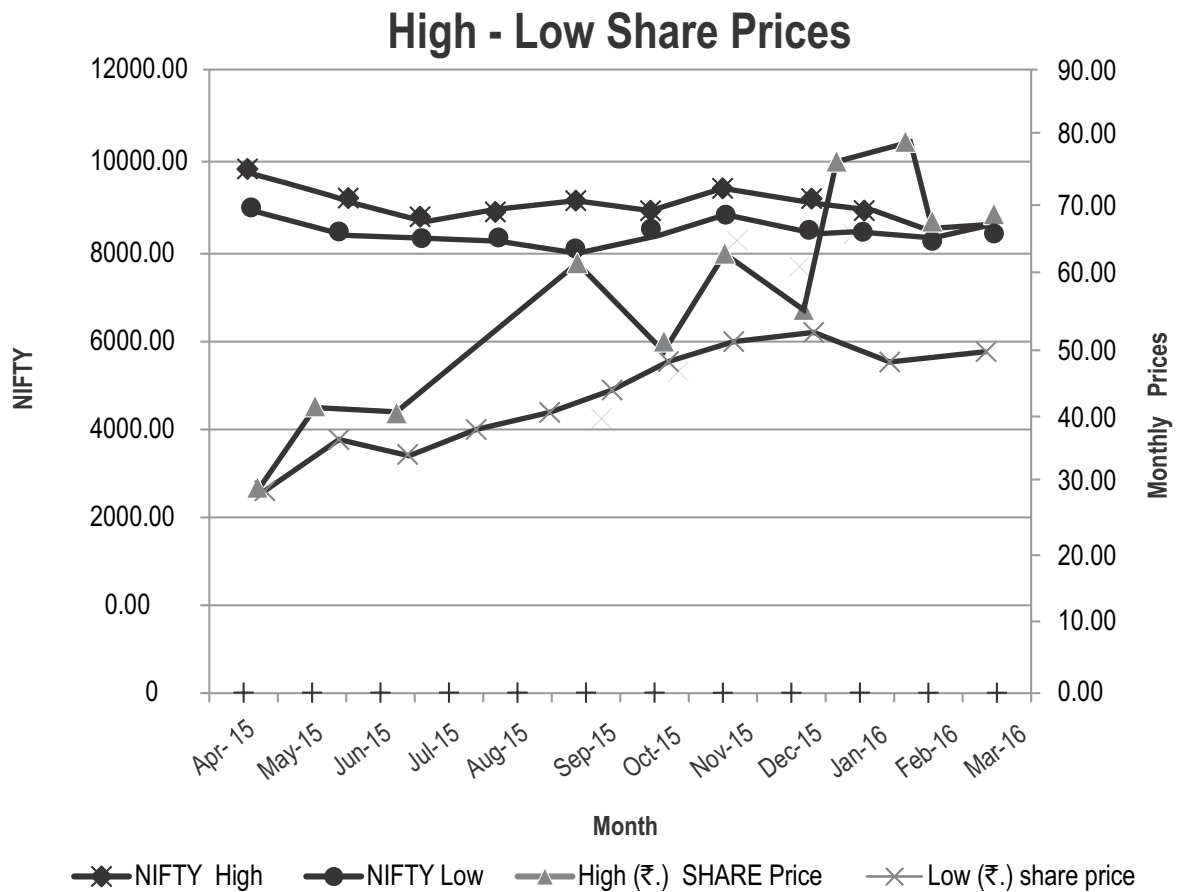
**13.8 Market Price Data:**

The high / low market price of the shares during the financial year 2015 -16 at BSE Ltd. and at National Stock Exchange of India Ltd. were as under:-

Month-Year	NSE NIFTY 50		Menon Bearings Ltd		BSE Sensex		Menon Bearings Ltd	
	High (Points)	Low (Points)	High (₹)	Low (₹)	High (Points)	Low (Points)	High (₹)	Low (₹)
Apr-15	8844.80	8144.75	154.80	30.50	29094.61	26897.54	153.90	30.80
May-15	8489.55	7997.15	48.40	36.10	28071.16	26423.99	47.75	37.00
Jun-15	8467.15	7940.30	45.00	36.40	27968.75	26307.07	43.90	35.30
Jul-15	8654.75	8315.40	45.15	38.60	28578.33	27416.39	45.25	39.95
Aug-15	8621.55	7667.25	63.40	41.15	28417.59	25298.42	63.00	42.00
Sep-15	8055.00	7539.50	54.95	45.00	26471.82	24833.54	51.85	45.05
Oct-15	8336.30	7930.65	65.00	42.90	27618.14	26168.71	64.85	47.00
Nov-15	8116.10	7714.15	57.70	49.00	26824.30	25451.42	56.90	48.05
Dec-15	7979.30	7551.05	79.80	50.15	26256.42	24867.73	79.45	50.25
Jan-16	7972.55	7241.50	82.50	53.40	26197.27	23839.76	82.85	54.15
Feb-16	7600.45	6825.80	63.90	48.55	25002.32	22494.61	63.85	48.00
Mar-16	7777.60	7035.10	66.10	49.10	25479.62	23133.18	67.00	50.00

13.9 Performance in comparison to broad based indices:





#### 13.10 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](mailto:inform@linkintime.co.in)

#### 13.11 Share Transfer System:

All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within prescribed time, if documents are found in order, except delay in some cases. All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

**13.12 Distribution of Shareholding :**

The shareholding distribution of the equity shares as on 31<sup>st</sup> March, 2016 is given below:

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 – 500	3,271	40.96	5,93,195	1.27
501-1000	2,875	36.01	28,08,134	6.01
1001-2000	924	11.57	17,22,226	3.69
2001-3000	281	3.52	7,86,142	1.68
3001-4000	130	1.63	4,98,834	1.07
4001-5000	251	3.14	12,45,913	2.67
5001-10000	148	1.85	11,86,019	2.54
10001& Above	105	1.32	3,78,59,537	81.07
<b>Total</b>	<b>7,985</b>	<b>100.00</b>	<b>4,67,00,000</b>	<b>100.00</b>

**13.13 Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

Sr.No.	Category	Total No. of Shares held (of ₹. 1/- each)	% of Total Shareholdings
1.	Promoters & Promoter Group	3,48,71,000	74.67
2.	Other Bodies Corporate	2,26,932	0.49
3.	Clearing Members	2,58,074	0.55
4.	Indian Public	1,09,19,238	23.38
5.	Non Resident Indians	2,76,749	0.59
6.	Hindu Undivided Family	1,48,007	0.32
	<b>TOTAL</b>	<b>4,67,00,000</b>	<b>100.00</b>

**13.14 Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2016 about 90.73% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

**13.15 Convertible Instruments:**

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during financial year ended 31<sup>st</sup> March, 2016.

