

28<sup>th</sup> July, 2018

To,  
The Manager - Listing Department  
**National Stock Exchange of India Ltd**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400051

**Symbol: MENONBE**

**Sub.: Submission of Annual Report for the Financial Year 2017-18.**

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2017-18 as approved and adopted at the 27<sup>th</sup> Annual General Meeting of the Company held on Saturday, 21<sup>st</sup> July, 2018.

Kindly take the above on your record.

Thanking you

For Menon Bearings Limited



**Anup Padmai**  
**Company Secretary & Compliance Officer**  
**Membership No.: A33422**

Encl: A/a

India's leading  
engine bearings  
company.

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**MENON BEARINGS LTD.**

Annual Report 2018

# Contents

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Board of Directors . . . . .	02
Notice of 27 <sup>th</sup> Annual General Meeting . . . . .	03
<b>STATUTORY REPORTS</b>	
Board's Report . . . . .	21
Secretarial Audit Report . . . . .	47
Management Discussion & Analysis . . . . .	57
Report on Corporate Governance . . . . .	62
<b>FINANCIAL STATEMENTS</b>	
Auditors' Report . . . . .	82
Balance Sheet . . . . .	88
Statement of Profit & Loss . . . . .	89
Cash Flow Statement . . . . .	90
Notes to Financial Statements . . . . .	91
Proxy Form . . . . .	109
Attendance Slip . . . . .	(Loose Leaf)

# Board of Directors

<b>Mr. RAM MENON</b>	Chairman Emeritus
<b>Mr. R. D. DIXIT</b>	Chairman & Managing Director
<b>Mr. NITIN MENON</b>	Vice Chairman & Joint Managing Director
<b>Mr. SACHIN MENON</b>	Director (upto 04.05.2017)
<b>Mr. B.S. AJITKUMAR</b>	Independent Director (upto 11.11.2017)
<b>CAPT. SUDHEER S. NAPHADE</b>	Independent Director (upto 14.04.2018)
<b>Mrs. NAZURA AJANEY</b>	Independent Director (upto 15.02.2018)
<b>Mr. M. L. SHINDE</b>	Independent Director
<b>Mr. GAJENDRA VASA</b>	Independent Director (w.e.f. 30.12.2017)
<b>Mrs. KAILASH A NEVAGI</b>	Independent Director (w.e.f. 16.04.2018)

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

**Mr. ANUP PADMAI**, Company Secretary & Compliance Officer (CS)

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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 ARNA & ASSOCIATES

(Previously Known as Mr. Rahulprasad Agnihotri & Co.)

CHARTERED ACCOUNTANTS, Kolhapur.

## SECRETARIAL AUDITORS

M/S MANISH GHIA & ASSOCIATES

COMPANY SECRETARIES, Mumbai

## BANKERS :

AXIS BANK LIMITED  
Kolhapur

STATE BANK OF INDIA  
Gokul Shirgaon, Kolhapur

## REGISTRAR AND SHARE TRANSFER AGENTS :

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

# Notice

Of 27<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 27<sup>th</sup> (Twenty Seventh) Annual General Meeting of the members of Menon Bearings Limited will be held on Saturday, 21<sup>st</sup> July, 2018 at 10.00 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, 2018 along with Reports of Board and Auditors' thereon.
2. To confirm the payment of
  - 1<sup>st</sup> interim dividend of Re. 0.75 per equity share for the financial year ended on 31<sup>st</sup> March, 2018.
  - 2<sup>nd</sup> interim dividend of Re. 0.50 per equity share for the financial year ended on 31<sup>st</sup> March, 2018
3. To declare final dividend on equity shares for the financial year ended on 31<sup>st</sup> March, 2018.
4. To appoint a director in place of Mr. Nitin Menon, Vice Chairman & Joint Managing Director (DIN: 00692754), who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. ARNA & Associates, Chartered Accountants, Kolhapur (FRN: 122293W) (Formerly known as M/s. Rahulprasad Agnihotri & Co.), as approved by members at the 26<sup>th</sup> Annual General Meeting ('AGM') as Statutory Auditors of the Company to hold office from the conclusion of 26<sup>th</sup> AGM until the conclusion of 31<sup>st</sup> AGM and to authorize the Board of Directors to fix their remuneration for the financial year 2018-19.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and the resolution passed by the members at the 26<sup>th</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> June, 2017 the appointment of M/s. ARNA & Associates, Chartered Accountants, Kolhapur (FRN: 122293W) (Formerly known as M/s. Rahulprasad Agnihotri & Co.) as Statutory Auditors of the Company to hold office from the conclusion of 26<sup>th</sup> AGM upto the conclusion of 31<sup>st</sup> AGM to be held for the financial year ending 31<sup>st</sup> March, 2022, be and is hereby ratified and the Board of Directors of the Company be and are hereby authorized to fix the Auditor's remuneration payable for the financial year 2018-19 in consultation with the auditors.”

## Special Business :

### 6 APPOINTMENT OF MR. GAJENDRA VASAAS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

**“RESOLVED THAT** Mr. Gajendra Vasa (DIN: 00461425), who was appointed as an Additional (Independent) Director of the Company with effect from 30<sup>th</sup> December, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and who holds office as such upto the date of this ensuing Annual General Meeting 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 Act signifying his intention to propose the candidature of Mr. Gajendra Vasa 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 Sections 149, 150, 152 and other applicable provisions, if any, of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modifications or re-enactments thereon for the time being in force) to hold office for a term of 5 (five) consecutive years i.e. up to 29<sup>th</sup> December, 2022, who shall not be liable to retire by rotation.”

#### 7. APPOINTMENT OF MRS. KAILASH A. NEVAGI AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

**“RESOLVED THAT** Mrs. Kailash A. Nevagi (DIN:03011076), who was appointed as an Additional (Independent) Director of the Company with effect from 16<sup>th</sup> April, 2018 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and 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 Act signifying his intention to propose the candidature of Mrs. Kailash A. Nevagi 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 Sections 149, 150, 152 and other applicable provisions, if any, of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereon for the time being in force) to hold office for a term of 5 (five) consecutive years i.e. up to 15<sup>th</sup> April, 2023, who shall not be liable to retire by rotation.”

#### 8. APPROVAL OF REMUNERATION PAYABLE TO COST AUDITOR:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) there of, for the time being in force), M/s. C. S. Adawadkar & Co., Cost Accountants, Pune (FRN - 100401) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019, be paid the remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus all applicable taxes 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 give effect to the aforesaid resolution.”



## 9. RE-APPOINTMENT OF MR. NITIN MENON AS VICE-CHAIRMAN AND JOINT MANAGING DIRECTOR OF THE COMPANY :

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the relevant provisions of the Articles of Association of the Company and subject to the approval of the government / regularity authority if any, Mr. Nitin Menon (DIN: 00692754), be and is hereby re-appointed as Managing Director designated as Vice Chairman & Joint Managing Director of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 at a remuneration as detailed below to be paid for a period of 3 (Three) years with effect from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021:

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

Sr. no.	Particulars	(Rs. in Lakhs)
1	Salary	7.00
2	House Rent Allowance	0.70
3	PPA	2.00
4	Production Incentive	2.50
5	Education Allowance	1.50
6	Soft Furnishing Allowance	0.75
7	Servant Allowance	0.75
	<b>Total</b>	<b>15.20</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 Company's rules.
3. Car: Company's Car will be provided to Mr. Nitin Menon.
4. Conveyance: Actual
5. Medical expenses (including Medical Insurance): Actual incurred in India or abroad (including family members)  
These facilities will not be considered as perquisites.
6. Mr. Nitin Menon will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.
7. Whenever Mr. Nitin Menon is required to travel outstation within India or abroad on Company's duty, he shall be paid in the following manner: (including for spouse)
  - 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 any loss or inadequacy of profits in any financial year during the tenure of service of Mr. Nitin Menon as Vice – Chairman & Joint Managing Director of the Company, the remuneration as approved by this resolution shall be payable as minimum remuneration by way of salary, allowances and perquisites within the limit specified in Part II of Schedule V to the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be required to give effect to the above resolution from time to time."

#### 10. RE-APPOINTMENT OF MR. R. D. DIXIT AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the relevant provisions of the Articles of Association of the Company, subject to the approval of government / regularity authority if any; as may be required, Mr. R. D. Dixit (DIN: 00626827) be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 at a remuneration as detailed below to be paid for a period of 3 (Three) years with effect from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021:

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

Sr. no.	Particulars	(Rs. in Lakhs)
1	Salary	5.00
2	House Rent Allowance	0.50
3	PPA	1.25
4	Production Incentive	0.50
5	Education Allowance	0.40
6	Soft Furnishing Allowance	0.40
7	Servant Allowance	0.60
	<b>Total</b>	<b>8.65</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 Company's rules.
  3. Car: Company's Car will be provided to Mr. R. D. Dixit.
  4. Conveyance: Actual
  5. Medical expenses: Actual
- These facilities will not be considered as perquisites.
6. Mr. R. D. Dixit will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.
  7. Whenever Mr. R. D. Dixit is required to travel outstation within India or 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 any loss or inadequacy of profits in any financial year during the tenure of service of Mr. R. D. Dixit as Chairman and Managing Director of the Company, the



remuneration as approved by this resolution shall be payable as minimum remuneration by way of salary, allowances and perquisites within the limit specified in Part II of Schedule V to the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be required to give effect to the above resolution from time to time.”

**BY ORDER OF THE BOARD OF DIRECTORS**

**Place** : Kolhapur  
**Date** : 3<sup>rd</sup> May, 2018

**R.D.Dixit**  
Chairman & Managing Director  
DIN : 00626827

**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.** A person can act as proxy on behalf of 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 person or member.
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 (AGM). 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 AGM (including through e-voting)
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing AGM in terms of Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is annexed to the Notice. The Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
5. (a) Pursuant to Regulation 42 of the Listing Regulations, Register of Members and the Share Transfer Books of the Company will remain closed from Sunday, 15<sup>th</sup> July, 2018 to Saturday, 21<sup>st</sup> July, 2018 (both days inclusive) for determining the name of members eligible for dividend on Equity shares, if approved by the members at the ensuing AGM.  
  
(b) The Dividend on Equity Shares, if declared at the ensuing AGM, will be credited / dispatched between 30<sup>th</sup> July, 2018 and 5<sup>th</sup> August, 2018 and those members whose name shall appear on the Company's Register of Member on 21<sup>st</sup> July, 2018 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
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 maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM.
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 Agent (RTA) quoting their Folio Number and Bank Account Details along with self-attested documentary proofs. Members holding shares in the Dematerialized 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 seeking any information on the financials 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 7 (seven) days in advance of the AGM to enable the Company to provide the information required at the meeting.

10. The Securities and Exchange Board of India (SEBI) has made it mandatory for all the companies to use National Electronic Clearing Service (NECS) facility to deposit the dividend into investors' bank account wherever NECS and bank details are available with the depositories and/or Company. The members who have not updated their bank account details and wish to avail this facility in 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 holding shares in identical order of names in one or more folio are requested to write to the Company's RTA M/s. Link Intime India Private Limited enclosing their share certificate(s) to enable the Company to consolidate their holding into one folio for better services.
12. Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company for the financial year 2010-11. The balance amount lying in Unpaid Dividend Account for the financial year 2010-11 is due for transfer to the IEPF on 7<sup>th</sup> October, 2018. Members, who have not encashed their dividend for the aforesaid financial year and subsequent financial years, are advised to write to the Company immediately for claiming the dividends declared by the Company.

13. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7<sup>th</sup> September, 2016 as amended by Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 effective from 28<sup>th</sup> February, 2017. The said Rules provide for manner of transfer of shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years to DEMAT Account of the IEPF Authority.

In compliance with said rules, the Company has transferred respected shares for F.Y. 2009 - 10 to DEMAT Account of the Authority.

14. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in DEMAT 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.
15. 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, IFSC and MICR Code, as applicable, if such details are not furnished earlier.
16. 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 some additional details of its members in its records.

Members are therefore requested to submit their e-mail ID and other details vide the e-mail updation form available on the website of the Company. The same could be done by filling up and signing at the

appropriate place in the said form and by returning the same by post / by submitting the same at the time of AGM.

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.

17. The Notice of the 27<sup>th</sup> Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant (s) unless a member has requested for hard copy of the same. For members who have not registered their e-mail address, physical copy of the aforesaid documents is being sent by courier.

18. Route Map of the Venue of the proposed AGM of the Company is appearing at the end of this Annual Report.

#### 19. Voting through Electronic mode:

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) Amended Rules, 2015, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide e-voting facility to its members to cast their votes electronically on the resolutions mentioned in the Notice of the 27<sup>th</sup> Annual General Meeting of the Company dated 3<sup>rd</sup> May, 2018.

The Company has engaged services of Link Intime India Pvt. Ltd. to provide the e-voting facility. The facility for voting through polling paper shall also be made available at the venue of the 27<sup>th</sup> AGM. The members who have already cast their vote through e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

#### E- Voting is optional.

#### Instructions for shareholders to vote electronically:

#### Log-in to e-voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open the web browser and type the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:  
If you are using e-voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section Register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with Depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
<b>DOB/ DOI</b>	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (4-c).

If you are holding shares in demat form and had registered on e-voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and are eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

7. On the voting page, you will see “Resolution Description” and against the same there will be an option “Favour/Against” for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date i.e. Saturday, 14<sup>th</sup> July, 2018 under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

#### **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-voting system of LIIP: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000

#### **Other Instructions:**

- a) The e-voting period begins on Wednesday, 18<sup>th</sup> July, 2018 (9:00 am) and ends on Friday, 20<sup>th</sup> July, 2018 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 14<sup>th</sup> July, 2018 may cast their votes electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting after 5.00 p.m on 20<sup>th</sup> July, 2018.
- b) The voting rights of members shall be in proportion to their shares held in the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, 14<sup>th</sup> July, 2018. 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 e-voting as well as voting at the meeting through polling paper.



- c) Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of the Notice and holding shares as on the cut off date i.e Saturday, 14<sup>th</sup> July, 2018 may obtain the Login Id and password by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)
- d) M/s. Manish Ghia & Associates, Company Secretaries, Mumbai have been appointed as the Scrutinizer to scrutinize the voting process and voting through polling papers in a fair and transparent manner.
- e) 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 casted their votes by availing the e-voting facility.
- f) The Scrutinizer, after scrutinizing the votes cast at the meeting through poll papers and e- voting, will not later than 48 hours from the conclusion of the AGM, 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 Link Intime India Private Limited (LIPL)--<https://instavote.linkintime.co.in>. The Results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

**STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:****Item No: 6:**

Mr. Gajendra Vasa has been appointed as an Additional (Independent) Director of the Company for a term of five consecutive years with effect from 30<sup>th</sup> December, 2017, subject to approval of shareholders at the ensuing Annual General Meeting. He is a Graduate in Arts and has vast experience of more than 50 years in the field of Engineering Industries and trading.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Gajendra Vasa holds office as such upto the date of this Annual General Meeting. In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act"), an Independent Director can be appointed for a term of 5 (Five) consecutive years and shall not be liable to retire by rotation.

Mr. Gajendra Vasa has given the requisite declaration pursuant to Section 149(7) of the 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 as per the provisions of 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 such.

In the opinion of the Board, Mr. Gajendra Vasa fulfills the conditions specified in the Act, the Rules made there under and Listing Regulations for appointment as an Independent Director and he is independent of the management. The Nomination & Remuneration Committee has also recommended his appointment as Independent Director for a term of 5 (Five) consecutive years.

Brief resume of Mr. Gajendra Vasa as stipulated under Regulation 36(3) of Listing Regulations and SS-2 issued by the ICSI forms part of the Notice. The draft letter of appointment is available for inspection to 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 the expertise of Mr. Gajendra Vasa 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. Gajendra Vasa is not holding any shares in the Company. Except Mr. Gajendra Vasa, being an appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

**Item No: 7:**

Mrs. Kailash A Nevagi has been appointed as an Additional (Independent) Director of the Company for a term of five consecutive years with effect from 16<sup>th</sup> April, 2018, subject to approval of shareholders at the ensuing Annual General Meeting. She is an active, ambitious and multi-faceted personality leading a team of lawyers as a Partner & Director at Abhay Nevagi and Associates and ANA Cyber Forensic Pvt. Ltd. Her zeal for work and social commitment proves to be a source of inspiration for all of us, as she continues to offer legal support and advice to hundreds of souls who suffer in this complex world of relationship in the clutches of law.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Kailash A Nevagi holds office as

such upto the date of this Annual General Meeting. In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act"), an Independent Director can be appointed for a term of 5 (Five) consecutive years and shall not be liable to retire by rotation.

Mrs. Kailash A Nevagi has given the requisite declaration pursuant to Section 149(7) of the ("Act") to the effect that she 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 as per the provisions of Section 160 of the Act, proposing her candidature for the office of Independent Director. Further, she is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as such.

In the opinion of the Board, Mrs. Kailash A Nevagi fulfills the conditions specified in the Act, the Rules made there under and Listing Regulations for appointment as an Independent Director and she is independent of the management. The Nomination & Remuneration Committee has also recommended her appointment as Independent Director for term of 5 (Five) consecutive years.

Brief resume of Mrs. Kailash A Nevagi as stipulated under Regulation 36(3) of Listing Regulations and SS-2 issued by the ICSI forms part of the Notice. 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 her association would be of immense benefit to the Company and it is desirable to avail the expertise of Mrs. Kailash A Nevagi as an Independent Director.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of the Notice for approval of the shareholders.

Mrs. Kailash A Nevagi is not holding any shares in the Company. Except Mrs. Kailash A Nevagi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives are is concerned or interested in the said resolution.

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

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. C. S. Adawadkar & Co., Cost Accountants, Pune (FRN: 100401), the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019 at a remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus applicable taxes 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 Auditor has to be ratified by the Members of the Company at the AGM.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2019.

The Board recommends the Ordinary Resolution as set out at item no.8 of the Notice for approval of the shareholders.

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

**Item no. 9:**

Mr. Nitin Menon is a promoter and is associated with the Company since its inception. Mr. Nitin Menon being Vice Chairman & Joint Managing Director of the Company shoulders a huge responsibility. His tenure as Joint Managing Director expired on 31<sup>st</sup> March, 2018.

On recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on 23<sup>rd</sup> January, 2018 re-appointed Mr. Nitin Menon as Vice Chairman & Joint Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 and approved the payment of remuneration to him for a period of 3 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 on such terms and conditions as set out in the resolution at item no. 9 of the Notice, subject to the approval of members of the Company at their General Meeting.

The Board recommends the Special Resolution as set out at item no. 9 of the Notice for approval of the members .

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

**Item No. 10:**

Mr. R. D. Dixit being Chairman & Managing Director of the Company looks after day to day business affairs of the Company and is associated with the Menon group since past 50 years. His tenure as Managing Director expired on 31<sup>st</sup> March, 2018.

On recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on 23<sup>rd</sup> January, 2018, re-appointed Mr. R. D. Dixit as Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 and approved payment of remuneration to him for a period of 3 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 on such terms and conditions as set out in the resolution at item no. 10 of the Notice, subject to the approval of shareholders of the Company at their General Meeting.

The appointment of Mr. R. D. Dixit aged 75 years requires members approval by passing special resolution as set out at item No. 10 of the Notice, pursuant to the provisions of section 196 of the Act.

