

24<sup>th</sup> June, 2019

To  
The Manager-DCS  
**BSE Limited**  
Pheeroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

To,  
The Manager-Listing  
**National Stock Exchange of India Ltd** ✓  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai- 400 051

Scrip Code - 523828

Symbol: MENONBE

Dear Sir,

**Sub: Submission of copy of the Annual report along with the Notice of the 28<sup>th</sup> Annual General Meeting of Menon Bearings Limited, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**


Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith copy of the Annual Report for the financial year ended 31<sup>st</sup> March, 2019 along with the Notice of 28<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Thursday, 18<sup>th</sup> July, 2019 at 11.00 a.m. at the Residency Club, P.O. New Palace, Kolhapur - 416003.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Menon Bearings Limited



Suraj Patil

Company Secretary and Compliance Officer

Membership No.: A54404

Encl.: A/a



# MENON BEARINGS LTD.

Annual Report 2019



India's leading engine  
bearings company



MENON BEARINGS LTD.

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# 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 Chirman & Joint Managing Director
<b>Mr. ARUN ARADHYE</b>	Whole Time Director & CFO (w.e.f. 31.01.2019)
<b>Capt. SUDHEER NAPHADE</b>	Independent Director (up to 14.04.2018)
<b>Mr. M. L. SHINDE</b>	Independent Director
<b>Mr. GAJENDRA VASA</b>	Independent Director
<b>Mrs. KAILASH A NEVAGI</b>	Independent Director (w.e.f. 16.04.2018)
<b>Dr. SANTOSH PRABHU</b>	Independent Director (w.e.f. 24.10.2018)

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**MR. SURAJ PATIL:** Company Secretary & Compliance Officer (w. e. f. 01.02.2019)

**MR. ANUP PADMAI:** Company Secretary & Compliance Officer (upto.31.01.2019)

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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  
Chartered Accountants, Kolhapur.

**SECRETARIAL AUDITORS**

M/S. M BALDEVA ASSOCIATES,  
Company Secretaries, Thane

**BANKERS :**

HDFC BANK LTD  
Kolhapur.

STATE BANK OF INDIA  
Gokul Shirgaon, Kolhapur

AXIS BANK LIMITED  
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

## MANAGEMENT NOTE

25 years has been a fascinating journey for all of us at Menon Bearings !

Acquiring & growing business, continuously upgrading & assimilating newer technologies & building long term relationships with marquee customers like Cummins, Tata Motors, John Deere, Honeywell, Magna, Allison, Emerson, Eaton, Mahindra, TAFE, Gabriel, Brakes India and many others.

The auto industry is highly cyclical in nature. It is necessary that we mitigate the risks & diversify across a wider spectrum to enable us to maintain a sustained momentum & profitability in our business.

Since 2010, your company has consciously embarked on diversifying from Engine Bearings Crank Shaft Parts. Due to its innate engineering competence, your company has been consistently successful in developing new parts supply to segments such as Brakes, Steering, Suspension, Axles, Transmissions, Drive trains oil & gas industry etc.

Furthermore, your company's business exposure is diversified & hedged across geographies. MBL is globally positioned, with exports of about 30% of its production to a wide range of markets.... from USA to China, France to Japan, Brazil, Mexico, Africa, Dubai, Netherlands etc. Our office at Indianapolis, USA has been catering to international OEMs & the market in the USA for more than two decades.

Apart from the cyclical nature of the auto engineering industry, the ever evolving emission norms are a major challenge to our industry. MBL has consistently succeeded in upgrading its technology & product portfolio to conform to emission norms by prevoyantly taking the right steps in time. As a part of this mission, MBL has been successful in developing Lead Free Aluminium Alloy Parts to cater to future emission norms.

Your company's Aluminium Parts division Alkop continues to perform towards consolidating its position as a Technology Player in its segment. Though the business potential for Aluminium parts is large, the market is scattered & distributed across various levels of technology & price points. In this market Alkop aims to be a niche manufacturer. To augment its technology advantage as a total solutions provider in designing developing & manufacturing high value added technology products, Alkop has invested in a heavy duty tool room for making ultra-precision tools, dies & fixtures in house. Alkop enjoys a major share of the parts it supplies to domestic and export customers.

The period since November 2018 and especially the quarter January to March 2019 was a challenging period for the auto engineering industry as a whole. However, owing to a strong diversified customer base & optimal product mix, your company was able to minimize the impact of the slowdown. No single customer contributes more than 10% to 12% of the total sales.