**13.16 Reconciliation of Share Capital Audit:**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

**13.17 Plant Locations:**

G-1, MIDC, Gokul Shirgaon Kolhapur - 416234 Maharashtra	C-1 Five Star MIDC, Kagal, Kolhapur – 416234 Maharashtra
------------------------------------------------------------	-------------------------------------------------------------

**13.18 Registered Office:**

G-1, MIDC, Gokul Shirgaon, Kolhapur, Maharashtra – 416234

**13.19 Address for Correspondence:**

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

**The Compliance Officer  
Menon Bearings Limited**

G-1, MIDC, Gokul Shirgaon, Kolhapur - 416234  
Tel: 0231-2672 279/533/487, Fax: 0231-2672 278  
Email: admin@menonbearings.in

**13.20 Auditors' Certificate on Corporate Governance:**

The Auditors' Certificate on compliance of conditions of Corporate Governance requirements as per the Listing Regulations, is published as an Annexure to the Directors' Report.

### Declaration regarding Compliance of 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 financial year 2015-16.

Place : Kolhapur  
Date : 10<sup>th</sup> May, 2016

**NITIN MENON**  
Joint Managing Director

# 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 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of Listing Agreement of the Company with Stock Exchanges for the period from 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and w.e.f. 1<sup>st</sup> December, 2015 Regulation 15(2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, *(except appointment of Independent director within the time limit)*.

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

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

**Place :** Kolhapur  
**Date :** 10<sup>th</sup> May, 2016



# Independent Auditor's Report

**TO  
THE MEMBERS OF  
MENON BEARINGS LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of MENON BEARINGS LIMITED (“the company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act 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 31<sup>st</sup> March , 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Emphasis of Matters

There are no such matters mentioned in the Notes to the financial statements.

## Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (3) of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns received from the branches not visited by us.
- e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) There are no such matters under the Emphasis of Matters paragraph above.
- g) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- h) The Company has properly maintained the accounts as required under applicable laws, rules & regulations.
- i) In our opinion and according to the information and explanations given to us, the Company has adequate internal financial controls system and the said system is working effectively.
- j) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to best of our information and according to the explanations given to us :

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivatives contracts of which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M/S P. M. VARDHE & CO.**  
Chartered Accountants

**Place :** Kolhapur  
**Date :** 10<sup>th</sup> May, 2016

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

**The Annexure referred to in our Report of even date to the members of Menon Bearings Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2016.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory 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 is generally maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks by the management as compared to book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) The Company has not granted any loans, made any investments or provided any guarantees and securities covered u/s. 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits covered under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) As explained to us, maintenance of cost records has been specified by the Central Government under sub-section (l) of section 148 of the Companies Act, we are of the opinion that prima facie such accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the records, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) As explained to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

- (viii) The Company has not defaulted in repayment of dues to a financial institution or bank or Government or dues to debenture holders.
- (ix) During the period under review, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and had applied the term loans for the purpose for which the loans were raised.
- (x) No fraud on or by the company has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) Since, the Company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable.
- (xii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 and details of the same have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As explained to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For M/S P. M. VARDHE & CO.**  
Chartered Accountants

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

**Place :** Kolhapur  
**Date :** 10<sup>th</sup> May, 2016

# Balance Sheet

as at 31<sup>st</sup> March, 2016

(₹. in Lakhs)

PARTICULARS	NOTE NO.	As on	
		31.03.2016	31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUNDS</b>			
(a) Share Capital	2	467.00	467.00
(b) Reserves and Surplus	3	4,726.95	3,830.17
(c) Money received against share warrants		-	-
<b>2. Share application money pending allotment</b>			
<b>3. Non- Current Liabilities</b>			
(a) Long-Term Borrowings	4	203.73	377.69
(b) Deferred Tax liabilities (Net)	5	397.92	363.08
(c) Other Long Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>4. Current Liabilities</b>			
(a) Short Term Borrowings	6	1,030.57	1,287.38
(b) Trade Payables	7	658.16	635.52
(c) Other Current Liabilities	8	101.33	51.48
(d) Short Term Provisions	9	404.09	817.71
<b>TOTAL</b>		<b>7,989.75</b>	<b>7,830.03</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		3,489.79	3,558.04
(ii) Intangible Assets		15.09	13.97
(iii) Capital Work-In-Progress		64.68	40.98
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	11	-	5.89
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans And Advances	12	70.50	69.41
(e) Other Non-Current Assets	13	-	-
<b>2. Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	14	1,143.76	975.99
(c) Trade Receivables	15	2,501.36	2,056.87
(d) Cash and Cash Equivalents	16	537.03	900.22
(e) Short-Term Loans And Advances	17	167.54	208.65
(f) Other Current Assets		-	-
<b>TOTAL</b>		<b>7,989.75</b>	<b>7,830.03</b>
Significant accounting policies and notes to accounts	1 to 25		

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

**P.M.VARDHE**  
Proprietor  
Membership No.:031817

Place : Kolhapur  
Date : 10<sup>th</sup> May, 2016

**For and on behalf of the Board of Directors**

**RAM MENON**  
Chairman

**NITIN MENON**  
Joint Managing Director

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary

# Statement of Profit & Loss

for the year ended on 31<sup>st</sup> March, 2016  
(₹. in Lakhs)

PARTICULARS	NOTE NO.	For the Year Ended on 31.03.2016		For the Year Ended on 31.03.2015	
I <b>Total Revenue (i+ii+iii)</b>			11,191.14		10,391.11
Revenue from Operations	18	12,077.87		11,023.70	
Less - Excise Duty		992.85		772.36	
i) Net - Revenue from Operations		11,085.02		10,251.34	
ii) Other Operating Revenue	19	53.46		70.15	
iii) Other Income	20	52.66		69.62	
II <b>Expenses</b>			8,858.27		8,728.42
Cost of Materials Consumed	21	3,926.52		3,937.96	
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trades	22	(147.01)		(33.19)	
Employee Benefits Expenses	23	977.86		908.92	
Finance Costs	24	163.19		238.75	
Depreciation and Amortization Expense	10	456.53		421.99	
Operating and Other Expenses	25	3,481.18		3,253.98	
III Profit Before Exceptional and Extraordinary Items and Tax (I-II)			2,332.87		1,662.69
IV Exceptional Items			-		-
V Profit Before Extraordinary Items and Tax (III-IV)			2,332.87		1,662.69
VI Extraordinary Items			-		-
VII Profit Before Tax (V-VI)			2,332.87		1,662.69
VIII <b>Tax expense:</b>			843.81		508.20
(1) Current Tax		808.98		515.00	
(2) Deferred Tax		34.83		(6.80)	
IX Profit/(Loss) for the period from continuing operations (VII-VIII)			1,489.06		1,154.49
X Profit/(Loss) for the period from discontinuing operations			-		-
XI Tax expense of discontinuing operations			-		-
XII Profit/(Loss) from discontinuing operations (after tax) (X-XI)			-		-
XIII Profit/(Loss) for the period (IX + XII)			1,489.06		1,154.49
XIV <b>Earnings per Equity Share:</b>					
(1) Basic			3.19		2.47
(2) Diluted			-		-
See accompanying Notes on Accounts					