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

**BY ORDER OF THE BOARD OF DIRECTORS**

**Place :** Kolhapur  
**Date :** 3<sup>rd</sup> May, 2018

**R.D.Dixit**  
Chairman & Managing Director  
DIN : 00626827

In pursuance of the Regulation 36(3) of Listing Regulations and Secretarial Standard-2 (SS-2) issued by the ICSI, details of directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as follows:

<b>Name of Director</b>	<b>Mr. R D Dixit</b> (DIN: 00626827)	<b>Mr. Nitin Menon</b> (DIN: 00692754)	<b>Mr. Gajendra Vasa</b> (DIN: 00461425)	<b>Mrs. Kailash A Nevagi</b> (DIN:03011076)
<b>Date of Birth/Age</b>	25 <sup>th</sup> December, 1943 (75 years)	26 <sup>th</sup> November, 1967 (51 years)	14 <sup>th</sup> April, 1939 (79 years)	23 <sup>rd</sup> January, 1959 (59 years)
<b>Nationality</b>	Indian	Indian	Indian	Indian
<b>Date of appointment as director</b>	1 <sup>st</sup> April, 1992	1 <sup>st</sup> April, 1995	30 <sup>th</sup> December, 2017	16 <sup>th</sup> April, 2018
<b>Designation</b>	Chairman & Managing Director	Vice Chairman & Joint Managing Director	Additional (Independent) Director	Additional (Independent) Director
<b>Qualification</b>	Bachelor of Engineering (Mechanical)	Bachelor of Commerce	Bachelor of Arts	Bachelor of Law
<b>Experience/ Expertise</b>	He is having vast experience of around 51 years in the field of Automobile Sector.	He is an industrialist and associated with Menon Bearings Ltd. since 1992 i.e. from the inception of the Company. He is having 25 years of rich and varied experience in the field of Automobile Sector	He is an industrialist and he has vast experience of around 52 years in the field of Engineering Industries and trading.	She is an active, ambitious and multi- faceted personality leading a team of lawyers as a Partner & Director at Abhay Nevagi and Associates and A N A Cyber Forensics Pvt. Ltd. Her zeal for work and social commitment prove to be a source of inspiration for all, as she continues to offer legal support and advice in the clutches of law.
<b>Shareholding in the Company (Equity Shares of Re.1/- each)</b>	Nil	1,70,16,780	Nil	Nil
<b>Number of Meetings of Board attended during the year</b>	4 (Four)	4 (Four)	1 (One)	Nil (Since Appointed w.e.f. 16 <sup>th</sup> April, 2018)

Name of Director	Mr. R D Dixit (DIN: 00626827)	Mr. Nitin Menon (DIN: 00692754)	Mr. Gajendra Vasa (DIN: 00461425)	Mrs. Kailash A Nevagi (DIN:03011076)
<b>Terms &amp; Conditions of Appointment / Re- appointment &amp; Remuneration sought to be paid or last drawn</b>	As provided in the resolution number 10 of Notice of 27 <sup>th</sup> Annual General Meeting of the Company.	As provided in the resolution number 9 of Notice of 27 <sup>th</sup> Annual General Meeting of the Company.	He is appointed for a term of 5 consecutive years w.e.f. 30 <sup>th</sup> December, 2017 to 29 <sup>th</sup> December, 2022 in the capacity of an Independent Director.	She is appointed for a term of 5 consecutive years w.e.f. 16 <sup>th</sup> April, 2018 to 15 <sup>th</sup> April, 2023 in the capacity of an Independent (Women) Director.
<b>List of Directorships held in various other Companies</b>	1. Menon Pistons Ltd. 2. Menon Piston Rings Pvt. Ltd. 3. Flyga Auto Pvt. Ltd.	1. Menon United Pvt. Ltd. 2. Menon Signature Pvt. Ltd. 3. Mani Agriculture And Research Combine Pvt. Ltd. 4. Flyga Auto Pvt.Ltd.	1. Rocket Engineering Corporation Pvt.Ltd. 2. Nova Auto Pvt.Ltd. 3.Kolhapur Sugar Mills Limited.	1. ANA Cyber Forensic Pvt. Ltd. 2. Ararat Financial Advisory Services Pvt. Ltd.
<b>List of Chairmanship and Membership of various committees in Public Companies</b>	<b>I. Chairmanship:</b> <b>Menon Pistons Ltd.</b> Stakeholders Relationship Committee <b>II. Membership:</b> <b>Menon Bearings Ltd:</b> Audit Committee, Stakeholders Relationship Committee and CSR Committee <b>Menon Pistons Ltd:-</b> Audit Committee, Nomination and Remuneration Committee, CSR Committee and Risk Management Committee	<b>I. Chairmanship:</b> CSR Committee <b>II. Membership:</b> <b>Menon Bearings Ltd:</b> Stakeholders Relationship Committee	<b>I. Chairmanship:</b> <b>Menon Bearings Ltd:</b> Stakeholders Relationship Committee <b>II. Membership:</b> <b>Menon Bearings Ltd:</b> Nomination & Remuneration Committee and Audit Committee	<b>I. Chairmanship:</b> Nil <b>II. Membership:</b> <b>Menon Bearings Ltd:</b> Audit Committee, Nomination & Remuneration Committee
<b>Relationship with existing Directors of the Company</b>	Not Related	Not Related	Not Related	Not Related



**ADDITIONAL INFORMATION FOR ITEM NOS. 9 AND 10:**

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

**I General Information:**

1.	Nature of industry	The Company is engaged in manufacturing of auto components.
2.	Date or expected date of commencement of commercial production	The Company is an existing Company and is in operation since 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: <b>3.76</b> Return on Net-worth: <b>27%</b> , Debt Equity Ratio: <b>0.33</b>
5.	Foreign investments or collaborators, if any	N.A.

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

1.	Background details	Mr. Nitin Menon is associated with the Company since inception and 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 working as Vice Chairman & Joint Managing Director of the Company. He possesses vast experience of more than 25 years in the industry.
2.	Past Remuneration	Rs. 9,30,000 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	Rs. 15,20,000/- 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, as Vice Chairman & Joint Managing Director is at par with the industry standards, in which the company operates.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Mr. Nitin Menon is part of promoter group of the Company and is son of Mr. Ram Menon, Chairman Emeritus of the Company.

**B. Mr. R. D. Dixit**

1.	Background details	Mr. R. D. Dixit is associated with Menon group since last 50 years. For last 25 years he has served as Managing Director of the Company and director in other group companies.
2.	Past Remuneration	Rs. 5,75,000 per month
3.	Recognition or awards	Mr. R. D. Dixit did his B.E. (Mech) from College of Engineering, Karad and did "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	Rs. 8,65,000/- 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, as Chairman and Managing Director 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 is part of promoter group of the Company.

**III. Other information**

1.	Reasons of loss or inadequate profits	As on the date of re - appointment of the Mr. Nitin Menon and Mr. R. D. Dixit, the Company has adequate profit but considering the nature of business, 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 25% (approx.) and Profit's by 30% (approx.).

# Boards' Report

To,  
The Members

Your Directors feel great pleasure in presenting 27<sup>th</sup> Annual Report of your Company comprising the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018.

## FINANCIAL HIGHLIGHTS :

(Rs.in lakhs)

Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2018	For the Year ended 31 <sup>st</sup> March, 2017
1	Total Revenue (Net)	14,678.20	12,422.18
2	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	3,833.98	3,383.82
3	Less : Depreciation and Amortization Expenses	407.69	512.57
	Finance Cost	192.78	117.34
4	<b>Profit before Tax</b>	<b>3,233.51</b>	<b>2,753.91</b>
5	Less: Provision for Tax	1,126.16	844.04
6	<b>Profit after Tax</b>	<b>2,107.35</b>	<b>1,909.87</b>
7	Other Comprehensive Income	28.68	14.02
8	<b>Balance of Profit as per last Balance Sheet</b>	<b>5,026.38</b>	<b>3,945.38</b>
9	<b>Balance Available for Appropriation</b>	<b>7,162.41</b>	<b>5,869.27</b>
10	Bonus Shares issued	-	93.40
11	Rate of Paid Dividend	125%	100%
12	Dividend Paid	700.50	560.40
13	Tax on Dividend	142.61	114.08
14	Transfer to General Reserve	75.00	75.00
15	<b>Balance of Profit carried to Balance Sheet</b>	<b>6,244.31</b>	<b>5,026.38</b>

The Good and Service Tax (GST) has been implemented with effect from 1<sup>st</sup> July, 2017 which replaces Excise Duty and other input taxes. As per IND AS 18, the revenue for the year 31<sup>st</sup> March, 2018 is reported net of GST.

## REVIEW OF OPERATIONS:

During the year under review, the Company has registered a turnover of Rs. 14,678.20 Lakhs (previous year Rs. 12,422.18) and Net Profit after Tax of Rs. 2,107.35 Lakhs (previous year Rs. 1,909.87 Lakhs).

## MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:

The Company continued 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 1<sup>st</sup> interim dividend of Re.0.75 per equity share and 2<sup>nd</sup> interim dividend of Re. 0.50 per Equity Share (previous year interim dividend Re. 1.00 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, 2018. This absorbed total cash outflow of Rs. 843.11 Lakhs (previous year Rs. 674.48 Lakhs) including Corporate Dividend Distribution Tax of Rs. 142.61 Lakhs (previous year Rs. 114.08 Lakhs).

Your Directors have pleasure in recommending payment of final dividend of Rs. 0.25 (25%) per equity share (of Re. 1/- each) on the Company's Equity Share Capital. The final dividend if approved, shall be payable to those members whose names appear on the Register of Members as on the date of Annual General Meeting i.e. 21<sup>st</sup> July, 2018.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer & Refund) Rules, 2016 / Investor Educations and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs. 5,32,235/- being unpaid and unclaimed dividend for the F.Y. 2009-10 were transferred during the year to IEPF.

Further the unpaid and unclaimed dividend amount lying with the Company for F.Y. 2010 - 11 is due to transfer to the IEPF on 7<sup>th</sup> October, 2018.

**SHARE CAPITAL OF THE COMPANY:**

During the year under review, there was no change in paid up share capital of the Company.

**CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY:**

There was no change in the nature of business during the Financial Year under review.

**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 ("the Act") 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.**"

**DIRECTORS AND KMP:**

During the year under review, following Directors resigned from the Board of the Company:-

- Mr. Sachin Menon (Non Executive Director, DIN: 00134488) – w.e.f. 04<sup>th</sup> May, 2017.
- Mr. B S Ajitkumar (Independent Director, DIN: 00205336) – w.e.f. 11<sup>th</sup> November, 2017.
- Mrs. Nazura Ajaney (Independent Director, DIN: 06947881) – w.e.f. 15<sup>th</sup> February, 2018.

The Board express its appreciation towards the contribution made by them as Director of the Company.

As recommended by Nomination & Remuneration Committee, Mr. Gajendra Vasa (DIN No. 00461425) has been appointed as an Additional (Independent) Director of the Company for a term of 5 consecutive years w.e.f. 30<sup>th</sup> December, 2017, subject to the approval of members of the Company.

As recommended by Nomination & Remuneration Committee, Mrs. Kailash A Nevagi (DIN No. 03011076) has been appointed as an Additional (Independent Women) Director for a term of 5 consecutive years w.e.f. 16<sup>th</sup> April, 2018, subject to the approval of members of the Company.

The Board recommends the appointment of Mr. Gajendra Vasa and Mrs. Kailash A Nevagi as Independent Directors on the Board of Company.

In accordance with the provisions of Section 152 of the Act, read with rules made there under and the Articles of Association of the Company, Mr. Nitin Menon, Chairman & Joint Managing Director (DIN: 00692754) of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Further the tenure of Mr. Nitin Menon as Vice Chairman & Joint Managing Director of the Company expired on 31<sup>st</sup> March, 2018. Upon recommendation of the Nomination & Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 23<sup>rd</sup> January, 2018 re-appointed him as Vice Chairman & Joint Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 and approved the payment of remuneration to him for a period of 3 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 on such terms and conditions as set out in resolution no.9 of the Notice of AGM dated 3<sup>rd</sup> May, 2018, subject to the approval of members of the Company.

The tenure of Mr. R. D. Dixit being Chairman & Managing Director of the Company expired on 31<sup>st</sup> March, 2018. Upon recommendation of the Nomination & Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 23<sup>rd</sup> January, 2018 re-appointed him as Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 and approved the payment of remuneration to him for a period of 3 years w.e.f. 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 on such terms and conditions as set out in resolution no.10 of the Notice of AGM dated 3<sup>rd</sup> May, 2018, subject to the approval of members of the Company.

Your Board recommends the re-appointment of Mr. Nitin Menon and Mr. R. D. Dixit.

As stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), brief resume of the Directors proposed to be appointed/re-appointed is annexed to the Notice convening the 27<sup>th</sup> Annual General Meeting.

As stipulated under the Clause (B) of Part II of Section II of Schedule V to the Act, the details of directors appointed/re-appointed are annexed to the Notice convening 27<sup>th</sup> Annual General Meeting.

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 Act and Regulation 16(1)(b) of the Listing Regulations.

## **ANNUAL PERFORMANCE EVALUATION :**

Pursuant to the provisions of the Act, a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and Individual directors. Schedule IV to the Act states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria.

The Board has carried out evaluation of its own performance, of all the directors individually as well as the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee of the Company. The Board has devised questionnaire to evaluate the performances of each of Executive, Non-Executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the 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.

### MEETINGS OF THE BOARD:

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

The notice of meeting of the Board of Directors and Committees are 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 as per Secretarial Standard -1(SS-1) issued by ICSI. 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 under review the Board of Directors met 4 (Four) times, the details of which are given in the Report on Corporate Governance forming part of this Annual Report. The intervening gap between two consecutive meetings was within the period prescribed by SS-1 issued by ICSI and the Act.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)© 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, 2018 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.



**COMMITTEES OF THE BOARD:**

During the year, the Committees of the Board were re-constituted in accordance with the provisions of the Companies Act, 2013 and Listing Regulations, there are currently 5 (Five) Committees of the Board, which are as follows:

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

The Composition of the Committee's as on the date of Board's Report :

Sr. No.	Name of Committee	Name of the Committee members	Category	Chairman / Member
1	<b>Audit Committee</b>	Mr. M. L. Shinde	Independent	Chairman
		Mr. R. D. Dixit	Executive	Member
		Mr. Gajendra Vasa	Independent	Member (w.e.f.19 <sup>th</sup> Apr.2018)
		Mrs. Kailash A Nevagi	Independent	Member (w.e.f.19 <sup>th</sup> Apr.2018)
2	<b>Nomination and Remuneration Committee</b>	Mr. M. L. Shinde	Independent	Chairman
		Mr. Gajendra Vasa	Independent	Member (w.e.f. 23 <sup>rd</sup> Jan.2018)
		Mrs. Kailash A Nevagi	Independent	Member (w.e.f.19 <sup>th</sup> Apr.2018)
3	<b>Corporate Social Responsibility Committee</b>	Mr. Nitin Menon	Executive	Chairman (w.e.f.19 <sup>th</sup> Apr.2018)
		Mr. R. D. Dixit	Executive	Member
		Mr. M L Shinde	Independent	Member
4	<b>Stakeholders Relationship Committee</b>	Mr. Gajendra Vasa	Independent	Chairman (w.e.f.19 <sup>th</sup> Apr.2018)
		Mr. Nitin Menon	Executive	Member
		Mr. R. D. Dixit	Executive	Member
5	<b>Internal Complaint Committee</b>	Mr. R. D. Dixit	Executive	Chairman (w.e.f.3 <sup>rd</sup> May, 2018)
		Miss Neha Harolikar	Employee	Member
		Mr. Jayavant Jadhav	Employee	Member
		Mr. Sachin Patil	Employee	Member

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

**AUDIT COMMITTEE AND ITS COMPOSITION:**

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Audit Committee comprises of Mr. M. L. Shinde, Mr. Gajendra Vasa, Mrs. Kailash A Nevagi, Independent Directors and Mr. R. D. Dixit, Chairman and Managing Director of the Company.

Mr. M. L. Shinde is the Chairman of Audit Committee and Mr. Anup Padmai, Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Audit 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.

#### **WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

The Company has adopted Vigil Mechanism / Whistle Blower Policy as per the provisions of Section 177 of Companies Act, 2013 and Regulation 22 of the Listing Regulations to deal with the instance of fraud and to provide adequate safeguards against victimization of directors or employees or any other person who avail the mechanism and which also provides direct access to the Chairman of the Audit Committee in exceptional cases. The details of the Vigil Mechanism is explained in the Report on Corporate Governance and is also posted on the website of the Company at :

<http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/55681f95e4b0f3550bf6e656/1432887189523/Whistle+Blower+Policy.pdf>.

We affirm that during the financial year 2017-18, no employee or director was denied access to the Audit Committee.

#### **PARTICULARS OF REMUNERATION:**

Pursuant to provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of ratio of remuneration of each director to the median remuneration of employee's of the company are appended to this report as **"Annexure –II"**

Further, the information as required as per the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended to this report as **"Annexure III"**.

#### **REMUNERATION POLICY:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and on recommendation of the Nomination and Remuneration Committee, the Board of Directors have adopted a Policy on criteria for selection and appointment of Directors, Senior Management Personnel and their remuneration. The salient features of the Remuneration Policy are stated in the Report on Corporate Governance, part of this Annual Report.

#### **SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES:**

As on 31<sup>st</sup> March, 2018, the Company does not have any Subsidiary, Associate or Joint Venture Companies and hence preparation of Consolidated Financial Statements and statement containing salient features of subsidiary in Form AOC 1 as per the provisions of Section 129 of the Companies Act, 2013 is not applicable to the Company.

#### **STATUTORY AUDITORS AND BRANCH AUDITORS:**

The Company had appointed M/s. ARNA & Associates (formerly known as M/s. Rahulprasad Agnihotri & Co.) (FRN: 122293W), Chartered Accountants, Kolhapur, as Statutory Auditors of your Company, who holds office

as such from conclusion of 26<sup>th</sup> AGM until the conclusion of 31<sup>st</sup> AGM of the Company. However, pursuant to provisions of Section 139 of the Act, such appointment of Statutory Auditors is subject to ratification by the members of the company at every AGM held after the 26<sup>th</sup> AGM. The Company has received a consent letter from the Auditors that they are willing to act as Statutory Auditors of the Company and their appointment is within limits as per the provisions of Section 139 of the Act, and they also satisfy the criteria as provided under Section 141 of the Act.

Your Directors, as recommended by the Audit Committee, recommends for the ratification of appointment of M/s. ARNA & Associates, Chartered Accountant, Kolhapur, as Statutory Auditors of the Company in the ensuing Annual General Meeting and to fix their remuneration for F.Y. 2018-19.

Further M/s. Rajesh Lohia & Co. Chartered Accountants, Kolhapur, the Branch Auditors has resigned from the company w.e.f. 15<sup>th</sup> March, 2018. The Board of Directors of the Company vide circular resolution no. BM/1 dated 06<sup>th</sup> April, 2018 took note of resignation of Branch Auditors and has assigned the duty to M/s. ARNA & Associates, existing Statutory Auditors of the Company, to conduct the audit of all branches of the company and also approved the revised remuneration of Rs. 2,04,500/- (Rupees Two Lakhs Four Thousand Five Hundred only) plus applicable taxes and reimbursement of actual out of pocket expenses for the financial year ended 31<sup>st</sup> March, 2018.

No adverse remarks/ comments/observations are made by the Statutory Auditors in their report for the year ended 31<sup>st</sup> March, 2018.

During the year under review, the Statutory Auditors had not reported any fraud under Section 143(12) of the Act, therefore no detail is to be disclosed as required under Section 134 (3)(ca) of the Act.

#### **COST AUDITORS:**

As per the provisions of Section 148 of the Act, read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. C. S. Adawadkar & Co., Cost Accountants, Pune (FRN: 100401) as Cost Auditors of the Company to conduct audit of cost records for the Financial Year 2018-19 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus applicable taxes and out of pocket expenses, subject to approval of shareholders in the ensuing Annual General Meeting.

#### **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as recommended by the Audit Committee, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai are appointed as the Secretarial Auditors of the Company for F.Y. 2018 - 19.

The Secretarial Audit Report received from M/s. Manish Ghia & Associates, Company Secretaries, Mumbai for the year ended 31<sup>st</sup> March, 2018 is annexed as “**Annexure –IV**” and forms part of this Report.

There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their report dated 26<sup>th</sup> April, 2018.

#### **INTERNAL AUDIT:**

Pursuant to the provisions of Section 138 of the Act, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee, re-appointed Mr. Abhay Golwalkar, Chartered Accountants,

Kolhapur as 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 actions 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 at all locations of the Company and strives to maintain the Standard in Internal Financial Control.

#### **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 monitor both business and non-business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### **REPORT ON CORPORATE GOVERNANCE:**

Pursuant to Regulations 34 read with Schedule V of the Listing Regulations, 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

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

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

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 and reasons for failure to spend the prescribed CSR expenditure is annexed herewith as “**Annexure V.**”.

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

All the related party transactions transacted during the year were in the ordinary course of business and were on arm's length basis and the same are reported in the Notes to the Financial Statements.