As regards the impact of electric vehicles on your company, it is understood that Electric technology is still in the works. Charging infrastructure, technology, pricing of the products and a variety of other factors are still a challenge. The impact of electrification, to whatever extent, initially will be more pronounced in the Passenger Commute segments such as Cars, two wheelers & three wheelers. Your company's exposure directly to these segments is less than 1% of the total sales. MBL is a leader in parts supply to heavy duty diesel parts like Mining equipment ( heavy trucks, earth moving equipment ), Marine Engines, Tractors, LCV, HCV, Heavy duty generator sets, industrial segments etc.

Your company has continued its efforts in adding new Customers and at the same time is increasing the wallet share of its current businesses. The company will leave no stone unturned & make every endeavor to maintain sustained profitable growth.



MENON BEARINGS LIMITED

CIN - L29130PN1991PLC062352

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

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

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

# Notice

## Of 28<sup>th</sup> Annual General Meeting

Notice is hereby given that the 28<sup>th</sup> (Twenty Eighth) Annual General Meeting of the Menon Bearings Limited will be held on Thursday, 18<sup>th</sup> July, 2019 on 11.00 a.m. at:-

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

to transact the following businesses:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2019 along with Boards' Report and Auditors' Report thereon and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

2. To take note of payment of interim dividend paid for the financial year ended on 31<sup>st</sup> March, 2019 and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

**" RESOLVED THAT** the interim dividend of Rs. 1.50 per equity share on 5,60,40,000 equity shares of face value of Re. 1/- each declared on 24<sup>th</sup> October, 2018 and accordingly paid to the shareholders of the Company for the financial year 2018-19 be and is hereby noted."

3. To appoint a director in place of Mr. R. D. Dixit (DIN: 00626827), who retires by rotation and being eligible, offers himself for re-appointment as Director, and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. R. D. Dixit (DIN:00626827), Director of the Company, who retired by rotation and being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

#### **SPECIAL BUSINESS:**

#### **4. 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) thereof, for the time being in force), M/s. C. S. Adawadkar & Co, Cost Accountant, Pune, (FRN - 100401), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, be paid the remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus taxes as applicable and out of pocket expenses on actual basis.

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

By order of the Board of Directors

Place : Kolhapur  
Date : 23<sup>rd</sup> April, 2019

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.**

Further, a person can act as proxy on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Members / proxies are requested to bring their Attendance slip duly filled in along with the copy of Annual Report to the Meeting.
4. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (“AGM”) (including through e-voting).
5. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are open for inspection by the members at the Registered Office of the Company on all working days, except Mondays, during business hours up to the date of the Meeting.

6. Brief resume of Director proposed to be appointed / re-appointed at the ensuing AGM in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 Secretarial Standard on General Meetings is annexed to the Notice.
7. Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 12<sup>th</sup> July, 2019 to Thursday, 18<sup>th</sup> July, 2019 (both days inclusive) for the ensuing AGM.
8. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the business hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
9. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proofs. Members holding shares in the Demat form may update such details with their respective Depository Participants.
10. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 read with SEBI press release PR No.: 51/2018 dated 3<sup>rd</sup> December, 2018, effective from 1<sup>st</sup> April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However members can continue to hold shares in physical form.
11. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
12. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company at least ten days in advance of the meeting so that the information required may be made readily available at the meeting.
13. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available if the Company proposes to avail NECS Facility. The members who have not updated their bank account details and wish to avail such facility in future are requested to update their bank account details by submitting the NECS mandate form, available on Company's website viz. <https://www.menonbearings.in>.
14. Members who hold shares in dematerialized form are requested to bring their client ID and DP-ID for easier identification of attendance at the meeting.
15. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
16. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend declared for the financial years upon 2010-11, from , to the Investor Education and Protection Fund (IEPF) established by the Central Government.



17. 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 amount of dividend lying with the Company for the financial year 2011-12. The balance amount lying in Unpaid Dividend Account for the financial year 2011-12 is due for transfer to the IEPF during the month of September, 2019. Members, who have not encashed their dividend for the financial year 2011-12 or thereafter, are advised to write to the Company immediately claiming dividends declared by the Company.
18. Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.
19. In accordance with the aforesaid provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 1,43,100 shares in respect of which dividend declared for the financial year 2010-11 or earlier financial years remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the Investor Education and Protection fund via corporate action through National Securities Depository Limited.
20. A member desirous to claim back his shares from IEPF Authority can do so by following procedure as prescribed under the said rules. The said details are available on the Company's website viz. [www.menonbearings.in](http://www.menonbearings.in) and have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: <http://www.mca.gov.in/> and on the website of IEPF viz. <http://www.iepf.gov.in/>.
21. Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared from the financial year 2011-12 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.
22. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective 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 Registrar & Share Transfer Agents of the Company viz. Link Intime India Private Limited.
23. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
24. Members are requested to forward all communications to the RTA of the Company and are further requested to always quote their Folio Number / DPID-Client ID in all correspondences with the Company.
25. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company is required to update its database by incorporating members' designated e-mail ID in its records. Accordingly members are requested to submit their e-mail ID 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 this form by post. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