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

**P.M.VARDHE**  
Proprietor  
Membership No.:031817  
Place : Kolhapur  
Date : 10<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

**RAM MENON**  
Chairman

**NITIN MENON**  
Joint Managing Director

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary

# Cash Flow Statement

for the year ended on 31<sup>st</sup> March, 2016

(₹ in Lakhs)

PARTICULARS	For the Year Ended on 31.03.2016	For the Year Ended on 31.03.2015
<b>1 Profit After Tax &amp; Appropriations Adjustments for</b>	1,489.06	1,154.49
Proposed/paid Dividend	(467.00)	(373.60)
Tax on Dividend	(107.63)	(63.49)
Deferred Tax	34.83	(6.80)
Extra Ordinary Items	(17.65)	-
(Excess Provision w/o and Loss on sale of asset)		
Add:- Depreciation & Amortization	456.53	421.99
<b>Operating Profit before Working Capital changes</b>	<u>1,388.14</u>	<u>1,132.59</u>
Changes in Working Capital		
<b>Current Assets</b>		
Inventories	(167.77)	(67.64)
Trade Receivables	(444.49)	(267.41)
Short Term Loans Advances	41.11	(64.10)
Other Non Current Assets	-	5.07
<b>Current Liabilities</b>		
Trade Payables	22.76	(100.97)
Other Current Liabilities	49.84	(8.70)
Short Term Provisions	(413.75)	118.22
<b>Cash From Operating Activities</b>	<u>475.84</u>	<u>764.46</u>
<b>2 Cash From Investing Activities</b>		
Purchase of Fixed Assets	(389.39)	(235.74)
Change in Work In Process	(23.69)	17.28
Investments	5.89	-
Long Term Loans and Advances	(1.09)	-
<b>Cash Flow from Investing Activities</b>	<u>(408.29)</u>	<u>(218.47)</u>
<b>3 Cash Flow from Financing Activities</b>		
Change in Short Term Borrowing	(256.80)	(108.43)
Change in Long Term Borrowing	(173.95)	(200.55)
<b>Cash Flow from Financing Activities</b>	<u>(430.75)</u>	<u>(308.98)</u>
Total Cash Flow	(363.19)	237.02
Add:- Opening Cash & Cash Equivalents	900.22	663.20
Closing Cash & Cash Equivalents	537.03	900.22

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

For and on behalf of the Board of Directors

**P.M.VARDHE**  
Proprietor  
Membership No.:031817

**RAM MENON**  
Chairman

**NITIN MENON**  
Joint Managing Director

Place : Kolhapur  
Date : 10<sup>th</sup> May, 2016

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary



# Notes on Accounts

for the year on 31<sup>st</sup> March, 2016

Note No. 1

## SIGNIFICANT ACCOUNTING POLICIES

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### 1.1 Basis of Accounting:

Accounts of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention. Company has complied with Accounting Standards as recommended by Institute of Chartered Accountants of India, provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India.

The Company has prepared the Financial Statements as per the format prescribed under the Schedule III of the Companies Act, 2013.

### 1.2 Fixed Assets:

(i) Fixed assets except leasehold land are stated at cost (net of Cenvat and MVAT wherever applicable) of acquisition, less accumulated depreciation after retaining the specified residual value as per Schedule II of the Companies Act, 2013. 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. Intangible assets include Computer Software, which is recorded at cost of acquisition.

### 1.3 Impairment of Fixed Assets:

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

### 1.4 Depreciation:

Depreciation is charged on all the assets based on useful life as per part C of Schedule II of the Companies Act 2013 on straight line basis.

### 1.5 Investment:

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

### 1.6 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.

### 1.7 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.

**1.8 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.

**1.9 Sales:**

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

**1.10 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.

<b>Disclosure pursuant to Accounting Standard 15 (Revised) "Employee Benefits"</b>		
	<b>Valuation Method (Projected Unit Credit Method)</b>	<b>Amount (In Rs.)</b>
1	RESULTS OF VALUATION	
	a. PV of Past Service Benefit	1,81,58,130
	b. Current Service Costs	14,30,469
	c. Total Service Gratuity	5,17,27,766
	d. Accrued Gratuity	2,00,84,085
	e. LCSA	3,06,85,002
	f. LC Premium	76,513
	g. Service Tax @ 12.36 %	10,770
2	RECOMMENDED CONTRIBUTION RATE	
	a. Fund value as on Renewal Date	1,86,80,037
	b. Additional Contribution for existing fund	-
	c. Current Service Costs	9,86,181
3	Total Amount payable (Rs.) (1.f +1.g+2.b+2.c)	10,73,464
4	Less: Amount Paid	10,86,224
5	Liability appearing in Balance Sheet	-12,760

**1.11 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.

**1.12 Segment Reporting Under Accounting Standard 17:**

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

**1.13 Related Party Disclosures As Per Accounting Standard 18:**

Following are the related parties as per Accounting Standard 18:-

(Amount in Rs. )

Sr. No.	Name of Party	Relation	Nature of Transaction	Current Year 31.03.2016 Amount ₹.	Previous Year 31.03.2015 Amount ₹.
1.	MB Exports	Shri Nitin Menon is a partner	Sale	10,71,12,961	8,03,29,651
			Commission Paid	74,80,090	1,61,48,251
2.	Mani Auto Components	Shri Nitin Menon is a partner	Sale	10,81,51,138	5,70,28,485
			Machining Charges	2,02,59,090	1,70,69,734
			Rent Paid	18,00,000	18,00,000
3.	Karveer United Pvt. Ltd.	Shri Nitin Menon is a Chairman	Corporate Services	29,01,673	29,36,992
			Vehicle Sale	14,00,000	-
4.	Shri Ram Menon	Chairman	Sitting Fees	5,000	4,000
5.	Shri R. D. Dixit	Vice Chairman & Managing Director	Salary	52,20,182	47,03,986
6.	Shri Nitin Menon	Joint Managing Director	Salary	81,30,723	73,49,704
7.	Mr. Aditya Nitin Menon	Son of Joint Managing Director	Sale of Flat	-	1,80,00,000
8.	Shri Sachin Menon	Director	Sitting Fees	4,000	4,000
9.	Shri M. L. Shinde	Independent Director	Sitting Fees	1,000	-
10.	Shri B.S. Ajitkumar	Independent Director	Sitting Fees	4,000	3,000
11.	Capt .Sudhir Naphade	Independent Director	Sitting Fees	5,000	4,000
12.	Mrs .Nazura Ajaney	Independent Director	Sitting Fees	5,000	2,000

**Notes:**

- a. Shri R. D. Dixit – Vice Chairman & Managing Director and Shri Nitin Menon – Joint Managing Director are employees of the Company. Shri M. L. Shinde, Shri B. S. Ajitkumar, Capt. Sudhir Naphade and Mrs. Nazura Ajaney Independent Directors are not paid any remuneration. Only Sitting Fees are paid to them. The salary, perquisites and remuneration paid are disclosed under Report on Corporate Governance point no. 4.4 as details of Remuneration and sitting fees paid to Directors.
- b. 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 Piston Ltd.
2. Karveer Leisure Pvt. Ltd.