The particulars of contracts or arrangements entered with related parties referred to in Section 188(1) of the Act, prescribed in Form AOC - 2 of the Rule (8) of the Companies (Accounts) Rules, 2014 is appended as “**Annexure VI**” of this Annual Report.

In accordance with the provisions of Regulation 23 of Listing Regulations the Company has formulated the Related Party Transaction Policy and the same is uploaded on the Company's website at <https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c9391bbee011fb4f9f08/1459145073393/Related+Party+Transaction+Policy.pdf>

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

The details of loans, guarantee or investment made by the Company under the provisions of Section 186 of the Act, are provided in the Notes to the financial statements.

### **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.

### **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, 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 Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 details regarding Conservation of Energy, Technology absorption, Foreign exchange earnings and outgo is given as in “**Annexure VII**” of this Annual Report.

### **ACKNOWLEDGEMENT:**

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.

**BY ORDER OF THE BOARD OF DIRECTORS**

Place : Kolhapur  
Date : 3<sup>rd</sup> May, 2018

**R.D.Dixit**  
Chairman & Managing Director  
DIN : 00626827

# Annexure to Boards' Report

## Annexure I

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31<sup>st</sup> March, 2018)

[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- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai –400 083 Phone: (022) 49186000, 49186270, Fax: (022) 49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

#### 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 and Aluminium Die Casting Components	3563	99%

#### 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	
A. Promoters									
1.Indian									
a. Individual/ HUF	2,82,32,400	-	2,82,32,400	50.38	2,60,07,480	-	2,60,07,480	46.41	(3.97)
b. Central Govt / State Govt.	-	-	-	-	-	-	-	-	-
c. Bank/ FI	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	1,36,12,800	-	1,36,12,800	24.29	1,36,12,800	-	1,36,12,800	24.29	-
Sub-total(A) (1):-	4,18,45,200	-	4,18,45,200	74.67	3,96,20,280	-	3,96,20,280	70.70	(3.97)
2. Foreign									
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Government	-	-	-	-	-	-	-	-	-
c. Institutions	-	-	-	-	-	-	-	-	-
d. FPI	-	-	-	-	-	-	-	-	-
e. Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters A= (A)(1)+(A)(2)	4,18,45,200	-	4,18,45,200	74.67	3,96,20,280	-	3,96,20,280	70.70	(3.97)
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	6,60,600	-	6,60,600	1.18	1.18
b. Venture Capital FundsI	-	-	-	-	-	-	-	-	-
c. Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e. Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
f. Banks/ FI's	2,572	-	2,572	0.00	23,887	-	23,887	0.04	0.04

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	
g. Insurance Companies	-	-	-	-	-	-	-	-	-
h. Provident/ Pension Funds	-	-	-	-	-	-	-	-	-
i. Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub- total – (B)(1)</b>	<b>2,572</b>	<b>-</b>	<b>2,572</b>	<b>0.00</b>	<b>6,84,487</b>	<b>-</b>	<b>6,84,487</b>	<b>1.22</b>	<b>1.22</b>
<b>2. Cen. Government/ State Government(s) President of India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,20,510</b>	<b>-</b>	<b>6,20,510</b>	<b>1.11</b>	<b>1.11</b>
<b>Sub-total (B) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,20,510</b>	<b>-</b>	<b>6,20,510</b>	<b>1.11</b>	<b>1.11</b>
<b>3. Non-Institutions</b>									
a. Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 Lakh	79,87,418	48,83,198	1,28,70,616	22.97	88,05,579	39,90,998	1,27,96,577	22.84	0.14
ii. Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	1,14,954	1,15,200	2,30,154	0.41	6,78,438	1,15,200	7,93,638	1.42	0.01
b.NBFC registered with RBI	-	-	-	-	-	-	-	-	-
c. Employee Trust	-	-	-	-	-	-	-	-	-
d. Overseas Depositories (Holding DRs) (Balancing Figures)	-	-	-	-	-	-	-	-	-
e. Any Others									
(i) HUF	3,25,794	-	3,25,794	0.58	4,08,987	-	4,08,987	0.73	0.15
(ii) NRI (Rep)	1,29,386	-	1,29,386	0.23	1,48,325	-	1,48,325	0.26	0.03
(iii) NRI (Non-Rep)	2,35,739	-	2,35,739	0.42	1,83,973	-	1,83,973	0.33	(0.09)
(iii) Clearing Members	70,619	-	70,619	0.13	1,34,707	-	1,34,707	0.24	0.11
(iv) Bodies Corporate	3,29,920	-	3,29,920	0.59	6,48,516	-	6,48,516	1.16	0.57
<b>Sub-total B (3)</b>	<b>91,93,830</b>	<b>49,98,398</b>	<b>1,41,92,228</b>	<b>25.33</b>	<b>1,10,08,525</b>	<b>41,06,198</b>	<b>1,51,14,723</b>	<b>26.97</b>	<b>1.64</b>

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	
Total Public Shareholding B= B(1) +B(2) + B (3)	91,96,402	49,98,398	1,41,94,800	25.33	1,23,13,522	41,06,198	1,64,19,720	29.30	3.97
C. Non Promoter- Non Public Shareholding	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,10,41,602	49,98,398	5,60,40,000	100.00	5,19,33,802	41,06,198	5,60,40,000	100.00	-

## 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	1,70,16,780	30.37	-	1,70,16,780	30.37	-	-
2	M/s Menon United Pvt. Ltd. (Formerly known as Karveer United Pvt. Ltd.)	1,36,12,800	24.29	8.30	1,36,12,800	24.29	8.30	-
3	Mrs .Sucheta Nitin Menon	50,44,812	9.00	-	28,01,964	5.00	-	(4.00)
4	Mr. Aditya Nitin Menon	28,51,968	5.09	-	30,94,368	5.52	-	0.43
5	Mr. Anshul Nitin Menon	28,50,840	5.09	-	30,94,368	5.52	-	0.43
6	Mr. Sachin R Menon	3,00,000	0.54	-	-	-	-	(0.54)
7	Mrs. Smita Ramesh Dixit	1,05,600	0.19	-	-	-	-	(0.19)
8	Mr. Ramesh Dattatraya Dixit	62,400	0.11	-	-	-	-	(0.11)
	<b>Total</b>	<b>4,18,45,200</b>	<b>74.67</b>	<b>-</b>	<b>3,96,20,280</b>	<b>70.70</b>	<b>-</b>	<b>(3.97)</b>

## iii. Change in Promoter's Shareholding :

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>1.</b>	<b>Mr. Nitin R Menon</b>				
A	At the beginning of year	1,70,16,780	30.37	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	<b>1,70,16,780</b>	<b>30.37</b>
<b>2.</b>	<b>M/s. Menon United Pvt. Ltd. (Formerly known as Karveer United Pvt. Ltd.)</b>				
A	At the beginning of year	1,36,12,800	24.29	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	<b>1,36,12,800</b>	<b>24.29</b>
<b>3.</b>	<b>Mrs. Sucheta Nitin Menon</b>				
A	At the beginning of year	50,44,812	9.00	-	-
B	Changes during the year				
	Date	Reason	22,42,848	4.00	28,01,964
	12.01.2018	Sale			
C	At the end of year	-	-	<b>28,01,964</b>	5.00
<b>4.</b>	<b>Mr. Aditya Nitin Menon</b>				
A	At the beginning of year	28,51,968	5.09	-	-
B	Changes during the year				
	Date	Reason	1,50,000	0.27	30,01,968
	05.05.2017	Inter se transfer from Mr. Sachin R. Menon			
	09.06.2017	Purchase	22,500	0.04	30,24,468
	23.06.2017	Purchase	69,700	0.12	30,94,168
	07.07.2017	Purchase	200	0.00	30,94,368
C	At the end of year	-	-	<b>30,94,368</b>	5.52

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>5.</b>	<b>Mr. Anshul Nitin Menon</b>					
A	At the beginning of year		28,50,840	5.09	-	-
B	Changes during the year					
	Date	Reason	1,50,000	0.27	30,00,840	5.35
	05.05.2017	Inter se transfer from Mr. Sachin R. Menon				
	09.06.2017	Purchase	23,000	0.04	30,23,840	5.40
	23.06.2017	Purchase	69,200	0.12	30,93,040	5.52
	07.07.2017	Purchase	200	0.00	30,93,240	5.52
	04.08.2017	Purchase	1128	0.00	30,94,368	5.52
C	At the end of year		-	-	<b>30,94,368</b>	<b>5.52</b>
<b>6.</b>	<b>Mr. Sachin R. Menon</b>					
A	At the beginning of year		3,00,000	0.54	-	-
B	Changes during the year					
	Date	Reason				
	05.05.2017	Inter se Transfer to Mr. Aditya N. Menon	1,50,000	0.27	1,50,000	0.27
	05.05.2017	Inter se Transfer to Mr. Anshul N. Menon	1,50,000	0.27	-	-
C	At the end of year		-	-	-	-
<b>7.</b>	<b>Mrs. Smita Ramesh Dixit</b>					
A	At the beginning of year		1,05,600	0.19	-	-
B	Changes during the year					
	Date	Reason	1,05,600	0.19	-	-
	07.07.2017	Sale				
C	At the end of year		-	-	-	-
<b>8.</b>	<b>Mr. Ramesh Dattatraya Dixit</b>					
A	At the beginning of year		62,400	0.11	-	-
B	Changes during the year					
	Date	Reason	62,400	0.11	-	-
	07.07.2017	Sale				
C	At the end of year		-	-	-	-

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

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
1	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE CAPITAL BUILDER FUND 4 SR C	0	0			0	0
	Market Purchase			19 Jan 2018	630000	630000	1.12
	Market Purchase			26 Jan 2018	30600	660600	1.18
	At the end of the year					660600	1.18
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	0	0			0	0
	Transfer			08 Dec 2017	620510	620510	1.11
	At the end of the year					620510	1.11
3	SEEMA DILIP VORA	0	0				
	Market Purchase			19 Jan 2018	300000	300000	0.54
	At the end of the year					300000	0.54
4	DILIP TALAKSHI	0	0				
	Market Purchase			19 Jan 2018	155000	155000	0.28
	At the end of the year					155000	0.28
5	TEJAS THAKOREBHAI GODIWALA	198086	0.36			198086	0.36
	Market Sell			02 Jun 2017	-17807	180279	0.32
	Market Sell			14 Jul 2017	- 11945	168334	0.30
	Market Sell			21 Jul 2017	-9422	158912	0.28
	Market Sell			28 Jul 2017	-26648	132264	0.24
	At the end of the year					132264	0.24
6	HARVINDER KAUR NATH	115200	0.21	-	-	115200	0.21
	At the end of the year					115200	0.21
7	D SRIMATHI	114954	0.21	-	-	114954	0.21
	At the end of the year			-	-	114954	0.21



Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
<b>8</b>	<b>MEENA A KOTHARI</b>	0	0				
	Market Purchase			19 Jan 2018	272000	272000	0.49
	Market Sell			02 Feb 2018	-9343	262657	0.47
	Market Sell			09 Feb 2018	-10672	251985	0.45
	Market Sell			16 Feb 2018	-23832	228153	0.41
	Market Sell			02 Mar 2018	-3000	225153	0.41
	Market Sell			16 Mar 2018	-28466	196687	0.35
	Market Sell			23 Mar 2018	-59237	137450	0.25
	Market Sell			31 Mar 2018	-28966	108484	0.19
	At the end of the year					108484	0.19
<b>9</b>	<b>JAYASHREE VITHOBA SHETTI</b>	106960	0.19			106960	0.19
	At the end of the year					106960	0.19
<b>10</b>	<b>VISHWANATH BASANTILAL LOHIA</b>	18069	0.03			18069	0.03
	Market Purchase			25 Aug 2017	2900	20969	0.04
	Market Purchase			01 Sep 2017	6155	27124	0.05
	Market Purchase			08 Sep 2017	4261	31385	0.06
	Market Purchase			15 Sep 2017	13347	44732	0.08
	Market Purchase			22 Sep 2017	11703	56435	0.10
	Market Purchase			29 Sep 2017	5700	62135	0.11
	Market Purchase			13 Oct 2017	5297	67432	0.12
	Market Sell			10 Nov 2017	-5000	62432	0.11
	Market Sell			24 Nov 2017	-8858	53574	0.10
	Market Purchase			22 Dec 2017	15000	68574	0.12
	Market Sell			12 Jan 2018	-20574	48000	0.09
	Market Purchase			26 Jan 2018	49145	97145	0.17
	At the end of the year					97145	0.17

## 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	% of total shares of the Company
1.	<b>Mr. R. D. Dixit</b>					
A	At the beginning of year		62,400	0.11	-	-
B	Changes during the year					
	Date	Reason	62,400	0.11	-	-
	07.07.2017	Sale				
C	At the end of year		-	-	-	-
2.	<b>Mr. Nitin Menon</b>					
A	At the beginning of year		1,70,16,780	30.37	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	1,70,16,780	30.37
3.	<b>Mr. Sachin Menon</b> (Resigned from Directorship w.e.f. 04 <sup>th</sup> May, 2017)					
A	At the beginning of year		3,00,000	0.54	-	-
B	Changes during the year					
	Date	Reason				
	05.05.2017	Inter se Transfer to Mr. Aditya N. Menon	1,50,000	0.27	1,50,000	0.27
	05.05.2017	Inter se Transfer to Mr. Anshul N. Menon	1,50,000	0.27	-	-
C	At the end of year		-	-	-	-
4.	<b>Mr. B.S. AjitKumar</b> (Resigned from Directorship w.e.f. 11 <sup>th</sup> Nov, 2017)					
A	At the beginning of year		-	-	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	-	-
5.	<b>Capt. Sudheer Naphade</b>					
A	At the beginning of year		-	-	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	-	-

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	% of total shares of the Company
<b>6.</b>	<b>Mr. Mukund L. Shinde</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>7.</b>	<b>Mrs. Nazura Ajaney</b> (Resigned from Directorship w.e.f. 15 <sup>th</sup> Feb, 2018)				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>8.</b>	<b>Mr. Gajendra Vasa</b> (Appointed as a Director w.e.f. 30 <sup>th</sup> December, 2017)				
A	At the beginning of year	NA	NA	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>9.</b>	<b>Mr. Arun R. Aradhya</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>10.</b>	<b>Mr. Anup S. Padmai</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-

**V. INDEBTEDNESS:-**

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2017				
1) Principal Amount	1,970.88	173.55	-	2,144.43
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>1,970.88</b>	<b>173.55</b>	<b>-</b>	<b>2,144.43</b>
Change in Indebtedness during the financial year				
+ Addition	672.07	-	-	672.07
-Reduction	(252.44)	(36.64)	-	(289.08)
<b>Net change</b>	<b>419.63</b>	<b>(36.64)</b>	<b>-</b>	<b>382.99</b>
Indebtedness at the end of the financial year 31-03-2018				
1) Principal Amount	2,390.51	136.91	-	2,527.42
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>2,390.51</b>	<b>136.91</b>	<b>-</b>	<b>2,527.42</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Managing Director	Joint Managing Director	
		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, 1961	66.17	93.04	159.21
	(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	-	-	-

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Managing Director	Joint Managing Director	
		Mr. R.D. Dixit	Mr. Nitin Menon	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>66.17</b>	<b>93.04</b>	<b>159.21</b>
	Ceiling as per the Act	As per the provisions of Section 197 read with Schedule V to the Companies Act, 2013		

**B. Remuneration of other Directors:**

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Name of Directors					Total Amount (in Lakhs)
		Mr. B.S. Ajitkumar	Capt. Sudheer Naphade	Mrs. Nazura Ajaney	Mr. M. L. Shinde	Mr. Gajendra Vasa	
1	<b>Independent Directors</b>						
	-Fee for attending Board/ Committee Meetings	0.02	0.03	0.04	0.04	0.01	0.14
	- Commission	-	-	-	-	-	-
	-Others	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>	<b>0.01</b>	<b>0.14</b>
2	<b>Other Non Executive Directors</b>	<b>Mr.Sachin Menon</b>					
	-Fee for attending Board / Committee Meetings				0.01		0.01
	- Commission				-		-
	-Others				-		-
	<b>Total (2)</b>				0.01		0.01
					<b>Total = (1 +2)</b>		<b>0.15</b>
	Overall Ceiling as per the Act	As per the provisions of Section 197 read with Schedule V to the Companies Act, 2013					

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

(Rs. in Lakhs)

Sr. No	Particulars of Remuneration	Name of the KMP		Total Amount (In Lakhs)
		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, 1961	30.32	3.16	33.48
	(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>30.32</b>	<b>3.16</b>	<b>33.48</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: -None**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Kolhapur  
Date : 03<sup>rd</sup> May, 2018

**R.D.Dixit**  
Chairman & Managing Director  
DIN : 00626827



## ANNEXURE II

**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 2017-18 is Rs. 3.60 Lakhs.

(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	18.40
2	Mr. Nitin Menon	25.88
3	Mr. Sachin Menon (resigned w.e.f. 04.05.2017)	NA
4	Mr. B S Ajitkumar (resigned w.e.f. 11.11.2017)	NA
5	Capt. Sudheer S. Naphade (resigned w.e.f. 14.04.2018)	0.01
6	Ms. Nazura Ajaney (resigned w.e.f. 15.02.2018)	NA
7	Mr. M. L. Shinde	0.01
8	Mr. Gajendra Vasa	0.00
(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. 2016-17</b>
1	Mr. R.D. Dixit	13.08
2	Mr. Nitin Menon	14.44
3	Mr. Sachin Menon (resigned w.e.f. 04.05.2017)	NA
4	Mr. B S Ajitkumar (resigned w.e.f. 11.11.2017)	NA
5	Capt. Sudheer S. Naphade (resigned w.e.f. 14.04.2018)	(40.00)
6	Mrs. Nazura Ajaney (resigned w.e.f. 15.02.2018)	NA
7	Mr. M. L. Shinde	(20.00)
8	Mr. Gajendra Vasa	Not comparable since appointed as Additional Director w.e.f 30.12.2017
9	Mr. Arun Aradhye- CFO	24.74
10	Mr. Anup Padmai- CS	18.52
(iii)	The percentage increase in the median remuneration of employees in the financial year	17.97
(iv)	The number of permanent employees on the rolls of the company	224

(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in Employee's other than managerial remuneration is 14.08% while managerial remuneration is increased by 13.87%
<p>We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and as adopted by the company.</p> <div style="display: flex; justify-content: space-between; align-items: flex-end; padding-top: 20px;"> <div data-bbox="269 792 500 862"> Place: Kolhapur  Date: 3<sup>rd</sup> May, 2018 </div> <div data-bbox="690 792 1060 897" style="text-align: center;"> <b>R. D. Dixit</b>  Chairman &amp; Managing Director  DIN : 00626827 </div> <div data-bbox="1243 762 1555 901" style="text-align: center;"> <b>Mr. M L Shinde</b>  Chairman of Nomination &amp;  Remuneration Committee  DIN : 07417527 </div> </div>		

## ANNEXURE III

## Information as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I Names of the top ten employees of the Company in terms of remuneration drawn										
Sr no.	Name of employee	Designation of the employee	Remuneration received (Amt. in Lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub-rule (2) Rule 5	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Mr. Nitin Menon	Vice Chairman & JMD	93.04	Permanent	B.Com	01.10.1992	51	-	46.41*	Not Related
2	Mr. R. D. Dixit	Chairman & MD	66.17	Permanent	B.E. Mech	01.10.1992	75	-	Nil	Not Related
3	Mr. Aradhye Arun Ramchandra	Vice President Finance & Corporate (CFO)	30.32	Permanent	M.Com, GDC&A, LLB (Spl), CA (Inter)	01.11.2011	62	Ghatge Patil Transport, Kolhapur	Nil	Not Related
4	Mr. Ranjeet Babasaheb Bhosale	Chief Operating Officer	19.51	Permanent	B.E. Mech	01.01.2006	51	Thyssen Group, Pune	Nil	Not Related
5	Mr. Ganapati Appaji Sankpal	Assistant General Manager, (Engineering Dept)	9.87	Permanent	ITI - Draughtsman Mech	01.06.1992	53	Menon Piston Ltd., Kolhapur	0.004	Not Related
6	Mr. Shantaram Bapu Dhond	Assistant General Manager, Foundry	9.84	Permanent	B.E.	06.10.2006	44	Mani Auto Component, Kolhapur	Nil	Not Related
7	Mr. Prashant Dattatraya Hanamar	Sr. Manager	8.55	Permanent	B.E.	14.07.1994	51	Xlo Machine Tools Ltd, Thane	Nil	Not Related
8	Mr. Satish Madhusudan Kusurkar	Manager	7.87	Permanent	B. TEC	01.10.2014	45	Siddhivinayak Aesthetic Pvt. Ltd.	Nil	Not Related

9	Mr. Dharmendra Kumar Jha	Regional sales Manager - NZ	7.50	Permanent	D.A.E.	15.05.2014	58	Benara Udyog Ltd, Agra	Nil	Not Related
10	Mr. Talikoti Amit Gajanan	Manager Marketing	6.99	Permanent	BE	27.01.2015	40	Ghatage Patil Transports Ltd., Kolhapur	Nil	Not Related
II	Name of employees who were employed throughout the Financial Year 2017-18 and were paid remuneration not less than Rupees 1 Crore 2 lakhs per annum.- <b>NIL</b>									
III	Name of employees who were employed in part during the Financial Year 2017-18 and were paid remuneration not less than Rupees 8 lakhs 50 thousand per month.- <b>NIL</b>									
IV	Name of employees who were employed throughout the Financial Year 2017-18 or part thereof and were paid remuneration in excess of Managing Director or Whole-time Director or Manager and holds along with his spouse and dependent children not less than 2% of equity shares of the Company.- <b>NIL</b>									

\* The parentage of equity shares includes that of the Spouse and dependent children.