26. The Notice of the 28<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 addresses are registered with the company/Depository Participants unless a member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent through permitted mode. Members may also note that 28<sup>th</sup> Annual Report for the year 2018-19 is also available on the Company's website viz. [www.menonbearings.in](http://www.menonbearings.in).
27. Route Map of the venue of the proposed AGM of the Company is appearing at the end of this Annual Report.
28. Information and other instructions for 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, 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 28<sup>th</sup> Annual General Meeting of the Company dated 23<sup>rd</sup> April, 2019. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').

The Company has engaged services of Link Intime India Private Limited to provide the e-voting facility.

The facility for voting through polling papers shall also be made available at the venue of the 28<sup>th</sup> Annual General Meeting and the members attending the meeting, who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The remote e-voting shall commence on Monday, 15<sup>th</sup> July, 2019 (9.00 a.m.) and end on Wednesday, 17<sup>th</sup> July, 2019 (5.00 p.m.). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 12<sup>th</sup> July, 2019 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting thereafter. Once the vote on a resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 12<sup>th</sup> July, 2019.

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, i.e. Friday, 12<sup>th</sup> July, 2019 only shall be entitled to avail the facility of remote e-voting and voting at meeting through ballot papers and the person who are not member as on the cut-off date should treat this notice for information purpose only.

The Board of Directors of the Company has appointed CS Manish Baldeva (FCS 6180), Proprietor of M/s. M Baldeva Associates, Company Secretaries, Thane as Scrutinizer to scrutinize the voting through remote e-voting process and ballot papers in a fair and transparent manner.

Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Friday, 12<sup>th</sup> July, 2019 may obtain the User ID and password by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).

The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot papers and through

remote e-voting, will, not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person authorized by him who shall countersign the same and declare the result of the voting forthwith. 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 Pvt. Ltd. ('LIPL') <https://instavote.linkintime.co.in>. The results shall simultaneously be communicated to the stock exchanges.

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Thursday, 18<sup>th</sup> July, 2019.

**Procedure/ Instructions for e-voting are as under:**

- a. The voting period begins on Monday, 15<sup>th</sup> July, 2019 (9.00 a.m.) and ends on Wednesday, 17<sup>th</sup> July, 2019 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, 12<sup>th</sup> July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- c. Click on "Login" tab, available under 'Shareholders' section.
- d. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- e. 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
- f. 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). <ul style="list-style-type: none"> <li>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.</li> </ul>
<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. <ul style="list-style-type: none"> <li>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 (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <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".

Incase 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 eligible to vote, provided that the company opts for e-voting platform of LIPL.

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**

- g. 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.
- h. On the voting page, you will see "Resolution Description" and against the same the 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 under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- i. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- j. 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.
- k. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- l. 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 LIPL: <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.

**STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:****Item No: 4:**

The Board, on the recommendation of the Audit Committee, appointed M/s. C. S. Adawadkar & Co., Cost Accountants, Pune (FRN: 100401), as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020 at a remuneration of Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus taxes, as applicable and out of pocket expenses on actual basis.

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.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

The Board recommends the Ordinary Resolution as set out at item no. 4 of the Notice for approval of the shareholders.

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

**By order of the Board of Directors**

**Place : Kolhapur**  
**Date : 23<sup>rd</sup> April, 2019**

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

Information of director being proposed for re-appointment as per Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, 'General Meetings' is given below:

<b>Name of Director</b>	Mr. R. D. Dixit (DIN: 00626827)
<b>Date of Birth/Age</b>	25 <sup>th</sup> December, 1943 (76 years)
<b>Nationality</b>	Indian
<b>Date of appointment as director</b>	1 <sup>st</sup> April, 1992
<b>Designation</b>	Chairman & Managing Director
<b>Qualification</b>	Bachelor of Engineering (Mechanical)
<b>Experience / Expertise</b>	He is having vast experience of around 51 years in the field of Automobile Sector.
<b>Shareholding in the Company (Equity Shares of Re.1/- each)</b>	Nil
<b>Number of Meetings of Board attended during the year</b>	4 (Four)
<b>Terms &amp; Conditions of Appointment / Re- appointment &amp; Remuneration sought to be paid or last drawn</b>	In terms of Section 152 (6) of the Companies Act, 2013 Mr. R. D. Dixit shall be liable to retire by rotation.
<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.
<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 CSR Committee <b>Menon Pistons Ltd:-</b> Audit Committee, Nomination and Remuneration Committee, CSR Committee
<b>Relationship with existing Directors of the Company</b>	Not Related