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

**1.14 Lease Accounting as per Accounting Standard 19:**

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

**1.15 Earning Per Share:**

The Basic Earnings Per Share for the year 2015-16 is Rs. 3.19 (Previous year Rs. 2.47). The 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.

**1.16 Accounting for Taxes on Income:**

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

PARTICULARS	As on 31.03.2016	As on 31.03.2015
<b>I. SHAREHOLDER'S FUND</b>		
<b>Note No.2</b>		
<b>Share Capital</b>		
<b>Authorised:</b>		
10,10,00,000 Equity Shares of ₹. 1 each fully paid (Previous Year 2,02,00,000 Equity Shares of ₹.5 each)	1,010.00	1,010.00
<b>Issued, Subscribed and Paid up :</b>		
4,67,00,000 Equity Shares of ₹. 1 each fully paid (Previous year 93,40,000 Equity Shares of ₹.5 each fully paid)	467.00	467.00
<b>TOTAL</b>	<b>467.00</b>	<b>467.00</b>

**Notes:**

- 1) There is no movement in the share capital during the year.
- 2) The Company has a single class of equity shares all equity shares rank equally with regard to dividends and shares in the company's residual assets.
- 3) Equity shareholders holding more than 5% of equity shares along with the number of equity shares held is as given below :

Name of the Shareholder	31.03.2016		31.03.2015	
	%	No. of Shares	%	No. of Shares
Nitin Ram Menon	30.37	1,41,80,650	30.37	1,41,80,650
Karveer United Pvt. Ltd.	24.29	1,13,44,000	24.29	1,13,44,000
Sucheta Nitin Menon	9.00	42,04,010	9.00	42,04,010
Aditya Nitin Menon	5.09	23,76,640	5.09	23,76,640
Anshul Nitin Menon	5.09	23,75,700	5.09	23,75,700

Equity Shares of the Company are sub-divided from face value of ₹. 5/- to ₹. 1/- each w.e.f.10/04/2015. Hence, no. of Shares held is calculated on face value of ₹. 1/-.

**Note No.3****Reserves and Surplus**

General Reserve	651.47	576.47
Add : Current Year	75.00	75.00
<b>Sub-Total</b>	<b>726.47</b>	<b>651.47</b>
Capital Reserve	25.00	25.00
Revaluation Reserve	30.09	30.09
Profit & Loss Account	3,945.39	3,123.61
<b>TOTAL</b>	<b>4,726.95</b>	<b>3,830.17</b>

**Note :**

<b>Surplus</b>		
Opening Balance	3,123.61	2,497.22
Less:- Depreciation Diff. earlier years	-	16.00
Less.- Short Provision of tax on dividend	12.56	-
Less – Proposed C. S. R. amount	17.65	-
Add.Net Profit for the current period	1,489.06	1,154.49
Profit Available for appropriation	4,582.46	3,635.70
Less: Proposed dividend on equity shares	-	373.60
Less: Dividend paid on equity shares	467.00	-
<b>Sub-Total</b>	<b>4,115.46</b>	<b>3,262.10</b>
Less: Tax on distributed profits on equity shares	95.07	63.49
<b>Total</b>	<b>4,020.39</b>	<b>3,198.61</b>
Transfer to General Reserve	75.00	75.00
<b>Balance carried forward to Balance Sheet</b>	<b>3,945.39</b>	<b>3,123.61</b>

PARTICULARS	As on 31.03.2016	As on 31.03.2015
<b>II. NON CURRENT LIABILITIES</b>		
<b>Note No.4</b>		
<b>Long Term Borrowings</b>		
<b>Secured Loans</b>		
<b>a) Term Loan from Banks</b>		
AXIS Bank Limited	-	47.16
State Bank of India	5.55	95.70
<b>b) Car Loans from Banks</b>		
State Bank of India & Axis Bank	24.63	7.05
<b>Sub-Total</b>	<b>30.18</b>	<b>149.91</b>
<b>Unsecured Loans</b>		
Sales Tax Deferal Loan	173.55	227.77
<b>Sub-Total</b>	<b>173.55</b>	<b>227.77</b>
<b>TOTAL</b>	<b>203.73</b>	<b>377.68</b>

**Note :**

Sr. No.	Bank Name	Loan Amt. (in Lakhs)	Installment Amt. (in Lakhs)	No. of Instaliments
1	Axis Bank Ltd. Term Loan	500.00	-	-
2	State Bank India Term Loan	500.00	7.500	12
3	State Bank India Car Loan (DUSTER)	9.00	0.102	48
4	Axis Bank Ltd. Car Loan (JETTA & Honda City))	30.05	0.759	36

- a. The Term Loan from State Bank of India (MIDC Gokul Shirgaon Branch) is secured by hypothecation of Plant & Machinery and Mortgage of Building situated at G-1, MIDC Gokul Shirgaon, Kolhapur owned by the Company. The Term Loan Guaranteed by Shri. Nitin Menon. The Company had availed ₹. 5 Crores Term Loan, the repayment started from October 2011. Installment of ₹. 7.50 lacs p.m.
- b. The Term Loan from AXIS Bank Limited is secured by hypothecation of Plant & Machinery and mortgage of immovable property situated at C-1, Five Star MIDC, Kagal, Kolhapur owned by the Company. The Term Loan is personally Guaranteed by Shri. Nitin Menon. Loan taken from Axis bank Limited is repayable with installment of ₹. 9.71 lacs p.m.
- c. The Long Term Borrowing includes Car Loan taken by the Company from the State Bank of India and Axis Bank, against hypothecation of vehicles.
- d. The Unsecured Loan represents Interest Free Sales Tax Deferral Loan from SICOM received under the Incentive Scheme of Government of Maharashtra.