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

Place : Kolhapur  
Date : 3<sup>rd</sup> May, 2018

**R.D.Dixit**  
Chairman & Managing Director  
DIN : 00626827

## ANNEXURE IV

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018

[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, 2018 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 2018 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 thereunder 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 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (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
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 Secretarial Standards issued by The Institute of Company Secretaries of India;

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

### **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 that the vacancy caused by resignation of woman director on 15<sup>th</sup> February 2018 was yet to be filled at the end of the reporting year; however the said vacancy has been filled within the stipulated time limit as on the date of this report. 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 at their meeting held on 20<sup>th</sup> July 2017, declared an interim dividend of Re.0.75/- per share in respect of 5,60,40,000 equity shares of the face value of Re.1/- each for the financial year 2017-18; and
2. the Board of Directors of the Company at their meeting held on 9<sup>th</sup> November 2017, declared a second interim dividend of Re.0.50/- per share in respect of 5,60,40,000 equity shares of the face value of Re.1/- each for the financial year 2017-18.

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**

**A.N. Sarma**

Partner

M. No. FCS 4557 C.P. No. 7812

**Place:** Mumbai  
**Date :** 26<sup>th</sup> April, 2018



**'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**

**A. N. Sarma**  
Partner

M. No. FCS 4557 C.P. No. 7812

**Place:** Mumbai  
**Date :** 26<sup>th</sup> April, 2018

## ANNEXURE V

## 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 on <a href="https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c80540261dc13981c650/1459144739201/CSR+Policy.pdf">https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c80540261dc13981c650/1459144739201/CSR+Policy.pdf</a>		
2	The Composition of the CSR Committee as on 31 <sup>st</sup> March, 2018				Mr. Nitin Menon – Executive Director Mr. R D Dixit – Executive Director Mr. M L Shinde – Independent Director		
3	Average net profit of the company for last three financial years				Rs. 2,241.32 Lakhs		
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)				Rs. 44.83 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:				a) Rs.107.04 Lakhs (including Rs. 62.02 lakhs as part of previous years CSR expenditure) b) Rs.72.60 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 under taken	Amount Outlay (Budget) project or program wise	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 spent: Direct or through implementing agency
a	Contribution to Police Welfare Fund for promotion of sanitation	Promotion of sanitation	Kolhapur, Maharashtra, India	Rs. 1,00,000/-	Direct Expenditure	Rs.1,00,000/-	Direct

b	Provided artificial hand to differently abled person	Encouragement to physically disabled persons for enhancement of livelihood	Kolhapur, Maharashtra, India	Rs. 2,32,000/-	Direct Expenditure	Rs. 2,32,000/-	Direct
c	Financial Assistance to socially & economically backward persons for enhancing Vocational skills	Promotion of education to socially & economically backward peoples for employment enhancing vocation skills	Kolhapur, Maharashtra, India	Rs. 2,01,991/-	Direct Expenditure	Rs. 2,01,991/-	Direct
d	Financial Assistance to construct a hall for social activities of general community	Promoting education including special education for adults	Kolhapur, Maharashtra, India	Rs. 1,00,000/-	Direct Expenditure	Rs. 1,00,000/-	Direct
e	Financial Assistance to promote nationally recognized sports, paralympic sports and Olympic sports	Training and promotion Nationally recognized sports, paralympic sports and Olympic sports	Kolhapur, Maharashtra, India	Rs. 20,00,000/-	Direct Expenditure	Rs. 20,00,000/-	Direct
f	Financial Assistance to promote rural sports	Training to promote rural sports of wrestling	Kolhapur, Maharashtra, India	Rs. 80,000/-	Direct Expenditure	Rs. 80,000/-	Direct
g	Financial Assistance to “Mission Possible” a organization engaged in the Animal welfare	Animal welfare	Kolhapur, Maharashtra and other Cities, India	Rs. 5,00,000/-	Direct Expenditure	Rs. 5,00,000/-	Implementing Agency
h	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	Kolhapur, Maharashtra, India	Rs. 50,000/-	Direct Expenditure	Rs. 50,000/-	Direct

i	Financial assistance provided to promote education among children and to provide safety measures at school	Promoting education including special education to children	Kolhapur, Maharashtra, India	Rs. 1,80,050/-	Direct Expenditure	Rs. 1,80,050/-	Direct
		<b>TOTAL</b>		<b>Rs. 34,44,041/-</b>		<b>Rs. 34,44,041/-</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:	As previously reported, the Company is in process of setting up of Community Hall/ Auditorium on the land provided by Gokul Shirgaon Manufacturers Association (GOSHIMA) at Gokul Shirgaon, MIDC, Kolhapur, where the Registered Office of the Company is situated, since GOSHIMA Officials are still in process of taking necessary permissions for construction of the said Auditorium which is expected to complete soon and will start construction accordingly.					

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

Place: Kolhapur  
Date: 3<sup>rd</sup> May, 2018

**Nitin Menon**  
Vice Chairman & Joint Managing Director  
Chairman of CSR Committee  
DIN : 00692754

**Mr. M L Shinde**  
Member of CSR Committee  
DIN : 07417527

**ANNEXURE VI**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.**

**FORM - AOC -2****1.Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the financial year ended 31<sup>st</sup> March, 2018 which were not at arm's length basis.

**2.Details of material contracts or arrangements or transactions at arm's length basis:****A) M/s. Mani Auto Components, Partnership Firm**

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, 2017 till 31 <sup>st</sup> March, 2021
4	Salient terms of the contracts or arrangements or transactions including the value, if any	F.Y. 2017-18 – Rs.3300 lakhs F.Y. 2018-19 – Rs.3500 lakhs F.Y. 2019-20 - Rs.3700 lakhs F.Y. 2020-21 - Rs.3900 lakhs
5	Date of approval by Board	27 <sup>th</sup> April, 2017
6	Amount paid as advance, if any	Nil

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

Place : Kolhapur  
Date : 3<sup>rd</sup> May, 2018

**R.D.Dixit**  
Chairman & Managing Director  
DIN : 00626827

## 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 THE COMPANIES (ACCOUNTS) RULES, 2014

#### I. CONSERVATION OF ENERGY

Company has taken several steps to conserve energy through its “Sustainability” initiatives. The Company continues its endeavour to improve energy conservation and utilization. The Company has always been mindful for the need to conserve the energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being put on undertaking specific energy conservation projects like:-

- All capacitor panels now equipped with APFC Controller for fin controlling of power factor. For last financial year 2017-18 power factor is maintained to unity continuously. Also capacitor is connected to all HPDC machine for power factor improvement.
- In foundry area Tilt GDC machines old panel and PLC are replaced with Siemens PLC to improve machine performance.

#### 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	The Company is putting continuous efforts in acquisition, development, assimilation and utilization of technological knowledge through its wide advance engineering project portfolio. This has enabled the Company to keep abreast with the latest developments in product technology, manufacturing process and methods, quality assurance and improvement, marketing, management systems and benefit out of mutual experience
2	Benefits derived as a result of above	<ul style="list-style-type: none"> <li>• Increased Customer satisfaction &amp; sale.</li> <li>• Improved Brand equity.</li> <li>• Cost Reduction through Quality &amp; productivity.</li> <li>• New product introduction.</li> </ul>
3	Future plan of action	<ul style="list-style-type: none"> <li>• To strengthen 5 S in entire plant.</li> <li>• To introduce auto gauging system for Bearing, Bush &amp; Thrust Washers.</li> <li>• To motivate employees for Kaizen/Pokayoke Project.</li> <li>• To introduce world Class Concept for layout</li> </ul>
4	Expenditure on R & D	a) Capital WIP: Nil b) Recurring: 40.96 Lakhs c) Total: 40.96 Lakhs Total R & D expenditure as a percentage of total turnover : 0.28%



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

<p>1) Efforts in brief made towards Technology Absorption, Adaptation and Innovation</p>	<p>At Bearings Division:-</p> <ul style="list-style-type: none"> <li>• Two full fledged lines to manufacture bearings and bushes are installed with latest machines, productivity of which is almost 25% more.</li> </ul> <p>At Menon Alkop (Division of Menon Bearings Ltd.)</p> <ul style="list-style-type: none"> <li>• Twin spindle CNC turning introduced for increasing productivity.</li> <li>• CMM and Contracer installed to increase measurement accuracy and precision manufacturing.</li> <li>• Solid works 3D design software installed for 3D simulation of dies and machining fixtures.</li> </ul>
<p>2) Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development etc.</p>	<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) Reduce the cost of electricity.</li> <li>5) Production increased by 40 % due to twin spindle CNC machine.</li> <li>6) Measurement accuracies improved due to CMM &amp; Contracer machine.</li> <li>7) Design of die and fixture become user friendly.</li> </ol>
<p>3) In case of imported technology (imported during last 5 years recorded from beginning of the Financial Year)</p>	<p>We have imported following machineries and the same are operating trouble free:-</p> <ul style="list-style-type: none"> <li>• During the year 2017-18 following machineries are imported : <ol style="list-style-type: none"> <li>1. Heavy duty VMC Machine from USA for Tool Room;</li> <li>2. Two High Pressure Die Casting Machine from China;</li> <li>3. 400 Tons Knuckle Joint Press from Lithuania;</li> <li>4. Vertical Machining Center.</li> </ol> </li> <li>• During the year 2016-17 following machineries were imported: <ol style="list-style-type: none"> <li>1. 400 Tons and 500 Tons cold chamber Die Casting Machine with spare parts from China.</li> <li>2. Zoller Tool Presetter from Singapore.</li> </ol> </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 (Rs. in Lakhs)</b>	<b>Previous Year (Rs. in Lakhs)</b>
Used	<b>Imports</b>	144.72	373.44
Earned	<b>Direct Export</b>	2,804.47	993.68
	<b>Deemed Export</b>	1,802.04	2,670.16

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

**Place** : Kolhapur  
**Date** : 3<sup>rd</sup> May, 2018

**R.D.Dixit**  
Chairman & Managing Director  
DIN : 00626827

# Management Discussion and Analysis

## Industrial Review:-

The auto components industry is an engine of growth for the Indian economy. The auto component industry contributes 2.3% to National GDP, providing direct employment to 1.5 million people. Over the years the component industry has adapted well to the changes in the policy & regulatory environment and the needs of its customers.

The Investment Information and Credit Rating Agency i.e. ICRA's sample of 48 auto ancillaries, constituting around 25 per cent of the industry's turnover, witnessed revenue growth of about 13.5 per cent during Q2 FY 2017-18. The same was driven by higher realization in the backdrop of steady increase in commodity prices, whereas volumetric growth was in the mid-single digit. Overall, during H1 of FY 2017-18, the sample space grew by 9.5 per cent, which is in line with a 9-11% growth estimate for FY 2017-18.

Two Wheelers segment with 80 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and the young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 14 per cent market share. India is also a prominent auto exporter and has strong export growth expectations for the near future. Overall automobile exports grew 15.81 per cent year-on-year during FY 2017-18. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two wheelers (TW) and Four Wheeler (4W) market in the world by 2020. Production of passenger vehicles, commercial vehicles, three wheelers and two wheelers grew at 14.41 per cent year-on-year between during FY 2017-18.

The domestic original equipment manufacturers (OEMs), especially 2W and PV industry which together constitute about two-third of overall domestic OEM demand, has grow at a healthy pace in FY 2017-18. Moreover, expected recovery in rural income will provide upside for sub-segments like light commercial vehicles (LCVs), motorcycles and tractors. Though PV exports indicate some aberration and thereby has some bearing on production volumes, domestic PV demand remains strong during Q2 FY 2017-18. Exports related aberration is likely to abate during coming quarters and will be more than offset by robust domestic demand.

As regards medium & heavy commercial vehicles (M & HCVs), their Q1 of FY 2017-18 demand slowdown affected ancillaries performance, but strong double digit growth during Q2 of FY 2017-18 has resulted in superior performance of ancillaries. Going forward, pickup in infrastructure activity will further drive growth in construction and mining equipment as well as the tipper segment (classified under M & HCVs). Exports, which accounts for 28 per cent of the industry's demand, with the US and Europe making up for 60 per cent, witnessed a decline. This was sharper in the US M&HCV market during H2 of CY 2015 and CY 2016. However, the trend seems somewhat reversed now with incremental order inflow for class-8 trucks being encouraging over the last six months. Exports will also be affected by rupee appreciation. Commodity prices have been rising over the last 4-5 quarters, thereby pressurising industry's profitability.

Incremental investments by auto ancillaries are primarily towards new order/platform related requirement or debottle necking of existing capacity. Few have started investing keeping in mind their requirements for BS VI (in 2020), CAFE norms and electric vehicles in 2030. Over the medium to long term, growth in the auto component industry will be higher than the underlying automotive industry growth, given the increasing localisation by OEMs, higher component content per vehicle and rising exports from India.

### **Futuristic Outlook:-**

To realise their ambition of graduating from being a build to print to one that is art to part, the auto component manufacturers must focus on R&D to help generate IP in India and in the process, create greater returns than the cost of capital to make India an attractive destination for investments. The 'Make in India' campaign of the government has enthused the entire manufacturing sector. Focus on ease of doing business, implementation of GST and other reforms augur well for the component manufacturing industry.

After considering the increasing content per vehicle due to various technological advancement as well as regulatory measures (emission, safety regulations), the growth in the auto component industry will be relatively higher than the underlying growth in the automotive industry in the medium to long term.

The automotive mission plan (AMP) 2026, forecasts that the automotive industry will generate revenues of \$ 200 billion (13 lakh Cr) by 2026. Exports are expected to reach \$ 80 billion (5.2 lakh Cr) and the domestic replacement market is expected to reach \$ 32 billion (2 lakh Cr). Investments to the tune of \$ 25 – 30 billion (1.62 lakh Cr) are required to be carried out by the industry. The Indian auto components industry is expected to become the third largest in the world by 2025.

### **Few other trends that are favourable for the industry are as below :**

- OEMs are setting up units to manufacture engines in the country, this will increase demand for engine components in the industry.
- Global OEMs have started sourcing their auto components from Indian manufacturers.
- Manufacturers are investing in the R&D processes to improve product quality and develop new products.
- Increased sourcing of global OEMs from India and increased indigenisation of OEMs will help the auto components segment.
- Manufacturers producing one product and catering to only one segment are looking to produce more products and cater to various segments. Manufacturers are also focussed on producing products with high margins.
- Increased road infrastructure and increase in incomes of people will lead to demand of automotive products, this will, in turn, help the auto ancillary industry.
- OEM & replacement demand for auto components is 1.5X and 1.2X of growth in the auto industry. The auto industry is expected to grow 12% over the next few years, implying the growth to be 15- 18% in the auto components industry in the coming years.

### **Concern & 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 & other inputs, currency fluctuations, stiff competition by the entry of Multinationals and their home country partnership and just in time supplies are the major risks and challenges faced by the companies. It is forcing companies to plan operation more effectively and produce quality components at low costs.

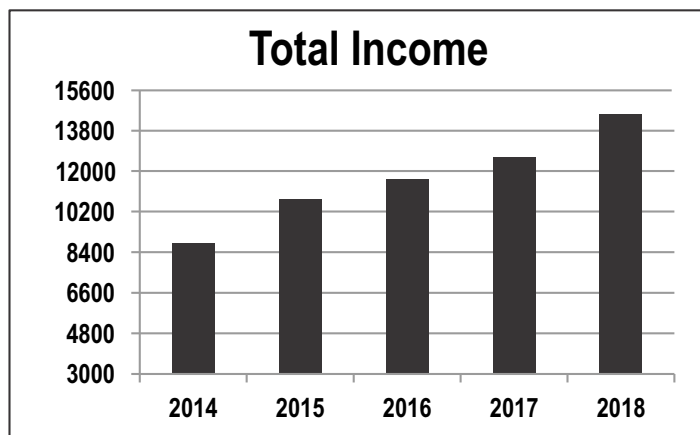
### Future Challenge:-

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

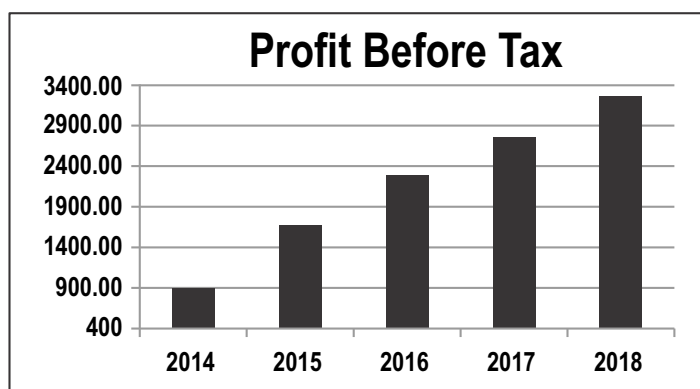
- The government's thrust on electric vehicles will push the auto component players to adapt and equip themselves. The industry is currently not prepared for the same, 50% of ACMA members revenues comes from IC (internal combustion) engines. No. of players who will be able to adopt to this needs to be seen.
- The industry especially the unorganized market does not have skilled manpower.
- The entire value chain of the industry – research- design & development – production needs to develop.
- Technical school needs to be set up to train companies in areas such as quality, production and manpower management.
- Global and local OEMs have set high standards for their product requirement. Component manufacturers need to invest in technologies to meet these requirements.
- Imports are higher than the exports currently. Higher imports pose exchange risks
- Infrastructure development in areas of roads, ports & power needs to take place for the smooth functioning of the industry.
- Margins of auto component manufacturers may easily come under pressure if OEMs are unable to increase prices and have to cut costs.