# Board of Directors' Report

To,  
The Members

Your Directors feel great pleasure in presenting 28<sup>th</sup> Annual Report of your Company comprising the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

## FINANCIAL HIGHLIGHTS :

(Rs.in lakhs)

Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2019	For the Year ended 31 <sup>st</sup> March, 2018
1	Total Revenue (Net)	17,541.38	14,678.20
2	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	4,445.81	3,833.98
3	Less : Depreciation and Amortization Expenses	481.80	407.69
	Finance Cost	353.81	192.78
4	<b>Profit before Tax</b>	<b>3,610.20</b>	<b>3,233.51</b>
5	Less: Provision for Tax	1,080.52	1,126.16
6	<b>Profit after Tax</b>	<b>2,529.68</b>	<b>2,107.35</b>
	Other Comprehensive Income	5.47	28.68
7	<b>Balance of Profit as per last Balance Sheet</b>	<b>6,244.31</b>	<b>5,026.39</b>
8	<b>Balance Available for Appropriation</b>	<b>8,779.46</b>	<b>7,162.42</b>
9	Rate of paid Dividend	175%	125%
10	Dividend Paid	980.70	700.50
11	Tax on Dividend	199.65	142.61
12	Transfer to General Reserve	75.00	75.00
13	<b>Balance of Profit carried to Balance Sheet</b>	<b>7,524.11</b>	<b>6,244.31</b>

## IND-AS APPLICABILITY:

The Company has adopted the Indian Accounting Standard ('Ind AS') w.e.f. 1st April, 2017. These financial statements have been prepared in accordance with the recognition and measurement principles stated therein and as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

## REVIEW OF OPERATIONS:

The Company is engaged in the business of manufacturing of "Auto Components". During the year under review, the Company has registered a turnover of Rs. **17,541.38** Lakhs (previous year Rs. **14,678.20**) and Net Profit after Tax of Rs. **2,529.68** Lakhs (previous year Rs. **2,107.35** Lakhs)(before other comprehensive income).

## 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 interim dividend of Rs.1.50 per Equity Share (previous year 1<sup>st</sup> interim dividend of Re.0.75 and 2<sup>nd</sup> interim dividend of Re. 0.50 and final dividend

Re. 0.25 per Equity Share), being 150% of the paid –up Equity Share Capital of the Company for the Financial Year ended on 31<sup>st</sup> March, 2019.

### **SHARE CAPITAL OF THE COMPANY:**

During the financial 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 activities of the Company during the Financial Year under review.

### **RESERVES:**

During the financial year under review Rs. 75 lakhs (previous year Rs. 75 lakhs) were transferred to the General Reserve.

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

The Company does not have any subsidiary, associate or joint venture.

### **PUBLIC DEPOSITS:**

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

### **EXTRACT OF ANNUAL RETURN:**

As required under Section 92 of the Act and rules framed thereunder, the extract of annual return in Form MGT-9 is given in “**Annexure I**” which forms part of this report.

### **DIRECTORS AND KMP:**

#### **a) Retirement by rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Mr. R. D. Dixit (DIN:00626827), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

#### **b) Appointment**

Mr. Arun Aradhye (DIN: 03052587), CFO of the Company was appointed as Whole Time Director (designated as WTD & CFO) of the Company for a period of 5 (five) years w.e.f. 31<sup>st</sup> January, 2019. Further, Dr. Santosh Prabhu (DIN 00506595) was appointed as an Independent Director of the Company for a period of 5 years w.e.f. 24<sup>th</sup> October, 2018. The shareholders have approved these appointments by passing necessary resolutions through postal ballot process, result of which was declared on 20<sup>th</sup> March, 2019.

The Members pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations



and Disclosure Requirements) (Amendment) Regulations, 2018, approved the appointment of Mr. Gajendra Vasa, as an Independent Director of the Company, who was appointed as such for the period of 5 (five) years w.e.f. 30<sup>th</sup> December, 2017 and has attained the age of 75 years by way of passing special resolution through Postal Ballot process, result of which was declared on 20<sup>th</sup> March, 2019 and holds office upto 29<sup>th</sup> December 2022.