(₹. in Lakhs)

PARTICULARS	As on 31.03.2016	As on 31.03.2015
<b>Note No.5</b>		
<b>Deferred Tax Liabilities (Net)</b>		
a) Depreciation Opening	377.91	385.75
Add: During the year	40.24	(7.84)
Closing Liability (a)	418.15	377.91
b) Disallowances as per Section 43B & 40(a) of Income Tax Act Opening	(9.07)	(8.99)
Add: During the year	(2.28)	(0.08)
Closing Asset (b)	(11.35)	(9.07)
c) Others Opening	(5.76)	(6.88)
(Add) / Less :- During the Year	(3.12)	1.12
Closing Asset (c)	(8.88)	(5.76)
<b>Deferred Tax Liability (Net) (a-b-c)</b>	<b>397.92</b>	<b>363.08</b>

**III. CURRENT LIABILITIES****Note No.6****Short Term Borrowings****Secured Loans****a) AXIS Bank Limited**

Bills Discount Facility	-	133.33
Cash Credit	272.94	63.19

**b) State Bank Of India**

Cash Credit & SLOC	603.31	894.70
Term Loan & Vehicles Due within 1 Year	100.10	196.16

**Unsecured Loans**

Sales Tax Deferral Loan Due within 1 Year	54.22	-
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<b>TOTAL</b>	<b>1,030.57</b>	<b>1,287.38</b>
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**Note :**

a) The Working Capital facilities from State Bank of India (MIDC Gokul Shirgaon Branch) are secured by stock of raw materials, semi-finished goods, finished goods and debtors collateral security of factory land & building situated at G-1, MIDC Gokul Shirgaon, Kolhapur-416234 and personal guarantee of Mr. Nitin Menon.

b) The Working Capital facilities from AXIS Bank Limited are secured by hypothecation of current assets including stock & book debts of the Company, both present and future and personal guarantee of Mr. Nitin Menon.

**Note No.7****Trade Payable**

Trade Payable	625.01	608.62
Trade Payable ( M.S.M.E) Refer Note 27(d)	33.15	26.90
<b>TOTAL</b>	<b>658.16</b>	<b>635.52</b>

PARTICULARS	As on 31.03.2016	As on 31.03.2015
<b>Note No.8</b>		
<b>Other Current Liabilities</b>		
Advance From Customers	-	-
Unpaid / Unclaimed Dividend	101.33	51.49
<b>TOTAL</b>	<b>101.33</b>	<b>51.49</b>

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31<sup>st</sup> March, 2016.

<b>Note No.9</b>		
<b>Short Term Provisions</b>		
Sales Tax Payable - Current Dues	16.50	21.69
Gratuity Payable	-	2.33
Deposit from Customers	24.40	19.75
CSR (Corporate Social Responsibility)	34.91	-
Statutory Liabilities	56.02	57.38
Provision for expenses	246.47	264.05
Proposed Dividend	-	373.60
Tax on Dividend	-	63.49
Leave Encashment	25.79	15.42
<b>TOTAL</b>	<b>404.09</b>	<b>817.71</b>

<b>Note No.11</b>		
<b>Non-Current Investment</b>		
<b>Investment (At cost)</b>		
<b>Trade (Quoted)</b>		
1) 500 Equity Shares of Bank of Maharashtra @ ₹. 23 each. (Market value at previous year ₹. 37.10 per share)	-	0.12
2) 11,100 Shares of Transwarranty Finance Ltd. @ ₹. 52 each (Market Value at previous year ₹. 6.35 per share)	-	5.77
3) 1,100 Equity Shares of GTL Infrastructure Ltd. (Bonus Shares) (Market Value at previous year ₹. 1.40 per share)	-	-
<b>TOTAL</b>	<b>-</b>	<b>5.89</b>

<b>Note No.12</b>		
<b>Long Term Loans and Advances</b>		
Telephone Deposit	0.61	0.56
MSEB Deposit	67.22	66.18
Water Deposit	2.67	2.67
<b>TOTAL</b>	<b>70.50</b>	<b>69.41</b>



## Note No.10

## FIXED ASSETS

## SCHEDULE D - FIXED ASSETS SCHEDULE FOR THE F.Y.2015-16

(₹. in Lakhs)

SR. NO.	PARTICULARS	YEAR	GROSS BLOCK				DEPRECIATION						NET BLOCK				
			OPENING BALANCE (Rs.)	ADDITIONS (Rs.)	DELETIONS (Rs.)	TOTAL (Rs.)	UPTO (Rs.)	ON OPENING (Rs.)	ON ADDITIONS (Rs.)	FOR THE YEAR (Rs.)	Retained Earnings	ADJUST-MENTS (Rs.)	TOTAL (Rs.)	As on 31.03.2016 (Rs.)	As on 31.03.2015 (Rs.)		
<b>a) Tangible Assets</b>																	
1	Land (lease hold)	-	103.14	-	-	103.14	11.28	0.97	-	0.97	-	-	-	-	12.25	90.79	91.86
2	Land ( free hold)	-	25.22	11.55	-	36.77	-	-	-	-	-	-	-	-	-	36.77	25.22
3	Site Development	-	176.36	-	-	176.36	-	-	-	-	-	-	-	-	-	176.36	176.36
4	Building	30.00	1,162.90	34.43	-	1,197.33	336.31	33.84	0.11	33.95	-	-	-	-	370.26	827.07	826.59
5	Plant and Machinery	15.00	4,908.54	187.27	-	5,095.81	2,964.39	319.09	6.71	325.80	-	-	-	-	3,290.19	1,805.62	1,944.15
6	Electrical Installation	10.00	230.94	6.60	-	237.54	148.81	16.99	0.19	17.18	-	-	-	-	165.99	71.55	82.13
7	Tools and Implements	15.00	384.68	68.14	-	452.82	193.00	21.47	1.58	23.05	-	-	-	-	216.05	236.77	191.69
8	Material Handling Equip.	15.00	52.80	7.87	-	60.67	29.04	5.37	0.49	5.86	-	-	-	-	34.90	25.77	23.77
9	Fire Fighting	15.00	9.54	5.49	-	15.03	2.00	1.10	0.57	1.67	-	-	-	-	3.67	11.36	7.54
10	Effluent Treatment Plant	15.00	84.54	5.24	-	89.78	29.29	14.17	0.16	14.33	-	-	-	-	43.62	46.16	55.25
11	Office Equipments	5.00	39.26	4.76	-	44.02	28.30	3.12	0.27	3.39	-	-	-	-	31.69	12.33	10.96
12	Miscellaneous Assets	15.00	11.96	0.22	-	12.18	7.48	0.40	-	0.40	-	-	-	-	7.88	4.30	4.48
13	Computers	6.00	61.81	3.26	-	65.07	51.68	3.26	0.46	3.72	-	-	-	-	55.40	9.67	10.13
14	Furniture	10.00	88.59	9.91	-	98.50	42.08	7.46	0.29	7.75	-	-	-	-	49.83	48.67	46.51
15	Vehicle	8.00	136.22	38.27	41.90	132.59	74.82	11.47	0.51	11.98	-	-	40.74	46.06	86.53	61.40	
	<b>TOTAL</b>		<b>7,476.50</b>	<b>383.01</b>	<b>41.90</b>	<b>7,817.61</b>	<b>3,918.48</b>	<b>438.71</b>	<b>11.34</b>	<b>450.09</b>	<b>-</b>	<b>40.74</b>	<b>4,327.79</b>	<b>3,489.82</b>	<b>3,558.04</b>	<b>3,558.04</b>	<b>3,558.04</b>
	<b>PREVIOUS YEAR</b>		<b>7,294.38</b>	<b>422.74</b>	<b>240.61</b>	<b>7,476.51</b>	<b>3,524.23</b>	<b>412.51</b>	<b>8.06</b>	<b>420.57</b>	<b>16.01</b>	<b>42.33</b>	<b>3,918.47</b>	<b>3,558.04</b>	<b>3,918.47</b>	<b>3,558.04</b>	<b>3,767.16</b>