### Financial Performance:

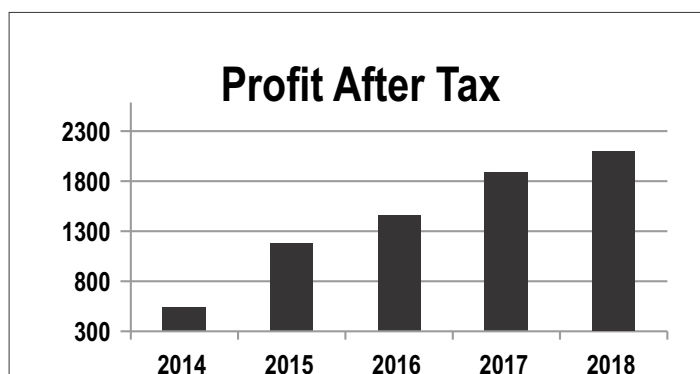
<b>Year</b>	<b>Income</b> (Rs. in Lakhs)
2014	8744.11
2015	10391.12
2016	11191.14
2017	12422.18
2018	14678.20



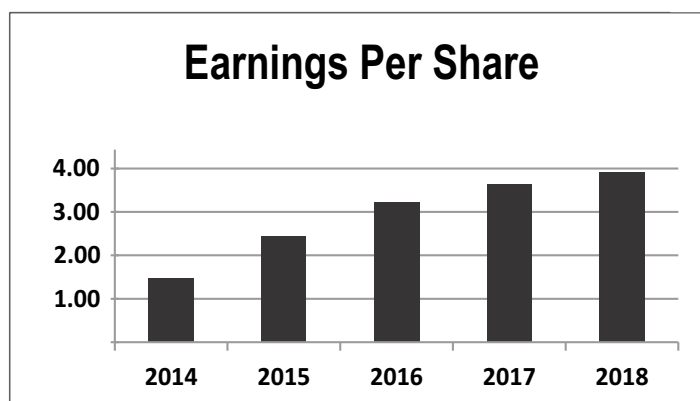
<b>Year</b>	<b>PBT</b> (Rs. in Lakhs)
2014	901.74
2015	1662.69
2016	2333.22
2017	2753.91
2018	3233.51



Year	<b>PAT</b> (Rs. in Lakhs)
2014	617.75
2015	1154.49
2016	1489.40
2017	1909.87
2018	2107.35



Year	<b>EPS*</b> (in Rs.)
2014	1.32
2015	2.47
2016	3.19
2017	3.41
2018	3.76



### Internal Control System & 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 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 regularly carried out.

### 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 & services to its customers & 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. As on 31<sup>st</sup> March, 2018 the Company had 224 permanent employees.

**Development & Up-gradation 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 and to focus on production,
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 26% 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 are being followed since inception and have played major role to the Company's sustained growth.

### 1.2 The Governance Structure:

Menon Bearings governance structure believes and follows the principles of freedom to the executive management within a given framework to ensure that the powers vested to 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 of 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 different Committees namely Audit Committee, Stakeholder's 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 and executed 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'). As on financial year ended 31<sup>st</sup> March, 2018, the total Board strength comprises of the following:

Executive Directors	2
Non -Executive Non – Independent Directors	3
<b>Total</b>	<b>5</b>

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 on the Board are professionals with erudition and are highly experienced in their respective areas and fields and Corporate Management Practices. The brief profile of the Directors as on 31<sup>st</sup> March, 2018 is given below:

1. **Mr. R. D. Dixit**, (DIN: 00626827) aged 75 years, is Chairman & Managing Director of the Company since 1992. He is a Bachelor of Engineering (Mech.). His excellence has served Menon Group since more than 50 years.
2. **Mr. Nitin Menon**, (DIN: 00692754) aged 51 years, is Promoter and Vice Chairman & Joint Managing Director of the Company since 1995. He is an industrialist and has rich and varied experience in Automobile Sector.
3. **Capt. Sudheer S. Naphade**, (DIN: 02011352) aged 75 years, is an 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.
4. **Mr. Mukund L Shinde**, (DIN: 07417527) aged 66 years, is an 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.
5. **Mr. Gajendra Vasa**, (DIN: 00461425) aged 79 years, is an Independent Director of the Company w.e.f 30<sup>th</sup> December, 2017. He is an industrialist and has more than 52 years of experience in Trading & Engineering Industries.

## 2.3 Meetings, Agenda and Proceedings etc. of the Board of Directors:

### Meetings:

The Board generally meets 4 (Four) times during the year as per the provisions of the Companies Act , 2013.

Additional meetings are held as and 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 under review, the Board of Directors met 4 (Four) times on 27<sup>th</sup> April, 2017, 20<sup>th</sup> July, 2017, 9<sup>th</sup> November, 2017 and 23<sup>rd</sup> January, 2018. The previous Annual General Meeting ('AGM') of the Company was held on 29<sup>th</sup> June, 2017. The attendance record of the Directors at the Board Meetings and at previous AGM is as under:-

Sr. No.	Name of Director	Category	Attendance at meetings		As on 31 <sup>st</sup> March, 2018 ( Excluding position in the Company )			Inter se relationship among Directors	No. of Shares held
			Board	AGM	No. of Directorships	Committee			
						Membership	Chairmanship		
1.	Mr. R. D. Dixit	Chairman & Managing Director	4	Yes	1	1	1	Not Related	-
2.	Mr. Nitin Menon	Vice Chairman & Joint Managing Director	4	Yes	-	-	-	Mr. Nitin Menon is brother of Mr Sachin Menon.	1,70,16,780
3.	Mr. Sachin Menon *	Non Executive Director	1	NA	-	-	-	NA	-
4.	Mr. B. S. Ajitkumar \$	Independent Director	2	-	-	-	-	NA	-
5.	Capt. Sudheer Naphade	Independent Director	3	-	-	-	-	Not Related	-
6.	Mrs. Nazura Ajaney %	Independent Director	4	-	3	2	-	NA	-
7.	Mr. M. L. Shinde	Independent Director	4	Yes	-	-	-	Not Related	Nil
8.	Mr. Gajendra Vasa**	Independent Director	1	NA	-	-	-	Not Related	Nil

\* Resigned as Non Executive Director w.e.f. 4<sup>th</sup> May, 2017

\$ Resigned as Independent Director w.e.f. 11<sup>th</sup> November, 2017

% Resigned as Independent Director w.e.f. 15<sup>th</sup> February, 2018

\*\* Appointed as Additional (Independent) Director w.e.f. 30<sup>th</sup> December, 2017

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 Stakeholders' Relationship Committee are considered.
3. None of the Independent Director serves as an Independent Director in more than 7 (seven) listed Companies nor is a member in more than 10 (ten) Committees or act as Chairman of more than 5 (five) committees.

#### Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV to the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 23<sup>rd</sup> January, 2018 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole and also the flow of information from and to the Board/ Management.

**Director's Familiarization programme:**

The Company undertakes and makes necessary provisions for an appropriate induction programme for new Directors and ongoing training for existing Directors. The new directors are introduced to the Company's culture, through appropriate training programmes. Such kind of training programmes helps to develop relationship of the Directors with the Company and familiarise them with the 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 the 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 programmes are available on the Company's website at :-

<http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c35c4d088eb411a0883b/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 (SS-1) on "Meetings of the Board of Directors", issued by the Institute of Company Secretaries of India (ICSI). 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 papers are circulated seven days prior to the Board Meeting. In case of 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 all 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, Vice Chairman & Joint Managing Director of the Company affirming the compliance of the same in respect to the financial year ended on 31<sup>st</sup> March, 2018 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**

Pursuant to the provisions of Section 177 of the Act and Regulation 18 of Listing Regulations, the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee. All the members of the Committee possess sound knowledge on accounts, audit, finance, taxation, internal controls, etc. Mr. Anup Padmai, Company

Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The Audit Committee of the Company reviews the quarterly 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 under review, the Audit Committee met 4 (Four) times on 27<sup>th</sup> April, 2017, 20<sup>th</sup> July, 2017, 9<sup>th</sup> November, 2017 and 23<sup>rd</sup> January, 2018. As stipulated under provisions of the Act and Secretarial Standard -1 (SS-1) issued by the ICSI 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	4	4
Mr. B. S. Ajitkumar	Member (up to 11.11.2017)	4	2
Mr. R. D. Dixit	Member	4	4
Capt. Sudheer S. Naphade	Member	4	3

### 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 Act. 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, (vii) risk management framework concerning the critical operations of the Company, (viii) approval of related party transactions and (ix) appointment of Chief Financial Officer (CFO).

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 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 judgment by the management.
- Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of statutory auditors considering their independence and effectiveness and recommend the audit fees.
- Review the functioning of the Vigil mechanism.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee recommends the remuneration payable to executive directors and senior management personnel of the Company. Mr. Anup Padmai, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

During the year under review, the Nomination and Remuneration Committee met 2 (two) times on 27<sup>th</sup> April, 2017 and 23<sup>rd</sup> January, 2018.

##### 4.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Capt. Sudheer S. Naphade	Chairman	2	2
Mr. B. S. Ajitkumar	Member (up to 11.11.2017)	2	1
Mrs. Nazura Ajaney	Member (up to 15.02.2018)	2	2
Mr. M. L. Shinde	Member	2	2
Mr. Gajendra Vasa	Member (w.e.f. 23.01.2018)	2	NA

##### 4.2 Terms of reference:

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>

##### Performance Evaluation Criteria of Independent Director:

Pursuant to the provisions of Section 178 of the Act read with Schedule IV to the Act and Regulation 18 of the Listing Regulations and Schedule II to the Listing Regulations, the Nomination and Remuneration Committee has formulated a policy on Board Evaluation and evaluation of other individual directors.



The evaluation is based on various factors which are follows:

- Attendance at Board and Committee Meetings;
- Level of Participation;
- Contribution to the development of strategies and Risk Assessment and Management;
- Overall interaction with the other members of the Board.

#### **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 Act and Schedule V to the Act.
- 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 Directors and the industry bench marks 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 during the year, 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 for 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 carries out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned herein above, 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 2017-18 are as follows:

Name of the Director	Salary	Contribution to Provident Fund	Other Perquisites	Sitting Fees	Total
Mr. R. D. Dixit	52,50,900	3,33,648	10,32,911	Nil	66,17,459
Mr. Nitin Menon	54,77,040	3,33,360	34,94,092	Nil	93,04,492
Mr. Sachin Menon*	Nil	Nil	Nil	1,000	1,000
Mr. B S Ajitkumar\$	Nil	Nil	Nil	2,000	2,000
Capt. Sudheer S. Naphade	Nil	Nil	Nil	3,000	3,000
Mrs. Nazura Ajaney%	Nil	Nil	Nil	4,000	4,000
Mr. M. L. Shinde	Nil	Nil	Nil	4,000	4,000
Mr. Gajendra Vasa**	NA	NA	NA	1,000	1,000

\* Resigned as Non Executive Director w.e.f. 4<sup>th</sup> May, 2017.

\$ Resigned as Independent Director w.e.f. 11<sup>th</sup> November, 2017.

% Resigned as Independent Director w.e.f. 15<sup>th</sup> February, 2018.

\*\*Appointed w.e.f. 30<sup>th</sup> December, 2017.

Note: The Company has not granted any Stock Options.

## 5. STAKEHOLDER'S RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board of Directors has duly constituted the Stakeholders' Relationship Committee. The Committee is empowered to oversee the redressal provided to investors' complaints pertaining to Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. This Committee is responsible for providing satisfactory redressal to investors' complaints and to recommend measures for overall improvement in the quality of investor services.

During the year under review, the Stakeholders' Relationship Committee met 4 (four) times on 27<sup>th</sup> April, 2017, 20<sup>th</sup> July, 2017, 9<sup>th</sup> November, 2017 and 23<sup>rd</sup> January, 2018.

### 5.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Sachin Menon	Chairman (up to 04.05.2017)	4	1
Capt. Sudheer Naphade	Chairman (from 04.05.2017)	4	2
Mr. Nitin Menon	Member	4	4
Mr. R. D. Dixit	Member	4	4

Mr. Anup Padmai, Company Secretary of the Company is designated as the “Compliance Officer” of the Committee who oversees the redressal provided to investors' grievances and also acts as Secretary to the Committee

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year 2017-18 are as under:

Nature of Complaints	Opening	Received during the year	Resolved	Pending at the end of year
Non-receipt of Share Certificate	Nil	12	12	Nil
Non-receipt of Dividend/ Interest/ Redemption Warrant	Nil	14	14	Nil
Non-receipt of Annual Report	Nil	-	-	Nil
Others	Nil	-	-	Nil
<b>Total</b>	<b>Nil</b>	<b>26</b>	<b>26</b>	<b>Nil</b>

## 6. CORPORATE SOCIAL RESPONSIBILITY(CSR) COMMITTEE

Pursuant to the provisions of Section 135 of the Act the Board of Directors has duly constituted the CSR Committee. During the year under review, the Committee met two times on 27<sup>th</sup> April, 2017 and 9<sup>th</sup> November, 2017.

### 6.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mrs. Nazura Ajaney	Chairman (up to 15.02.2018)	2	2
Mr. R. D. Dixit	Member	2	2
Mr. Nitin Menon	Member	2	2
Mr. M. L. Shinde	Member (Chairman w.e.f 16.02.2018)	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 the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules & regulations governing the CSR and to report the same periodically to the Board of Directors.

## 7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

With the rapid expansion of business, various risks associated with the business have also increased considerably. Some of the 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.

The mechanism also provides 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:

- 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 :

The Audit Committee is responsible for reviewing and ensuring effective implementation of the working of Vigil Mechanism / Whistle Blower Policy which includes the following matters:

- 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 of Women at Workplace and has 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 this policy is to provide its woman employees, a workplace free from harassment/ discrimination and to create an environment wherein every employee is treated with dignity and respect.

### 8.1 Composition:

Name of the Members	Designation
Ms. Neha Harolikar	Member
Mr. Jayawant Jadhav	Member
Mr. Sachin Patil	Member

## 9. GENERAL BODY MEETINGS

### 9.1 Annual General Meetings:

The Company convenes it's Annual General Meeting generally within five months from the close of the respective Financial Year. The details of Annual General Meetings conducted during last 3 years are as under :

Financial Year	Date	Location	Time
2016-17	29 <sup>th</sup> June, 2017	Residency Club, P.O. New Palace, Kolhapur - 416003	10.00 a.m.
2015-16	21 <sup>st</sup> July, 2016	Residency Club, P.O. New Palace, Kolhapur - 416003	11.00 a.m.
2014-15	14 <sup>th</sup> July, 2015	Residency Club, P.O. New Palace, Kolhapur - 416003	11.00 a.m.

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

Date of AGM	Description of Resolution
29 <sup>th</sup> June, 2017	1. To re-designate Mr. Nitin Menon as Vice-Chairman and Joint Managing Director. 2. To re-designate Mr. R. D. Dixit as Chairman and Managing Director. 3. To approve related party transactions with M/s. Mani Auto Components and M/s. M. B. Exports for the F.Y. 2017-18 to F.Y. 2019-20.
21 <sup>st</sup> July, 2016	1. To approve the remuneration payable to Mr. Nitin Menon, Joint Managing Director of the Company for period of two years from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2018. 2. To approve the remuneration payable to Mr. R. D. Dixit, Vice Chairman & Managing Director of the Company for period of two years from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2018. 3. To approve the continuation of material transactions with the related parties in which Directors of the Company are interested.
14 <sup>th</sup> July, 2015	No special resolution was passed.

### 9.3 Postal Ballot

During the year under review, no resolution was passed by means of Postal ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires 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, 2018 that may have potential conflict to 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 of the financial statements forming part of this 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>

### 10.2 Compliance by the Company:

The Company has complied with all the requirements of the Stock Exchanges, SEBI and other statutory authorities on all the 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:

Pursuant to SEBI Circular dated 5<sup>th</sup> July, 2016, the Company has adopted Indian Accounting Standards ("Ind AS") which is applicable w.e.f 1<sup>st</sup> April 2017 and accordingly the financial statements have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.

### 10.4 Risk Management:

The Company has laid down procedure to inform the 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 Subsidiary Companies:

As on 31<sup>st</sup> March, 2018, the Company does not have any Subsidiary, Associate or Joint Venture Companies.

However, the company has adopted a policy on determining material subsidiaries and the same is available on the website of the Company at

<https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/5821c5fd59cc688d3e330ebd/1478608530527/Policy+on+Determining+Material+Subsidiaries.pdf>

### 10.6 CEO / CFO Certification:

As required under Regulation 17(8) of the Listing Regulations, a certificate from Mr. R. D. Dixit, Chairman & Managing Director and Mr. Arun Aradhye, Vice President - Finance & Corporate (Chief Financial Officer) 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.

**10.7 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, 2018 have been prepared as per applicable Indian Accounting Standards (IND AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

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

The Company has complied with all the mandatory requirements as per the provisions under Regulation 27 of the Listing Regulations. The Company has also complied with the requirements of Part C (Corporate Governance Report) of sub-paragraphs (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this report.

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

- 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, 2018 does not contain any modified audit opinion.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**11. MEANS OF COMMUNICATION:**

The quarterly, half-yearly and yearly audited financial results of the Company are sent to the BSE Ltd. and National Stock Exchange of India Ltd. immediately after they are approved by the Board in their meeting. The results are widely published in newspaper named "Business Standard" and other local language newspaper like "Pudhari & Lokmat (Marathi)". The results are simultaneously posted on the website of the Company at [www.menonbearings.in](http://www.menonbearings.in) and are also uploaded on the website of the BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed.

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

**12. GENERAL SHAREHOLDERS' INFORMATION:****12.1 Annual General Meeting:**

Day & Date : Saturday, 21<sup>st</sup> July, 2018  
 Time : 10.00 a.m.  
 Venue : The Residency Club, P.O. New Palace, Kolhapur-416003

**12.2 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, 2018;
Second quarterly / Half yearly results	: by 14 <sup>th</sup> November, 2018;
Third quarterly results	: by 14 <sup>th</sup> February, 2019;
Annual audited results for the year ending on 31 <sup>st</sup> March, 2019	: by 30 <sup>th</sup> May, 2019;
Annual General Meeting for the year ending on 31 <sup>st</sup> March, 2019	: by 14 <sup>th</sup> August, 2019.

**12.3 Book Closure:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Sunday, 15<sup>th</sup> July, 2018 to Saturday, 21<sup>st</sup> July, 2018 (both days inclusive).

**12.4 Cut-off date for e-voting:**

The 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. Saturday, 14<sup>th</sup> July, 2018.

**12.5 Dividend History:**

Financial Year	Dividend amount per share	Percentage
2010-11	Rs. 2.25 per share (Face value Rs. 5/-)	45%
2011-12	Rs. 2.75 per share (Face value Rs. 5/-)	55%
2012-13	Rs. 2.00 per share (Face value Rs. 5/-)	40%
2013-14	Rs. 3.00 per share (Face value Rs. 5/-)	60%
2014-15	Rs. 0.80 per share (Face value Re. 1/-)	80%
2015-16 (Interim Dividend)	Re. 1.00 per share (Face value Re. 1/-)	100%
2016-17 (Interim Dividend)	Re. 1.00 per share (Face value Re. 1/-)	100%
2017-18 (1 <sup>st</sup> Interim Dividend)	Re. 0.75 per share (Face value Re. 1/-)	75%
2017-18 (2 <sup>nd</sup> Interim Dividend)	Re. 0.50 per share (Face value Re. 1/-)	50%

**12.6 Unclaimed Dividend:**

As per the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any dividend remaining unpaid / unclaimed for a period of seven consecutive years from the date it becomes due for payment, needs to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government. The unpaid/ unclaimed dividends along with shares for the financial year 2009-10 have been transferred to the above said fund. The members who have not claimed their dividend for the financial year 2010-11 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
2010-11	Rs. 2.25	30 <sup>th</sup> August, 2011	7 <sup>th</sup> October, 2018
2011-12	Rs. 2.75	16 <sup>th</sup> August, 2012	22 <sup>nd</sup> September, 2019
2012-13	Rs. 2.00	21 <sup>st</sup> August, 2013	27 <sup>th</sup> September, 2020
2013-14	Rs. 3.00	23 <sup>rd</sup> July, 2014	29 <sup>th</sup> August, 2021
2014-15	Rs. 0.80	14 <sup>th</sup> July, 2015	20 <sup>th</sup> August, 2022
2015-16	Rs. 1.00	11 <sup>th</sup> March, 2016	17 <sup>th</sup> April, 2023
2016-17	Rs. 1.00	09 <sup>th</sup> February, 2017	16 <sup>th</sup> March, 2024
2017-18 (1 <sup>st</sup> Interim Dividend)	Re. 0.75	20 <sup>th</sup> July, 2017	25 <sup>th</sup> August, 2024
2017-18 (2 <sup>nd</sup> Interim Dividend)	Re.0.50	09 <sup>th</sup> November, 2017	15 <sup>th</sup> December, 2024

As per the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the DEMAT account of the IEPF Authority. The shareholders are requested to claim the unclaimed dividend immediately in order to avoid the transfer of shares to the Authority.