## b) Intangible Assets

1	Technical know how	3.00	52.44	-	-	52.44	52.44	-	-	-	-	-	-	-	52.44	-	-
2	Computers Software	3.00	38.44	7.56	-	46.00	24.47	5.21	1.23	6.44	-	-	-	-	30.91	15.09	13.97
	<b>Total</b>		<b>90.88</b>	<b>7.56</b>	<b>-</b>	<b>98.44</b>	<b>76.91</b>	<b>5.21</b>	<b>1.23</b>	<b>6.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83.35</b>	<b>15.09</b>	<b>13.97</b>
	<b>Previous Year</b>		<b>79.60</b>	<b>11.28</b>	<b>-</b>	<b>90.88</b>	<b>75.50</b>	<b>1.41</b>	<b>0.01</b>	<b>1.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76.92</b>	<b>13.97</b>	<b>4.10</b>

PARTICULARS	As on 31.03.2016	As on 31.03.2015
<b>Note No.13</b>		
<b>Other Non-Current Assets</b>		
Pre-operative Expenses	-	5.07
Less: Written off during the year	-	5.07
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Note No.14</b>		
<b>Inventories</b> (At cost or market rates whichever is less)		
Raw Material	191.63	185.56
Stores & Spares	98.73	84.03
Finished Goods	588.85	435.12
Work in Process	264.55	271.28
<b>TOTAL</b>	<b>1,143.76</b>	<b>975.99</b>
<b>Note No.15</b>		
<b>Trade Receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months	101.34	219.27
Other Debts	2,400.02	1,837.60
<b>TOTAL</b>	<b>2,501.36</b>	<b>2,056.87</b>
<b>Note :</b>		
<i>(Includes amount of ₹.3,57,20,377.80 Due from MB Exports and Mani Auto Components ₹. 1,22,68,117.99, a firm in which director is a partner.)</i>		
<b>Note No.16</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in Hand	0.91	1.44
Balance with Bank	<b>536.12</b>	<b>898.78</b>
i) In Current A/c	123.31	223.49
ii) In Fixed Deposits	412.81	675.29
<b>TOTAL</b>	<b>537.03</b>	<b>900.22</b>
<b>Note :</b>		
a) FDs maturing after one year ₹.91.77 Lakhs.		
b) FDs held as security against Guarantees ₹.52.06 Lakhs.		
<b>Note No.17</b>		
<b>Short -Term Loans &amp; Advances</b>		
Other Advance	14.04	11.02
Interest accrued but not received	12.96	34.66
Other Deposits	8.56	10.10
Prepaid expenses	15.04	15.03
Advance Income Tax	77.56	27.31
Advance to Suppliers	8.58	29.43
Excise Duty	19.03	51.21
Service Tax	11.64	29.89
Advance Group Gratuity Contribution	0.13	-
<b>TOTAL</b>	<b>167.54</b>	<b>208.65</b>

(₹. in Lakhs)

PARTICULARS	Current Year Ended on 31.03.2016	Previous Year Ended on 31.03.2015
<b>Note No.18</b>		
<b>Sales</b>		
Bearings, Bushes and Thrust Washers etc.	7,986.45	6,636.91
Aluminium Die Casting Components	2,003.72	2,658.80
Sale of Toolings	18.31	15.27
Sale of Stainless Steel Parts	223.29	384.19
Other Products	28.35	25.86
Strip Sale	709.91	443.99
Scrap Sale	114.99	86.32
<b>TOTAL</b>	<b>11,085.02</b>	<b>10,251.34</b>
<b>Note No.19</b>		
<b>Other Operating Revenue</b>		
Exchange Difference	23.66	27.79
Sale of DEPB License	2.89	10.61
Duty Drawback Refund	2.81	10.42
Excess Provision Written off	-	0.10
Income from other Source	7.89	9.40
Other Income	1.96	3.61
Profit on Sale of Fixed Asset	14.25	8.22
<b>TOTAL</b>	<b>53.46</b>	<b>70.15</b>
<b>Note No.20</b>		
<b>Other Income</b>		
<b>Income from Non-Current Investments</b>		
Dividend from Companies	-	-
Interest Received	52.66	69.62
Net Gain/Loss on sale of investments	-	-
<b>TOTAL</b>	<b>52.66</b>	<b>69.62</b>
<b>Note No.21</b>		
<b>Cost of Raw Materials Consumed</b>		
Opening Stock	185.56	157.45
Add : Purchases	3,932.59	3,966.07
<b>Sub - Total</b>	<b>4,118.15</b>	<b>4,123.52</b>
Less : Closing Stock	191.63	185.56
<b>Sub - Total</b>	<b>191.63</b>	<b>185.56</b>
<b>TOTAL</b>	<b>3,926.52</b>	<b>3,937.96</b>
<b>Note No.22</b>		
<b>Changes in stock of Finished Goods and Work-in-Process</b>		
<b>Opening Stock</b>		
Finished Goods	435.12	350.54
Work in Process	271.28	322.67
<b>Sub-Total</b>	<b>706.40</b>	<b>673.21</b>
<b>Closing Stock :</b>		
Finished Goods	588.85	435.12
Work in Process	264.56	271.28
<b>Sub-Total</b>	<b>853.41</b>	<b>706.40</b>
<b>Increase / ( Decrease ) in Stock</b>	<b>147.01</b>	<b>33.19</b>

(₹. in Lakhs)

PARTICULARS	Current Year Ended on 31.03.2016	Previous Year Ended on 31.03.2015
<b>Note No.23</b>		
<b>Employee Benefits Expenses</b>		
Directors Remuneration	133.51	120.53
Salary and Wages	760.38	702.60
Labour Welfare	8.35	6.65
Contribution to Provident Fund	52.39	49.39
Contribution to Group Gratuity Trust	23.23	29.75
<b>TOTAL</b>	<b>977.86</b>	<b>908.92</b>
<b>Note No.24</b>		
<b>Finance Costs</b>		
Interest	106.70	191.31
Bank Commission & Other Charges	56.49	47.44
<b>TOTAL</b>	<b>163.19</b>	<b>238.75</b>
<b>Note No.25</b>		
<b>Operating and Other Expenses</b>		
<b>A] Operating Expenses</b>		
Stores & Spares Consumed	771.47	685.95
Electricity	848.49	744.58
Power & Fuel Expense	43.22	52.62
Electric Material	5.77	5.92
Outside Labour charges	288.81	258.73
Contract Labour Charges	619.58	486.73
Water charges	16.26	21.31
Repairs & Maintenance	192.19	206.30
Testing Fees	1.69	4.09
Hamali	1.90	0.84
Machining Charges	5.68	20.99
Development Charges	10.50	7.90
<b>TOTAL (A)</b>	<b>2,805.56</b>	<b>2,495.96</b>
<b>B] Other Expenses</b>		
Advertisement	10.00	10.21
CSR (Corporate Social Responsibility) Expenses	22.87	-
Auditors Remuneration		
i) Audit Fees	2.35	2.15
ii) Other Services	0.35	0.35
Business Expenses	18.57	18.44
Donation	-	0.27
Establishment Expenses	29.02	29.37
Foreign Tour Expenses	7.86	6.57
Freight Outward	92.56	87.99
Insurance	10.21	10.63
Building Repairs	42.50	44.03

(₹. in Lakhs)

PARTICULARS	Current Year Ended on 31.03.2016	Previous Year Ended on 31.03.2015
Legal & Consultation	26.63	25.07
Misc. Expenses	38.63	28.90
Postage, Telephone	18.48	17.32
Printing & Stationary	13.62	12.52
Rent, Rates and Taxes	34.24	33.81
Sales Promotion Expenses	213.25	335.84
Sitting Fees	0.24	0.17
Traveling Expenses	75.34	65.50
Loss on sale of Asset	-	11.49
Net Gain/ Loss on sale of investments	5.23	-
Vehicle & Conveyance Expenses	13.67	12.32
Pre -Operative Expenses Written off	-	5.07
<b>TOTAL (B)</b>	<b>675.62</b>	<b>758.02</b>
<b>TOTAL (A + B)</b>	<b>3,481.18</b>	<b>3,253.98</b>

**Note No.26****Contingent Liabilities**

- a. State Bank of India has given guarantee on behalf of the Company for ₹. 52.06 lacs (Previous year ₹. 31.95 lacs).
- b. Central Sales Tax and MVAT assessments are completed up to 31.03.2010 respectively. The liability in respect of pending assessments / appeals under BST/CST /VAT is unascertainable.
- c. The Income Tax assessments are completed up to the Assessment Year 2013-2014. (Relevant to accounting year ended 31.03.2013). Tax demand raised for A. Y. 2013-14 is ₹.13,03,190/- against which Company has gone into appeal. Liability if any, in respect of the pending assessments or appeals under the Income Tax Act, 1961 is unascertainable.
- d. Duty amount under export obligation under EPCG scheme is ₹. 31,13,367.00

**Note No.27****Other Notes**

- a. Previous year figures are regrouped wherever necessary to conform to current year figures.
- b. Amounts are rounded off to the nearest lac or decimal thereof.
- c. The Company has been accounting liability for Excise Duty on Finished Goods as and when they are cleared. A liability for Excise Duty in respect of finished goods in stock at the close of the year estimated at ₹. 72.57 lacs 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.

## d. Disclosure relating to Micro, Small and Medium Enterprises:

Particulars	2016	2015
a) Total amount outstanding at the end of the year.	33,14,496	26,90,033
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.

## e) C.I.F. Value of Import

(Rs. in Lakhs)

Sr. No.	Particulars	Current Year Ended on 31.03.2016	Previous Year Ended on 31.03.2015
1	Raw Material & Consumables	101.73	187.20
2	Plant & Machinery	51.33	137.32
	<b>TOTAL</b>	<b>153.06</b>	<b>324.52</b>

## f) VALUATION OF IMPORTED &amp; INDIGENOUS RAW MATERIAL :

(Rs. in Lakhs)

Sr. No.	Particulars	Current Year Ended on 31.03.2016		Previous Year Ended on 31.03.2015	
		%	Value	%	Value
1	Imported Raw Materials	2.59	101.73	4.75	187.20
2	Indigenous Raw Materials	97.41	3,824.79	95.25	3,750.76
	<b>TOTAL</b>	<b>100%</b>	<b>3,926.52</b>	<b>100%</b>	<b>3,937.96</b>

## g) EXPENDITURE IN FOREIGN CURRENCY :

(Rs. in Lakhs)

Sr. No.	Particulars	Current Year Ended on 31.03.2016	Previous Year Ended on 31.03.2015
1	Foreign Tour Expenses	7.86	6.57
2	Raw Material and Consumables	100.47	184.96
3	Plant and Machinery	49.47	129.30
	<b>TOTAL</b>	<b>157.80</b>	<b>320.83</b>

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

**For and on behalf of the Board of Directors**

**P.M.VARDHE**  
**Proprietor**  
Membership No.:031817

**RAM MENON**  
Chairman

**NITIN MENON**  
Joint Managing Director

**Place :** Kolhapur  
**Date :** 10<sup>th</sup> May, 2016

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary

**MENON BEARINGS LIMITED**

CIN - L29130PN1991PLC062352

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

Tel: 0231-2672 279/533/487, Fax: 0231-2672 278

Email: admin@menonbearings.in, Website : www.menonbearings.in

**FOR KIND ATTENTION OF SHAREHOLDERS****Dear Shareholders,**

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Member	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

-----  
Signature of the Member





Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. **“LINK INTIME INDIA PRIVATE LIMITED, C-13, PANNALAL SILK MILLS COMPOUND, L.B.S MARG, BHANDUP (WEST), MUMBAI – 400 078 ”**.

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking You,

For **MENON BEARINGS LIMITED**

**NITIN MENON**  
**Joint Managing Director**



# MENON BEARINGS LIMITED

CIN - L29130PN1991PLC062352  
Regd. Office: G-1,MIDC, Gokul Shirgaon, Kolhapur 416234  
Tel: 0231-2672 279/533/487, Fax: 0231-2672 278  
Email: admin@menonbearings.in, Website : www.menonbearings.in

## PROXY FORM

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

**25<sup>TH</sup> ANNUAL GENERAL MEETING ON THURSDAY, 21<sup>ST</sup> JULY, 2016**

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP Id:

I/We being a member(s) of ..... Shares of the above named Company hereby appoint:

(1) Name .....