## 12.7 Listing of Shares:

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

### Name of the Stock Exchanges

#### BSE Ltd.

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

### Scrip Code / Symbol

Stock Code: **523828**

#### National Stock Exchange of India Ltd.

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

Symbol: **MENONBE**

Series: **EQ**

b. ISIN Code for the Company's equity share :

INE071D01033 (having face value of Re. 1/- each)

c. Corporate Identity Number (CIN) : L29130PN1991PLC062352

d. The Company has paid listing fees up to 31<sup>st</sup> March, 2018 to BSE Ltd. and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

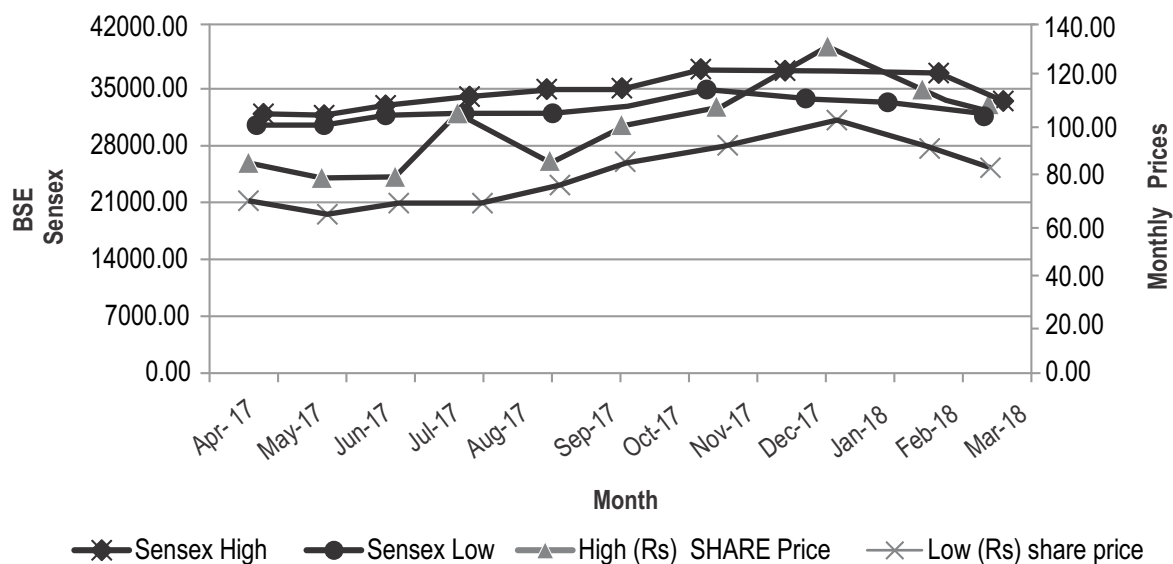
## 12.8 Market Price Data:

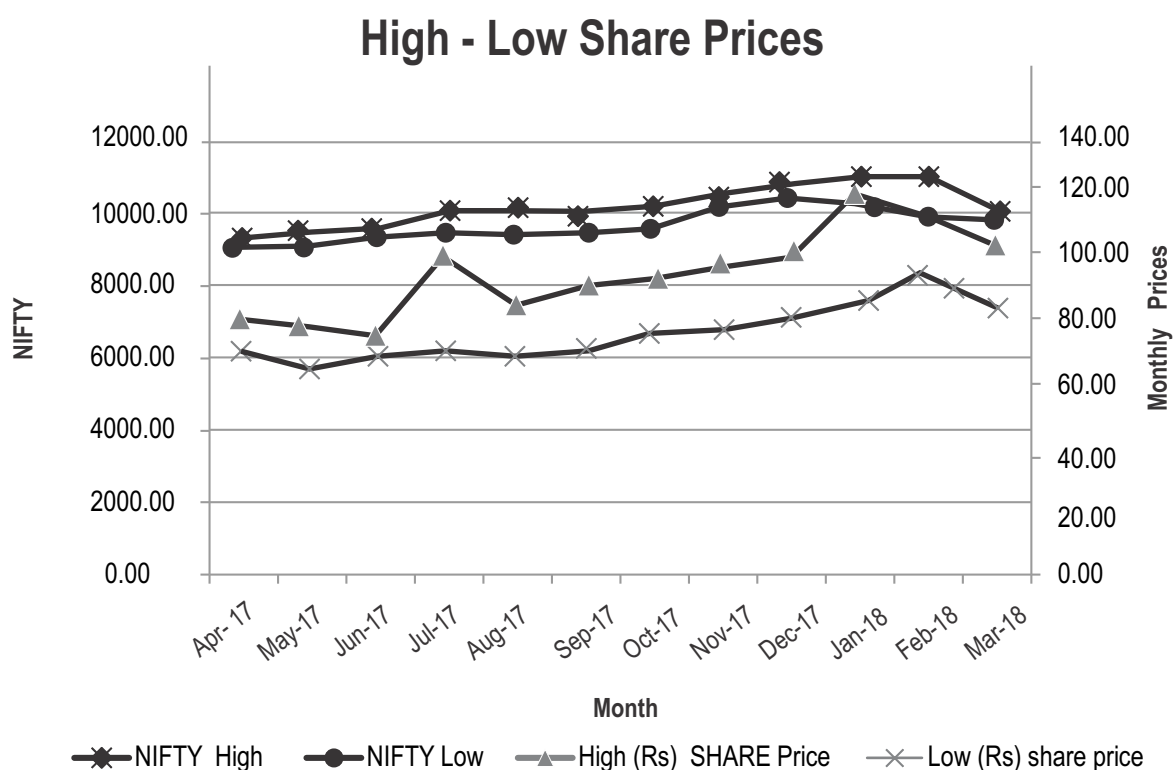
The high / low market price of the shares during the financial year 2017 -18 at the BSE Ltd. and at National Stock Exchange of India Ltd. were as under:-

Month-Year	NSE NIFTY 50		Menon Bearings Ltd		BSE Sensex		Menon Bearings Ltd	
	High (Points)	Low (Points)	High (Rs.)	Low (Rs.)	High (Points)	Low (Points)	High (Rs.)	Low (Rs.)
Apr-17	9367.15	9075.15	84.50	72.40	30184.22	29241.48	84.20	72.00
May-17	9649.60	9269.90	82.40	66.10	31255.28	29804.12	79.95	67.15
Jun-17	9709.30	9448.75	79.40	69.55	31522.87	30680.66	79.05	69.75
Jul-17	10114.85	9543.55	102.20	72.50	32672.66	31017.11	102.00	73.05
Aug-17	10137.85	9685.55	87.80	70.20	32686.48	31128.02	87.10	71.00
Sep-17	10178.95	9687.55	92.30	74.60	32524.11	31081.83	92.50	75.50
Oct-17	10384.50	9831.05	95.50	79.35	33340.17	31440.48	95.00	79.90
Nov-17	10490.45	10094.00	101.85	83.00	33865.95	32683.59	101.95	82.10
Dec-17	10552.40	10033.35	102.80	86.15	34137.97	32565.16	102.80	86.20
Jan-18	11171.55	10404.65	126.50	91.45	36443.98	33703.37	127.05	94.10
Feb-18	11117.35	10276.30	118.80	96.95	36256.83	33482.81	118.30	96.70
Mar-18	10525.50	9951.90	112.00	90.60	34278.63	32483.84	112.00	88.00

## 12.9 Performance in comparison to broad based indices:

### High - Low Share Prices





#### 12.10 Share Transfer Agent:

LINK INTIME INDIAPRIVATE LIMITED  
 C-101, 247 Park, Vikhroli (West) Mumbai – 400 083  
 Phone : (022) 49186000, 49186270 Fax : (022) 49186060,  
 Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### 12.11 Share Transfer System:

All shares forwarded for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within a period of 15 days of the lodgment, if documents are found in order. 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 the statutory time limit from the date of receipt of share certificates, provided the documents are complete in all respects.

#### 12.12 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 NSDL and 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.

**12.13 Distribution of Shareholding:**

The shareholding distribution of the equity shares as on 31<sup>st</sup> March, 2018 is given below:

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 – 500	7,659	61.91	10,28,601	1.83
501-1000	900	7.27	6,80,351	1.21
1001-2000	2264	18.30	28,24,022	5.04
2001-3000	695	5.62	16,93,325	3.02
3001-4000	213	1.72	7,66,608	1.37
4001-5000	126	1.02	5,98,994	1.07
5001-10000	315	2.55	20,90,220	3.73
10001& Above	199	1.61	4,63,57,879	82.72
<b>Total</b>	<b>12,371</b>	<b>100.00</b>	<b>5,60,40,000</b>	<b>100.00</b>

**12.14 Shareholding Pattern as on 31<sup>st</sup> March, 2018:**

Sr.No.	Category	Total No. of Shares held (of Re. 1/- each )	% of Total Shareholdings
1.	Clearing Members	1,34,707	0.24
2.	Body Corporates (Promoter Co)	1,36,12,800	24.29
3.	Directors	1,70,16,780	30.37
4.	Financial Institutions	21,549	0.04
5.	Government Companies	6,20,510	1.11
6.	Hindu Undivided Family	4,08,987	0.73
7.	Mutual Funds	6,60,600	1.18
8.	Non Nationalised Bank	2,338	0.00
9.	Non Resident (Non Repatriable)	1,83,973	0.33
10.	Non Resident Indians	1,48,325	0.26
11.	Other Body Corporates	6,48,516	1.16
12.	Public	1,35,90,215	24.25
13.	Relatives of Director	89,90,700	16.04
	<b>Total</b>	<b>5,60,40,000</b>	<b>100.00</b>

**12.15 Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2018 about 92.67% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

**12.16 Convertible Instruments:**

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during financial year ended 31<sup>st</sup> March, 2018.

**12.17 Plant Locations:**

G-1, MIDC, Gokul Shirgaon Kolhapur - 416234 Maharashtra	C-1 Five Star MIDC, Kagal, Kolhapur – 416234 Maharashtra
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**12.18 Registered Office:**

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

**12.19 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

**12.20 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 Boards' Report.

### DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, Nitin Menon, Vice Chairman and Joint Managing Director of the Company 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 2017-18.

**Place:** Kolhapur

**Date:** 3<sup>rd</sup> May, 2018

**NITIN MENON**

Vice Chairman & Joint Managing Director

DIN: 00692754

# 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, 2018, as stipulated under Regulation 15 (2) read with Schedule V Part E of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (Listing Regulations).

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 Regulations, except that the vacancy of women director on the Board of Directors as on 31<sup>st</sup> March, 2018; however the said vacancy has been filled within the stipulated time limit as on date of this report.

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 that 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 ARNA & Associates.**  
Chartered Accountants

**Rahulprasad Agnihotri**  
Partner  
Membership No : 111576  
FRN : 122293W

**Place :** Kolhapur  
**Date :** 3<sup>rd</sup> May, 2018

# Independent Auditor's Report

**TO  
THE MEMBERS OF  
MENON BEARINGS LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of MENON BEARINGS LIMITED ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS;

- a) of the State of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018;
- b) of the Profit (financial performance including Other Comprehensive Income) for the year ended on that date;
- c) of the Cash Flows for the year ended on that date; and
- d) of the Changes in Equity for the year ended on that date

## Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 (3) of the Companies Act, 2013 we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- 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
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g) With respect to the other matters to be 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 ARNA & Associates.**  
Chartered Accountants

Place : Kolhapur  
Date : 03/05/2018

**Rahulprasad Agnihotri**, Partner  
Membership No : 111576 FRN : 122293W

# Annexure A to Independent Auditor's Report

**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, 2018.**

- (I) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed assets are physically verified by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties of the company are held in the name of the Company based on the confirmation received from 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 (I) of section 148 of the Companies Act, 2013, 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, GST, 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, Sales Tax, Service Tax, GST, duty of customs, Duty of Excise, Value Added Tax, Cess or duty of customs 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 to the Companies Act, 2013;
- (xii) Since, the Company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable.
- (xiii) 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 ARNA & Associates.**  
Chartered Accountants

**Place :** Kolhapur  
**Date :** 03/05/2018

**Rahulprasad Agnihotri**  
Partner  
Membership No : 111576  
FRN : 122293W

# Annexure B to Independent Auditor's Report

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, 2018

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Menon Bearings Limited ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that;

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on;

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
- ii. continuous adherence to Company's policies.
- iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances.
- iv. existing system to prevent and detect fraud and errors.
- v. accuracy and completeness of Company's accounting records; and
- vi. existing capacity to prepare timely and reliable financial information.

**For M/S ARNA & Associates.**  
Chartered Accountants

**Place :** Kolhapur  
**Date :** 03/05/2018

**Rahulprasad Agnihotri**  
Partner  
Membership No : 111576  
FRN : 122293W

# Balance Sheet

as at 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Sr. No.	PARTICULARS	NOTE NO.	31.03.2018	31.03.2017	1.04.2016
			Audited	Audited	Audited
<b>A</b>	<b>ASSETS -</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Property, Plant and equipment	02	4,782.25	3,716.73	3,504.87
	(b) Capital work-in-progress	02	453.79	350.21	64.68
	(c) Financial Assets				
	(i) Loans - Security Deposit	03	70.53	70.53	70.50
	<b>Total non-current assets</b>		<b>5,306.58</b>	<b>4,137.47</b>	<b>3,640.06</b>
<b>2</b>	<b>Current assets</b>				
	(a) Inventories	04	1,451.32	1,236.76	1,143.76
	(b) Financial Assets				
	(i) Trade receivables	05	3,537.42	2,923.93	2,501.36
	(ii) Cash and Cash equivalents	06	1,744.72	1,605.47	435.70
	(iii) Bank Balance other than (ii) above	06	108.91	88.90	101.33
	(iv) Loans	07	420.85	261.49	167.54
	<b>Total Current assets</b>		<b>7,263.22</b>	<b>6,116.55</b>	<b>4,349.69</b>
	<b>Total Assets</b>		<b>12,569.80</b>	<b>10,254.02</b>	<b>7,989.75</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>EQUITY</b>				
	(a) Equity Share Capital	08	560.40	560.40	467.00
	(b) Other Equity	09	7,148.34	5,855.42	4,726.95
	<b>Total Equity</b>		<b>7,708.74</b>	<b>6,415.82</b>	<b>5,193.95</b>
	<b>Liabilities</b>				
<b>2</b>	<b>Non- current liabilities</b>				
	(a) Financial Liabilities				
	(i) Long-Term borrowings	10	496.57	369.80	203.74
	(b) Deferred Tax liabilities (Net)	11	348.67	348.80	397.91
	<b>Total non-current Liabilities</b>		<b>845.24</b>	<b>718.60</b>	<b>601.65</b>
<b>3</b>	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Short- Term Borrowings	12	2,030.85	1,774.63	1,030.58
	(ii) Trade payables	13	1,065.02	814.28	658.16
	(iii) Other Financial Liabilities	14	378.48	110.19	101.33
	(b) Other current Liabilities	15	541.48	420.50	404.08
	(c) Provision	-			
	<b>Total current Liabilities</b>		<b>4,015.82</b>	<b>3,119.60</b>	<b>2,194.15</b>
	<b>Total equity and Liabilities</b>		<b>12,569.80</b>	<b>10,254.02</b>	<b>7,989.75</b>
	Significant accounting policies and notes to accounts	1			

As per our report of even date attached  
For M/s. ARNA & Associates, Chartered Accountants

**Rahulprasad Agnihotri**  
Partner  
Membership No.:111576

Place : Kolhapur  
Date : 3<sup>rd</sup> May, 2018

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

**R D DIXIT**  
Chairman & Managing Director

**NITIN MENON**  
Vice Chairman & Joint Managing Director

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary

# Statement of Profit & Loss

For the year ended on 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Sr. No.	PARTICULARS	NOTE NO.	31.03.2018	31.03.2017
			Audited	Audited
i	<b>Net - Revenue from operations</b>	16	14,486.18	12,279.35
ii	Other Operating Revenue	17	80.65	83.79
iii	Other Income	18	111.37	59.04
	<b>Total Revenue (i+ii+iii)</b>		<b>14,678.20</b>	<b>12,422.18</b>
<b>2</b>	<b>Expenses</b>		-	-
	Cost of Materials Consumed	19	5,446.14	4,213.64
	Changes in inventories of finished goods, work in progress and Stock-in- trade	20	(115.97)	24.58
	Employee benefits expense	21	1,287.65	1,066.10
	Finance Costs	22	192.78	117.34
	Depreciation and amortization expense	02	407.69	512.57
	Operating and Other Expenses	23	4,226.40	3,734.04
	<b>Total</b>		<b>11,444.69</b>	<b>9,668.27</b>
<b>3</b>	Profit before exceptional and extraordinary items and tax (1-2)		3,233.51	2,753.91
<b>4</b>	Exceptional Items		-	-
<b>5</b>	Profit before tax (3-4)		<b>3,233.51</b>	<b>2,753.91</b>
<b>6</b>	Tax expense:		-	-
	(1) Current tax		1,126.29	893.15
	(2) Deferred tax		(0.13)	(49.11)
<b>7</b>	Profit/(Loss) for the period from continuing operations (5 -6)		<b>2,107.35</b>	<b>1,909.87</b>
<b>8</b>	Other comprehensive income		-	-
	Items that will not be reclassified to profit or loss			
	(i) Re-Measurement gains / (losses) on defined benefit plans		43.86	21.42
	(ii) Income tax effect on above		(15.18)	(7.41)
	<b>Total Other Comprehensive Income</b>		<b>28.68</b>	<b>14.01</b>
<b>9</b>	Total comprehensive Income for the period (7+8)		2,136.03	1,923.88
<b>10</b>	Paid-up equity shares capital (face value or Re.1 each fully paid up)		560.40	560.40
<b>11</b>	Earnings per equity share (EPS) (face value of Re.1 each)			
	(i) Basic (in Rs.) (not annualised)		3.76	<b>3.41</b>
	(ii) Diluted (in Rs.) (not annualised )		3.76	<b>3.41</b>

As per our report of even date attached  
For M/s. ARNA & Associates, Chartered Accountants

For and on behalf of the Board of Directors

**Rahulprasad Agnihotri**  
Partner  
Membership No.:111576

**R D DIXIT**  
Chairman & Managing Director

**NITIN MENON**  
Vice Chairman & Joint Managing Director

Place : Kolhapur  
Date : 3<sup>rd</sup> May, 2018

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary



# Cash Flow Statement

For the Period ended on 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Sr. No.	PARTICULARS	31.03.2018	31.03.2017
1	<b>Profit After Tax &amp; Adjustments for</b>	<b>2,136.03</b>	<b>1,923.88</b>
	Deferred Tax	(0.13)	(49.11)
	Extra Ordinary Items	-	-
	Interest (Net)	81.41	58.29
	Profit on Sale of Assets	(4.60)	(30.05)
	Loss on Sale of Assets	1.87	1.54
	<b>(Excess Provision w/o and Loss on sale of asset)</b>		
	Add:- Depreciation & Amortization	407.69	512.57
	<b>Operating Profit before W/C Changes</b>	<b><u>2,622.27</u></b>	<b><u>2,417.12</u></b>
	Changes in Working Capital		
	Current Assets		
	Inventories	(214.56)	(93.00)
	Trade Receivables	(613.50)	(422.57)
	Short Term Loans Advances	(159.36)	(93.95)
	Other Non Current Assets	-	-
	Current Liabilities		
	Trade Payables	250.74	156.12
	Other Current Liabilities	268.29	8.86
	Short Term Provisions	120.98	16.41
	<b>Cash From Operating Activities</b>	<b><u>2,274.86</u></b>	<b><u>1,988.99</u></b>
2	<b>Cash From Investing Activities</b>		
	Purchase of Fixed Assets	(1,473.21)	(751.96)
	Profit on Sale of Assets	4.60	30.06
	Loss on Sale of Assets	(1.87)	(1.54)
	Change in CWIP	(103.58)	(285.52)
	Investments	-	-
	Long Term Loans and Advances	-	(0.03)
	Interest Received	111.37	59.04
	<b>Cash From Investing Activities</b>	<b><u>(1,462.69)</u></b>	<b><u>(949.95)</u></b>
3	<b>Cash Flow from Financing Activities</b>		
	Change in Short Term Borrowing	256.21	744.06
	Change in Long Term Borrowing	126.77	166.06
	Interest Paid	(192.79)	(117.34)
	Dividend Paid	(700.50)	(560.40)
	Tax on Dividend	(142.61)	(114.08)
	<b>Cash Flow from Financing Activities</b>	<b><u>(652.92)</u></b>	<b><u>118.30</u></b>
	Total Cash Flow	159.26	1,157.34
	Add:- Opening Cash & Cash Equivalents	1,694.37	537.03
	<b>Closing Cash &amp; Cash Equivalents</b>	<b><u>1,853.63</u></b>	<b><u>1,694.37</u></b>

As per our report of even date attached  
For M/s. ARNA & Associates, Chartered Accountants

For and on behalf of the Board of Directors

**Rahulprasad Agnihotri**  
Partner  
Membership No.:111576

**R D DIXIT**  
Chairman & Managing Director

**NITIN MENON**  
Vice Chairman & Joint Managing Director

Place : Kolhapur  
Date : 3<sup>rd</sup> May, 2018

**ARUN ARADHYE**  
CFO

**ANUP PADMAI**  
Company Secretary

# Notes on Accounts for the year ended on 31<sup>st</sup> March, 2018

## Note No. 1

### SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of Preparation :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act, 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India.

**Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.**

The financial statements for the year ended 31<sup>st</sup> March 2018 (including comparatives) are duly adopted by the Board on 3<sup>rd</sup> May, 2018 for consideration and approval by shareholders.

#### II. Summary of accounting policies :

##### 1. Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

##### 2. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable and net of returns, trade allowances and rebates and amounts collected on behalf of third parties. It excludes excise duty Value Added Tax, Sales Tax, Service Tax and GST.

###### i) Sale of Products:

Revenue from sale of products is recognised when significant risks and rewards of ownership pass to the customers, as per the terms of the contract and when the economic benefits associated with the transactions will flow to the Company.

###### ii) Interest Income:

Interest incomes are recognized using the time proportion method based on the rates implicit in the transaction. Interest income is included in other income in the statement of profit and loss.

##### 3. Property, plant and equipment

i) Freehold land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation/amortization and impairment, if any. Cost includes:

- a) Purchase Price
- b) Taxes and Duties
- c) Labour cost and

- d) Directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes excise duty, value added tax, service tax, and GST to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

ii) **Component Accounting:**

The component of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of the respective asset, the life of the component in assets are determined based on technical assessment and past history of replacement of such components in the assets. The carrying amount of any component accounted for as separate asset is derecognised when replaced.

iii) **Other cost:**

All other repairs and maintenance cost are charged to the statement of profit and loss during the reporting period in which they are incurred.

Profit or Losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within other income/ (loss).

iv) **Depreciation and amortization:**

- a) Depreciation is recognized on a straight-line basis, over the useful life of the buildings and other equipments as prescribed under Schedule II of the Companies Act, 2013.
- b) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset or part of the asset as evaluated on technical assessment on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013
- c) The estimated useful life of the tangible fixed assets on technical assessment followed by the Company is furnished below:

Description	Range of Useful lives in years
Buildings	30 - 60
Plant & Equipment	10 - 15
Furniture & Fixtures	8 - 10
Office equipments	3 - 6
Vehicles	8 - 10

Material residual value estimates and estimates of useful life are assessed as required.

- d) The residual value for all the above assets are retained at 5% of the cost. Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.
- e) On tangible fixed assets added/disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

#### v) **Ind AS Transition:**

As there is no change in the functional currency as at the date of transition, the Company has elected to adopt the carrying value of Plant, property and equipment under the erstwhile GAAP as the deemed cost for the purpose of transition to Ind AS. Capital-work-in progress, plant and equipment is stated at cost less accumulated impairment losses, if any.

#### 4) **Impairment:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In respect of assets whose impairment are to be assessed with reference to other related assets and such group of assets have independent cash flows (Cash Generating Units), such assets are grouped and tested for impairment.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 5) **Leases:**

##### i) **Assets taken on Lease**

As per the terms of lease agreements there is no substantial transfer of risk and reward of the property to the Company and hence such leases are treated as operating lease. The payments on operating lease are recognized as an expense over the lease term. Associated costs, such as maintenance and insurance, are expensed.

##### ii) **Decommissioning charges in respect of properties like Plant and equipment, furniture fixtures and office equipment's presently located in land taken on lease are not provided for as it is impractical to estimate the sum that will be incurred at the time the lease comes to end. Further there is also likelihood of the lessor renewing the lease.**

#### 6) **Financial Assets Classification and subsequent measurement of financial assets:**

##### i) **For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:**

a) Those to be measured subsequently at fair value either through other comprehensive income (Fair Value through Other Comprehensive Income-FVTOCI) or through profit or loss (Fair Value through Profit and Loss-FVTPL) (However there are no such items) and;

b) Those measured at amortized cost

##### 1. **Financial assets at Amortised Cost**

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure.

The Company also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition

2. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI):  
There are no such assets.

3. Financial assets at Fair Value Through Profit or Loss (FVTPL):  
There are no such assets.

## ii. Impairment of financial assets:

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

## iii. Derivative financial instruments and hedge accounting:

There are no such transactions.

## iv. Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

## v. Derecognition of financial assets

A financial asset is derecognised only when;

- a) The Company has transferred the rights to receive cash flows from the financial asset or
- b) The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.  
There are no such derecognitions.

## 7) Financial Liabilities:

### i. Classification, subsequent measurement and derecognition of financial liabilities

#### a. Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings & trade and other payables.

#### b. Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## 8) Inventories

Inventories are valued at lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost is ascertained on weighted average basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India.

### i. Raw materials

Raw materials are valued at cost of purchase, net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use.

### ii. Work-in-process and Finished Goods

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials.

### iii. Stores and spares

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## 9) Income Taxes

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income (OCI) are disclosed under OCI.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future tax liability. This is assessed based on the Company's forecast of future earnings, excluding non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies some exemptions. As a result of these exemptions the Company does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

## 10) Post-employment benefits and short-term employee benefits

### i. Short term obligations:

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognised up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

### ii. Other long term employee benefits obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income (OCI).

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### iii. Post-employment obligation:

The Company operates the following post-employment schemes:

#### a) Defined contribution plan such as Gratuity & provident fund

##### Gratuity obligation:

The company has created The Employees Group Gratuity fund which has taken gratuity cum life insurance policy from LIC of India. Premium on said policy is calculated by LIC & Conveyed to us on the basis of Project unit credit Method. The same is accounted for in books of accounts.

##### Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary. The provident fund contributions are made to EPFO.

##### Bonus Payable:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## 11) Provisions and contingent liabilities

### I. Provisions:

A Provision is recorded when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.



Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

## **ii. Contingent liabilities:**

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

## **iii. Contingent Assets:**

The Company does not recognise contingent assets. If it is virtually certain then they will be recognised as asset. These are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

## **12) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

## **13) Cash and Cash equivalents and Cash Flow Statement:**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents include cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

## **14) Segment reporting:**

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

## **15) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs.

**16) Related Party Disclosures as per IND AS 24**

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

(Amount in Rs.)

Sr. No.	Name of Party	Relation	Nature of Transaction	Current Year 31.03.2018	Previous Year 31.03.2017
1.	MB Exports (Dissolved w.e.f. 01.08.2017)	Shri Nitin Menon is a partner	Sales	2,74,75,120	12,87,97,408
			Commission Paid	14,13,588	98,20,531
2.	Mani Auto Components	Shri Nitin Menon is a partner	Sales	16,34,21,320	15,66,19,901
			Commission Paid	42,49,431.00	-
			Advance Against Purchase of Property	60,00,000	-
			Machining Charges Paid	-	1,26,84,459
			Rent Paid	-	1,800,000
3.	Menon United Pvt. Ltd. (Formerly known as Karveer United Pvt. Ltd.)	Shri Nitin Menon is a Chairman	Corporate Services	28,56,600	28,97,650
4.	Flyga Auto Pvt.Ltd.	Shri Nitin Menon is a Chairman	Purchase of Car	1,05,65,170	-
5.	Shri Ram Menon	Director till 13/12/2016	Sitting Fees	-	4,000
6.	Shri R. D. Dixit	Chairman & Managing Director	Salary	66,17,459	58,51,935
7.	Shri Nitin Menon	Vice Chairman & Joint Managing Director	Salary	93,04,492	81,30,723
8.	Shri Sachin Menon	Director till 04.05.2017	Sitting Fees	1,000	6,000
9.	Shri M. L. Shinde	Independent Director	Sitting Fees	4,000	5,000
10.	Shri B.S. Ajitkumar	Independent Director till 11.11.2017	Sitting Fees	2,000	4,000
11.	Capt .Sudhir Naphade	Independent Director	Sitting Fees	3,000	5,000
12.	Mrs .Nazura Ajaney	Independent Director till 15.02.2018	Sitting Fees	4,000	5,000
13.	Shri Gajendra Vasa (Appointed w.e.f 30.12.2017)	Independent Director	Sitting Fees	1,000	-

**Notes:**

- a. Shri R. D. Dixit – Chairman & Managing Director and Shri Nitin Menon – Vice Chairman & Joint Managing Director are employees of the Company. Shri M. L. Shinde, Shri B. S. Ajitkumar, Capt. Sudheer 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.  
Menon Piston Ltd  
Menon Signature Pvt.Ltd.

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

**III) Significant management judgment in applying accounting policies and estimation of uncertainty** While preparing the financial statements, management has made a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**(1) Significant management judgment**

The following are significant management judgments in applying the accounting policies of the Company that have significant effect on the financial statements.

**(2) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues.

**(3) Estimation of uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different.

**a. Impairment of non-financial assets**

In assessing impairment, management has estimated economic usefulness of the assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use of an interest rate to discount them. Estimation of uncertainty relates to assumptions about economically future operating cash flows and the determination of a suitable discount rate.

**b. Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including Intangible Assets.

**c. Inventories**

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes.

**d. Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note .10)

**e. Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH 2018 (Contd.)										
Note No. 2										
a) PROPERTY, PLANT AND EQUIPMENT										
Sr. No	Gross Block	Land (Leasehold)	Land (Freehold)	Building	Plant & Machinery	Office Equipments	Computers & Software	Furniture	Vehicles	Total
	<b>As at 01<sup>st</sup> April 2016</b>	103.14	36.76	1,373.69	5,963.84	44.02	163.52	98.50	132.29	7,916.05
	Additions	-	-	77.74	597.92	8.29	17.58	44.01	35.40	780.93
	Disposal	-	-	(25.75)	-	-	-	-	(15.11)	(40.86)
	Other Adjustments	-	-	-	-	-	-	-	-	-
	<b>As at 31<sup>st</sup> March 2017</b>	103.14	36.76	1,425.68	6,561.77	52.31	181.10	142.50	152.87	8,656.12
	Additions	596.99	-	4.23	719.91	3.82	13.45	15.53	137.47	1,491.40
	Disposal	-	-	-	(116.46)	-	-	-	(4.66)	(121.12)
	<b>As at 31<sup>st</sup> March 2018</b>	700.13	36.76	1,429.91	7,165.21	56.12	194.55	158.04	285.69	10,026.40
	Accumulated depreciation/ amortisation	-	-	-	-	-	-	-	-	-
	<b>As at 1<sup>st</sup> April 2016</b>	12.25	-	370.26	3,762.32	31.70	138.76	49.82	46.07	4,411.18
	For the year	1.07	-	34.17	434.85	3.83	9.96	8.95	19.74	512.57
	Impairment for the year	-	-	-	-	-	-	-	-	-
	Deduction on disposal	-	-	-	-	-	-	-	-	-
	Other Adjustments	-	-	(0.92)	24.84	0.41	-	-	(8.69)	15.64
	Transfer	-	-	-	-	-	-	-	-	-
	Impairment Loss/(reversal)	-	-	-	-	-	-	-	-	-
	<b>As at 31<sup>st</sup> March 2017</b>	13.32	-	403.52	4,222.01	35.94	148.71	58.77	57.12	4,939.39
	For the year	1.07	-	36.03	309.88	4.43	15.34	11.62	29.33	407.69
	Impairment for the year	-	-	-	-	-	-	-	-	-
	Deduction on sale or discards	-	-	-	-	-	-	-	-	-
	Other Adjustments	-	-	-	(99.39)	-	-	-	(3.54)	(102.93)
	Impairment Loss / (reversal)	-	-	-	-	-	-	-	-	-
	<b>As at 31<sup>st</sup> March 2018</b>	14.38	-	439.54	4,432.50	40.36	164.06	70.39	82.91	5,244.15
	a) Net Block	-	-	-	-	-	-	-	-	-
	As at 01 <sup>st</sup> April 2016	90.89	36.76	1,003.43	2,201.52	12.32	24.76	48.68	86.52	3,504.87
	As at 31 <sup>st</sup> March 2017	89.82	36.76	1,022.16	2,339.75	16.37	32.38	83.73	95.75	3,716.73
	As at 31 <sup>st</sup> March 2018	685.74	36.76	990.37	2,732.41	15.76	30.49	87.65	202.77	4,782.25
	b) CAPITAL WORK-IN-PROGRESS	-	-	-	-	-	-	-	-	-
	As at 01 <sup>st</sup> April 2016	-	-	22.82	34.07	-	0.50	7.29	-	64.68
	As at 31 <sup>st</sup> March 2017	-	-	74.81	275.39	-	-	-	-	350.21
	As at 31 <sup>st</sup> March 2018	-	-	372.76	81.03	-	-	-	-	453.79

Particulars	Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017	As at 01 <sup>st</sup> April 2016
<b>Note No.03</b>			
<b>(I) Long Term - Security Deposit</b>			
Telephone deposit	0.64	0.64	0.61
MSEB Deposit	67.22	67.22	67.22
Water deposit	2.67	2.67	2.67
<b><u>TOTAL</u></b>	<b><u>70.53</u></b>	<b><u>70.53</u></b>	<b><u>70.50</u></b>
<b>Note No.04</b>			
<b>Current Assets -</b>			
<b>(a) Inventories</b>			
a) Raw Material	351.29	314.12	191.63
b) Stores & Spares	155.24	93.82	98.73
c) Finished goods	621.14	500.61	588.85
d) Work in Process	323.65	328.21	264.55
<b><u>TOTAL</u></b>	<b><u>1,451.32</u></b>	<b><u>1,236.76</u></b>	<b><u>1,143.76</u></b>
<b>Note No.05</b>			
<b>(b) Financial Assets -</b>			
<b>(i) Trade Receivables</b>			
(Unsecured, considered good)			
Outstanding for a period exceeding 6 months	281.46	245.46	101.34
Other Debts	3,255.96	2,678.47	2,400.02
<b><u>TOTAL</u></b>	<b><u>3,537.42</u></b>	<b><u>2,923.93</u></b>	<b><u>2,501.36</u></b>
<i>(Includes amount of Rs., 46,12,417.34 Due from MB Exports and Mani Auto Components Rs.2,49,05,026.52 , firms in which director is a partner.</i>			
<b>Note No.06</b>			
<b>(ii) Cash and Cash equivalents</b>	3.13	1.22	0.91
<b>(iii) Bank Balance other than (ii) above</b>			
i) In Current A/c	182.47	367.32	123.31
ii) In Fixed Deposits & Recurring Deposit	1,559.12	1,236.93	311.48
<b><u>TOTAL</u></b>	<b><u>1,744.72</u></b>	<b><u>1,605.47</u></b>	<b><u>435.70</u></b>
iii) Other Bank Balances - Dividend Warrant Accounts ( Earmarked balances with banks -Dividend Warrant Accounts)	108.91	88.90	101.33
<b><u>TOTAL</u></b>	<b><u>1,853.63</u></b>	<b><u>1,694.37</u></b>	<b><u>537.03</u></b>
<b>Note No.07</b>			
<b>(iv) Loans - Short -Term Loans &amp; Advances</b>			
Other advance	10.19	12.80	14.04
Staff advance	5.79	6.94	-
Interest accrued but not received	48.23	22.07	12.96
Other Deposits	41.71	39.66	8.56
Prepaid expenses	25.94	24.58	15.04
Advance Income Tax	153.26	76.89	77.56
Advance to suppliers	106.39	7.53	8.58
Provision for exchange difference receivable	4.34	-	-
Excise Duty	5.38	55.61	19.03
Service Tax	19.62	12.52	11.64
Advance Group Gratuity Contribution	-	2.89	0.13
<b><u>TOTAL</u></b>	<b><u>420.85</u></b>	<b><u>261.49</u></b>	<b><u>167.54</u></b>

Particulars	Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017	As at 01 <sup>st</sup> April 2016			
<b>EQUITY AND LIABILITIES</b>						
<b>Note No.08</b>						
<b>EQUITY</b>						
<b>(a) Equity Share Capital</b>						
<b>Authorised:</b>						
10,10,00,000 Equity Shares of Re.1 each fully paid (Previous Year 10,10,00,000 Equity Shares of Re.1 each)	1,010.00	1,010.00	1,010.00			
<b>Issued,Subscribed and paid up :</b>						
5,60,40,000 Equity Shares of Re.1 each fully paid (Previous year 5,60,40,000 Equity Shares of Re.1 each fully paid )	560.40	560.40	467.00			
<b><u>TOTAL</u></b>	<b><u>560.40</u></b>	<b><u>560.40</u></b>	<b><u>467.00</u></b>			
1) There is addition of Rs. 93,40,000 to Share Capital during the year due to issue of Bonus shares in the ratio 1:5 made on 02/09/2016						
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 List holding more than 5% of equity shares along with the number of equity shares held is as given below						
<b>Name of the Shareholder</b>	<b>31.03.2018</b>		<b>31.03.2017</b>	<b>01.04.2016</b>		
	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>
Nitin Ram Menon	30.37	1,70,16,780	30.37	1,70,16,780	30.37	1,41,80,650
Menon United Pvt. Ltd.	24.29	1,36,12,800	24.29	1,36,12,800	24.29	1,13,44,000
Sucheta Nitin Menon	5.00	28,01,964	9.00	50,44,812	9.00	42,04,010
Aditya Nitin Menon	5.52	30,94,368	5.09	28,51,968	5.09	23,76,640
Anshul Nitin Menon	5.52	30,94,368	5.09	28,50,840	5.09	23,75,700
<b>Note No. 09</b>						
<b>(b) Other Equity</b>						
General Reserve			801.47	726.47	651.47	
Add : Current Year			75.00	75.00	75.00	
<b>Sub-Total</b>			<b>876.47</b>	<b>801.47</b>	<b>726.47</b>	
Capital Reserve			25.00	25.00	25.00	
Revaluation Reserve			2.56	2.56	30.09	
Profit & Loss Account			6,244.31	5,026.39	3,945.39	
<b><u>TOTAL</u></b>			<b><u>7,148.34</u></b>	<b><u>5,855.42</u></b>	<b><u>4,726.95</u></b>	
Note :						
<i>a. Surplus</i>						
<i>Opening Balance</i>			5,026.39	3,945.39	3,123.61	
<i>Less - Short Provision of tax on dividend</i>			-	-	12.56	
<i>Less - Proposed C.S.R.Amount</i>			-	-	17.65	
<i>Add:- Net Profit for the current period</i>			2,136.03	1,923.88	1,489.06	
<b><i>Profit available for appropriation</i></b>			<b>7,162.42</b>	<b>5,869.27</b>	<b>4,582.46</b>	
Less: Bonus Shares Issued			-	93.40	-	
Less: Dividend Paid on equity shares			700.50	560.40	467.00	
<b><u>TOTAL</u></b>			<b><u>6,461.92</u></b>	<b><u>5,215.47</u></b>	<b><u>4,115.46</u></b>	
Less: Tax on distributed profits on equity shares			142.61	114.08	95.07	



Particulars			Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017	As at 01 <sup>st</sup> April 2016
<b>TOTAL</b>			6,319.31	5,101.39	4,020.39
Less: Transfer to General Reserve			75.00	75.00	75.00
<b>Balance carried forward to Balance Sheet</b>			<b>6,244.31</b>	<b>5,026.39</b>	<b>3,945.39</b>
<b>TOTAL</b>			<b>7,148.34</b>	<b>5,855.42</b>	<b>4,726.95</b>
<b>LIABILITIES</b>					
<b>Non Current Liabilities</b>					
Note No. 10					
<b>(a) Financial Liabilities</b>					
<b>(I) Long-Term Borrowings</b>					
<b>a) Term Loan from Banks</b>					
AXIS Bank Limited			273.21	210.80	-
State Bank Of India			-	-	5.56
<b>b) Car Loans from Banks</b>					
Axis Bank Ltd ( Creta + Jeeta + Honda City )			120.13	22.09	24.63
<b>Sub Total</b>			<b>393.34</b>	<b>232.89</b>	<b>30.19</b>
<b>Unsecured Loans</b>					
Sales tax Deferal Loan			103.23	136.91	173.55
<b>Sub Total</b>			103.23	136.91	173.55
<b>TOTAL</b>			<b>496.57</b>	<b>369.80</b>	<b>203.74</b>
<i>Bank Name</i>	Loan Amt. in lakhs	Installment Amt. in Lakhs	No. of Inst.	Installment Amt. in Lakhs	No. of Inst.
	<b>31.03.2018</b>			<b>31.03.2017</b>	
<i>Axis Bank Ltd.Term Loan</i>	473.25	16.67	48	16.67	60
<i>Axis Bank Ltd.Car Loan ( Creta)</i>	10.14	0.29	42	0.29	54
<i>Axis Bank Ltd. Car Loan (Jetta)</i>	6.77	0.65	12	0.65	24
Axis Bank Ltd. Car Loan (Honda City-1)	4.61	0.33	15	0.33	27
Axis Bank Ltd. Car Loan (Honda City-2)	3.29	0.31	11	0.31	23
HDFC Bank Ltd. Car Loan (VOLVO)	113.75	2.56	53	0.00	0
a) The company has availed term loan of Rs.10.00 Crores from Axis Bank Ltd, out of which Rs.3.25Crores has been disbursed. There is an moratorium period of 6 months upto 30/09/2017 for the loan. The principal installment for the loan is Rs.11.67lacs per month. The loan is secured by first charge over entire movable and immovable fixed assets, both present and future, of the company situated at G-1, MIDC Gokul Shirgaon, Kolhapur. It is also colaterally secured by entire movable and immovable fixed assets, both present and future, of the company situated at G-1, MIDC Gokul Shirgaon, Kolhapur and C-1, Kagal Five Star MIDC, Hatkanangale. It is also secured by personal guarantee of Mr.Nitin Menon. The Company has also availed Foreign currency Term Loan of Rs.3.00 Crores(Utilised Rs.2.93 Crores) (\$ 444556). The loan is to be repaid in 60 installments of Rs.500000 each plus interest as debited. The total outsatnding dues in FCTL is \$393993. The loan is secured by first charge over entire movable and immovable fixed assets, both present and future, of the company situated at C-1, Five Star MIDC, Kagal.It is also colaterally secured by entire movable and immovable fixed assets, both present and future, of the company situated at G-1, MIDC Gokul Shirgaon, Kolhapur and C-1, Kagal Five Star MIDC, Hatkanangale.It is also secured by personal guarantee of Mr.Nitin Menon					
b) The Long Term Borrowing includes Car Loan taken by the Company from the Axis Bank & HDFC Bank Ltd.					
c) The unsecured loan represents Interest Free Sales Tax Deferral Loan from SICOM received under the incentive scheme of Government of Maharashtra.					