Address.....

Email Id:..... Signature.....or failing him/her;

(2) Name .....

Address.....

Email Id:..... Signature..... or failing him/her;

(3) Name .....

Address.....

Email Id:..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 21<sup>st</sup> July, 2016 at 11.00 a.m at The Residency Club, P.O. New Palace, Kolhapur-416003 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O



Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	<b>Ordinary Business:</b>			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2016 along with Reports of the Directors and of the Auditors.			
2	Ordinary Resolution for Confirmation of Interim Dividend paid on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2016.			
3	Ordinary Resolution for appointment of director in place of Mr. Sachin Menon, Non-Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ordinary Resolution for re-appointment of M/s P. M. Vardhe & Co., Chartered Accountants, Kolhapur (having FRN: 111274W) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting.			
5	Ordinary Resolution to ratify appointment of M/s. Rajesh Lohia & Co., Chartered Accountants (having FRN: 108416W), as Branch Auditors of the Company until the conclusion of the 26 <sup>th</sup> Annual General Meeting.			
	<b>Special Business:</b>			
6	Ordinary Resolution for appointment of Mr. M. L Shinde (DIN: 07417527) as an Independent Director upto 28 <sup>th</sup> January, 2021.			
7	Ordinary Resolution for approval of remuneration payable to Mr. Chandrashekhar S. Adawadkar, Cost Accountants, Pune, for the financial year 2016-17.			
8	Special Resolution for approval of managerial remuneration to Mr. Nitin Menon, Joint Managing Director of the Company for a period of 2 years from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2018.			
9	Special Resolution for approval of managerial remuneration to Mr. R. D. Dixit, Vice Chairman & Managing Director of the Company for a period of 2 years from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2018.			
10	Special Resolution for approval to continue material related party transactions, in which directors of the Company are interested for a period of 2 years w.e.f. 1 <sup>st</sup> April, 2016.			

Signed this ..... day of ....., 2016

Signature of shareholder .....

Signature of Proxy holder(s) .....

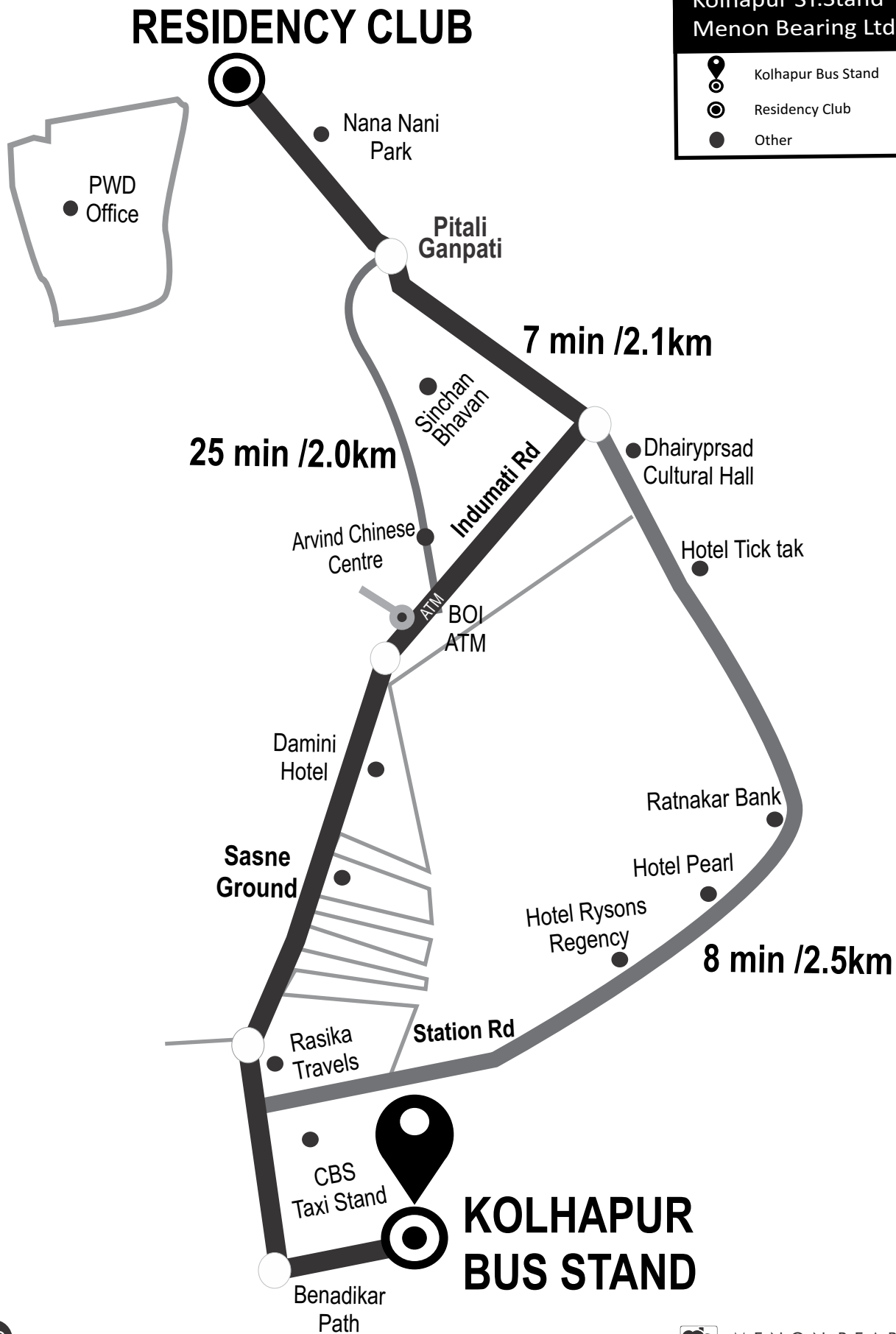
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**Note :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.
3. In case of multiple proxies, the proxy later in time shall be accepted.
4. Proxy need not be the shareholder of the Company.

**ROUTE MAP**  
Kolhapur ST.Stand to  
Menon Bearing Ltd.

- Kolhapur Bus Stand
- Residency Club
- Other





MENON BEARINGS LTD.

G-1, MIDC, Gokul  
Shirgaon, Kolhapur-416234,  
Maharashtra, INDIA,  
Ph.: +91 231 2672487,  
+91 231 2672279, 2672533,  
Fax: +91 231 2672278,  
E-mail : [admin@menonbearings.in](mailto:admin@menonbearings.in),  
Web : [www.menonbearings.in](http://www.menonbearings.in)

USA and Canada :  
Call Toll Free 1 ( 866 ) 55 MENON,  
001 ( 866 ) 556-3666 -  
OR 001 (317) 514-7215



Menon Bearings  
plant at Kolhapur,