Particulars	Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017	As at 01 <sup>st</sup> April 2016
Note No. 11			
<b>( C ) Deferred Tax Liabilities (Net)</b>			
<b>Deferred Tax Liability</b>			
a) Depreciation Opening	372.20	418.15	377.91
Add: During the year	(11.50)	(45.95)	40.23
<b>Closing Liability (a)</b>	<b>360.70</b>	<b>372.20</b>	<b>418.14</b>
b) Disallowances as per Section 43B & 40(a) of Income Tax Act Opening	(13.25)	(11.35)	(9.07)
Add: During the year	(1.25)	(1.90)	(2.28)
<b>Closing Asset (b)</b>	<b>(14.50)</b>	<b>(13.25)</b>	<b>(11.35)</b>
c) Others Opening	(10.14)	(8.88)	(5.76)
Add:- During the Year	12.61	(1.26)	(3.12)
<b>Closing Asset (c)</b>	<b>2.47</b>	<b>(10.15)</b>	<b>(8.88)</b>
Deferred Tax Liability (Net) (a-b-c)	<b>348.67</b>	<b>348.80</b>	<b>397.91</b>
<b>Current Liabilities</b>			
Note No. 12			
<b>(a) Financial Liabilities</b>			
<b>(I) Borrowings</b>			
<b>a) AXIS Bank Limited</b>			
Overdraft Against F.D. ( Against FD amount Rs.1,41,79,816)	-	80.61	-
Cash Credit	1,352.10	1,523.90	272.95
Bajaj Finance Ltd (Demand Loan)	426.60	-	-
3) Cash Credit & SLOC	-	-	603.31
c) Term Loan Due within 1 Year	200.04	115.02	90.00
d) Vehicle Loans Due within 1 Year	18.44	18.45	10.10
<b>Unsecured Loans</b>	-	-	-
Sales tax Deferral Loan Due within 1 Year	33.67	36.65	54.22
<b><u>TOTAL</u></b>	<b><u>2,030.85</u></b>	<b><u>1,774.63</u></b>	<b><u>1,030.58</u></b>
<b>Notes:</b>			
a) The Working Capital facilities from Axis Bank Ltd (Rajarampuri Kolhapur 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 & C-1, Five Star MIDC, Kagal and personal guarantee of Mr. Nitin Menon. b) The company has availed Foreign Currency Demand Loan (as a sub limit of existing Working Capital Facility) of Rs.11.00 Crores. The total outstanding of such loan in foreign currency is \$1681868. c) The demand loan from Bajaj Finance Limited is secured by exclusive charge on immovable and movable fixed assets located at B-2, MIDC, Gokul Shirgaon, Kolhapur.			
Note No. 13			
<b>(ii) Trade Payable</b>			
Trade Payable	1,024.29	787.62	625.02
Trade Payable (M.S.M.E. )(Refer Note 27(d))	40.73	26.66	33.14
<b><u>TOTAL</u></b>	<b><u>1,065.02</u></b>	<b><u>814.28</u></b>	<b><u>658.16</u></b>
Note No. 14			
<b>(iii) Other Financial Liabilities</b>			
Advance From Customers	269.57	21.29	-
Unpaid / Unclaimed Dividend	108.91	88.90	101.33
<b><u>TOTAL</u></b>	<b><u>378.48</u></b>	<b><u>110.19</u></b>	<b><u>101.33</u></b>

Note: There are no amounts due and outstanding to be credited to investor education and protection fund as on 31<sup>st</sup> Mar. 2018

Particulars	Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017	As at 01 <sup>st</sup> April 2016
Note No. 15 <b>(b) Other Current Liabilities</b>			
Sales Tax Payable - Current Dues	37.31	11.44	16.50
Gratuity Payable	0.30	-	-
Deposit from Customers	26.40	24.30	24.40
C.S.R. (CORPORATE SOCIAL RESPONSIBILITY)	72.60	62.02	34.91
Statutory Liabilities	45.61	44.26	56.02
Provision for expenses	329.49	246.28	246.46
Leave Encashment	29.77	32.20	25.79
<b>TOTAL</b>	<b>541.48</b>	<b>420.50</b>	<b>404.08</b>
Note No. 16 <b>Sales</b>	<b>Current Year Ended on 31.03.2018</b>	<b>Previous Year Ended on 31.03.2017</b>	
1.Auto & Aluminium Die Casting Components	14,346.53	12,171.71	
2. Scrap Sale	139.65	107.64	
<b>TOTAL</b>	<b>14,486.18</b>	<b>12,279.35</b>	
Note No. 17 <b>Other Operating Revenue</b>			
a) Exchange Difference	17.01	-	
b) Sale of DEPB License	-	-	
c) Duty Drawback Refund	0.87	3.08	
d) Income from other Source	42.63	24.69	
e) Other Income	15.54	25.96	
f) Profit on Sale of Fixed Asset	4.60	30.06	
<b>TOTAL</b>	<b>80.65</b>	<b>83.79</b>	
Note No. 18 <b>Other Income</b>			
<b>Income from non-current investments</b>			
a) Dividend from Companies	-	-	
b) Interest Received	111.37	59.04	
<b>TOTAL</b>	<b>111.37</b>	<b>59.04</b>	
Note No. 19 <b>Cost of Materials Consumed</b>			
<b>A] Raw Material</b>			
Opening Stock	314.12	191.63	
Add : Purchases	5,533.14	4,336.13	
<b>TOTAL</b>	<b>5,847.26</b>	<b>4,527.76</b>	
Less : Closing Stock	401.12	314.12	
<b>TOTAL</b>	<b>401.12</b>	<b>314.12</b>	
<b>Raw Material Consumed</b>	<b>5,446.14</b>	<b>4,213.64</b>	
Note No. 20 <b>Changes in stock of Work-in-Process and Finished Goods</b>			
<b>Opening Stock</b>			
Finished Goods	500.61	588.85	
Work in Process	328.21	264.56	
<b>TOTAL</b>	<b>828.82</b>	<b>853.41</b>	

Particulars	Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017
<b>Closing Stock :</b>		
Finished Goods	621.14	500.62
Work in Process	323.65	328.21
<b><u>TOTAL</u></b>	<b><u>944.79</u></b>	<b><u>828.83</u></b>
<b>Increase / (Decrease )in Stock</b>	(115.97)	24.58
Note No. 21 <b>Employee Benefits Expenses</b>		
Directors Remuneration	159.22	139.83
Salary and Wages	1,024.12	832.70
Labour Welfare	10.14	13.21
Contribution to Provident Fund	61.21	56.76
Contribution to Group Gratuity Trust	32.96	23.60
<b><u>TOTAL</u></b>	<b><u>1,287.65</u></b>	<b><u>1,066.10</u></b>
Note No. 22 <b>Cost of Finance</b>		
Interest	94.43	57.62
Bank Commission & Other Charges	98.35	59.72
<b><u>TOTAL</u></b>	<b><u>192.78</u></b>	<b><u>117.34</u></b>
Note No. 23 <b>Operating and Other Expenses</b>		
<b>A] Operating Expenses</b>		
Stores & Spares Consumed	910.81	800.05
Electricity	943.00	832.00
Power & Fuel Expense	62.98	47.28
Electric Material	11.70	4.94
Outside labour charges	151.15	216.65
Contract Labour Charges	904.28	769.88
Water charges	23.00	20.40
Repairs & Maintenance	229.60	205.52
Testing Fees	6.85	3.33
Hamali	3.03	1.17
Machining Charges	5.80	3.94
Development Charges	53.54	28.27
<b>Total Operating Expenses</b>	<b><u>3,305.74</u></b>	<b><u>2,933.43</u></b>
<b>B] Other Expenses</b>		
Advertisement	5.70	5.54
C.S.R.(CORPORATE SOCIAL RESPONSIBILITY ) Expenses	45.02	35.63
i) Audit Fees	2.51	2.57
ii) Other Services	0.40	0.35
Business Expenses	26.43	25.76
Donation	0.10	0.18
Establishment Expenses	28.57	28.98
Foreign Tour Expenses	11.69	9.45
Freight Outward	189.92	122.83

Particulars	Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017
Insurance	8.59	10.69
Building Repairs	62.95	50.63
Legal & Consultation	60.05	33.31
Misc. Expenses	24.47	20.28
Postage, Telephone	19.09	21.79
Printing & Stationary	6.39	18.95
Rent, Rates and Taxes	21.34	36.40
Sales Promotion Expenses	288.54	261.02
Sitting Fees	0.15	0.29
Traveling Expenses	89.83	87.22
Loss on Sale of Asset	1.87	1.54
Vehicle & Conveyance Expenses	19.88	14.99
Exchange Loss	7.17	12.21
<b>Total B] Other Expenses</b>	<b>920.66</b>	<b>800.61</b>
<b>Total [A+B] Operating and Other Expenses</b>	<b><u>4,226.40</u></b>	<b><u>3,734.04</u></b>
Note No. 24 <b>Tax Expense</b>		
Current Tax	1,126.29	893.15
Deffered Tax	(0.13)	(49.11)
<b>TOTAL</b>	<b><u>1,126.16</u></b>	<b><u>844.04</u></b>
Note No. 25 <b>Retirement Benefits (Gratuity)</b> <b>Valuation Method - Projected Unit Credit Method</b> <b>1. Results of valuation</b>		
a. PV of Past Service Benefit	247.59	211.13
b. Current Service Costs	16.88	14.85
c. Total Service Gratuity	623.11	578.99
d. Accured Gratuity	268.33	244.88
e. LCSA	334.56	325.15
f. LC Premium	0.93	0.85
g. GST Tax @ 18 %	0.17	0.13
<b>2. Recommended Contribution Rate</b>		
a. Fund value as on renewal date	268.39	228.00
b. Additional Contribution for existing fund	2.45	0.14
c. Current Service Costs	3.25	2.49
<b>3. Total Amount payable (Rs.)</b> (1.f +1.g+2.b+2.c)	6.80	3.61
4. Less: Amount Paid	6.50	6.50
5. Liability appearing in Balance Sheet	0.30	(2.89)

Particulars	Current Year Ended on 31.03.2018	Previous Year Ended on 31.03.2017
Note No. 26		
<b>Leave Encashment</b>		
<b>Valuation Method - Projected Unit Credit Method</b>		
<b>A) Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognized for the period	(43.86)	(21.42)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(43.86)	(21.42)
<b>B) Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	32.20	25.79
Adjustment to opening balance	-	-
Expenses as above	41.65	30.41
Contribution paid	(0.23)	(2.57)
Other Comprehensive Income (OCI)	(43.86)	(21.42)
<b>Closing Net Liability</b>	<b>29.77</b>	<b>32.20</b>

As per our report of even date attached

For M/s. ARNA & Associates.  
Chartered Accountants

**Rahulprasad Agnihotri**  
Partner  
Membership No.:111576

For and on behalf of the Board of Directors

**R D DIXIT**  
Chairman & Managing Director

**NITIN MENON**  
Vice Chairman & Joint Managing Director

Place : Kolhapur  
Date : 3<sup>rd</sup> May, 2018

**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

## PROXY FORM

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

**27<sup>TH</sup> ANNUAL GENERAL MEETING ON 21<sup>ST</sup> JULY, 2018**

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 27<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 21<sup>st</sup> July, 2018 at 10.00 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, 2018 along with Boards' Report and Auditors' Report thereon.			
2	Ordinary Resolution to confirm the payment of 1 <sup>st</sup> and 2 <sup>nd</sup> interim dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2018.			
3	Ordinary Resolution to declare payment of final dividend for the financial year ended on 31 <sup>st</sup> March, 2018.			
4	Ordinary Resolution to appoint director in place of Mr. Nitin Menon, (DIN: 00692754) Vice Chairman & Joint Managing Director of the Company who retires by rotation and offers himself for re-appointment.			
5	Ordinary Resolution for ratification of appointment of M/s ARNA & Associates (Formerly known as M/s. Rahulprasad Agnihotri & Co.), Chartered Accountants, Kolhapur (FRN: 122293W) as Statutory Auditors of the Company until the conclusion of 28 <sup>th</sup> Annual General Meeting.			
	<b>Special Business:</b>			
6	Ordinary Resolution for appointment of Mr. Gajendra Vasa (DIN: 00461425) as an Independent director of the Company for the term of 5 consecutive years w.e.f. 30 <sup>th</sup> December, 2017.			
7	Ordinary Resolution for appointment of Mrs. Kailash A Nevagi (DIN: 03011076) as an Independent director of the Company for the term of 5 consecutive years w.e.f. 16 <sup>th</sup> April, 2018			
8	Ordinary Resolution for approval of remuneration payable to M/s. C. S. Adawadkar & Co., Cost Accountant, Pune (FRN: 100401) for the financial year 2018-19.			
9	Special Resolution for approval of re-appointment of Mr. Nitin Menon (DIN: 00692754) as a Vice Chairman & Joint Managing Director of the Company for a period of 5 years w.e.f. 1 <sup>st</sup> April, 2018 and approve the remuneration payable for the period of 3 years w.e.f. 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2021.			
10	Special Resolution for approval of re-appointment of Mr. R D Dixit (DIN: 00626827) as a Chairman & Managing Director of the Company for a period of 5 years w.e.f. 1 <sup>st</sup> April, 2018 and approve the remuneration payable for the period of 3 years w.e.f. 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2021.			

Signed this ..... day of ....., 2018

Signature of shareholder .....

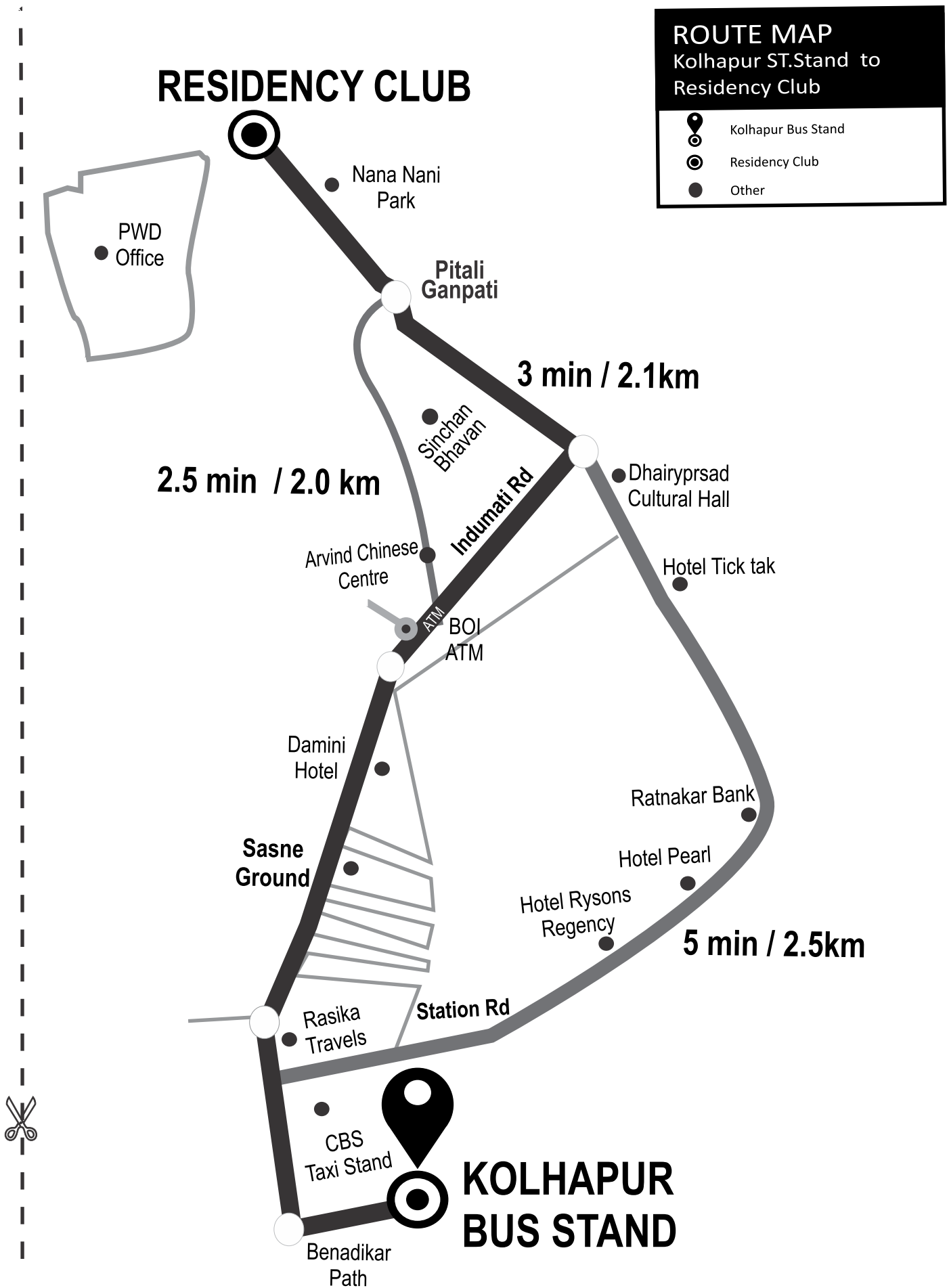
Signature of Proxy holder(s) .....

**Affixed  
Revenue  
Stamp**

**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. Proxy need not be the shareholder of the Company







MENON BEARINGS LTD.

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001 ( 866 ) 556-3666 -  
OR 001 (317) 514-7215



Menon Bearings  
plant at Kolhapur