Brief resume of the director proposed to be re-appointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings is given in the Notice convening the 28<sup>th</sup> Annual General Meeting of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Suraj Patil has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 1<sup>st</sup> February, 2019.

### **c) Cessation**

Capt. Sudheer Naphade, (DIN: 02011352) Independent Director of the Company resigned from the directorship of the Company with effect from 14<sup>th</sup> April, 2018 due to old age and other personal reasons. The Board places on record its sincere appreciation for the valuable contribution made by him during his tenure as director of the Company.

Mr. Anup Padmai resigned as Company Secretary and Compliance Officer of the Company w.e.f. the close of business hours of 31<sup>st</sup> January, 2019. The Board places on record its sincere appreciation for the valuable contribution made by him during his tenure as Company Secretary of the Company.

### **d) Declaration from Independent Directors**

The Company has received declaration from its all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Regulation 25 of the said Regulations that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

### **e) Annual Performance and Board Evaluation**

The Board has devised a policy pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for performance evaluation of the Chairman, Board and individual directors (including Independent Directors) and Committees which includes criteria for performance evaluation of Non-executive Directors and Executive Directors.

The Board has devised questionnaire to evaluate the performances of Board, Board Committees and individual Directors and Chairperson. The Chairman of respective Board Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board. The reports on performance evaluation of the individual directors were reviewed by the Chairman of the Board. 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 the 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.

**f) Key managerial Personnel (KMP)**

The details of Key Managerial Personnel of the Company are as follows:

Sr. No.	Name of the Director	Designation
1	Mr. R. D. Dixit	Chairman & Managing Director
2	Mr. Nitin Menon	Vice Chairman & Joint Managing Director
3	Mr. Arun Aradhye	Whole Time Director & CFO (Whole Time Director w.e.f. 31 <sup>st</sup> January, 2019)
4	Mr. Anup Padmai	Company Secretary and Compliance Officer (upto 31 <sup>st</sup> January, 2019)
5	Mr. Suraj Patil	Company Secretary and Compliance Officer (w.e.f. 1 <sup>st</sup> February, 2019)

Apart from the above, no other Director or KMP were appointed or retired or resigned during FY 2018-19.

**MEETINGS OF THE BOARD:**

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

The notice of meeting of the Board of Directors and Committees is given well in advance to all the Directors of the Company. Usually, meetings of the Board are held in Kolhapur, Maharashtra. The agenda of the Board / Committee meetings is circulated at least 7 days prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to make 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. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Your directors to the best of their knowledge and belief and according to the information and explanations obtained by them and as required Section 134 (5) of the Companies Act, 2013, 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, 2019 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:

In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, the Company has constituted four committees of the Board, namely:

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

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

### AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31<sup>st</sup> March, 2019, the Audit Committee comprised of Mr. M. L. Shinde, Mr. Gajendra Vasa, Mrs. Kailash A Nevagi and Mr. R. D. Dixit. Mr. M. L. Shinde is the Chairman of Audit Committee and the Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

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

### WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company has a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of Directors and employees who avails the same in the exceptional cases. The details of the Vigil Mechanism/Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at

<https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/5d008ce9be4f020001580c21/1560317231963/Whistle+Blower+Policy.pdf>

We affirm that during the financial year 2018-19, no employee or director was denied access to the Chairman of the Audit Committee.

**PARTICULARS OF REMUNERATION:**

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as **Annexure II** and forms a part of this report.

The statement containing particulars of employees as required under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is provided in this Report as **Annexure III** and forms a part of this report.

**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 Nomination and Remuneration Committee, the Board of Directors have adopted policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy has been placed on the website of the Company and is available on <https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c9c4a3360c3a90bf041e/1459145236512/Policy+on+criteria+for+appointment+%26+remuneration+of+directors%2C+KMPs+%26+Senior+Management+personnel.pdf>.

**STATUTORY AUDITORS :**

As per provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in their 26<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> June, 2017 appointed M/s. ARNA & Associates (FRN: 122293W), Chartered Accountants, Kolhapur, as the Statutory Auditors of the Company for a term of consecutive 5 years i.e. from the conclusion of 26<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held for the financial year ending 31<sup>st</sup> March, 2022, subject to ratification by the members every year. However, after the amendment in Section 139 of the Act, effective 7<sup>th</sup> May, 2018, ratification by members every year for the appointment of the Statutory Auditors is no longer required.

M/s. ARNA & Associates, Chartered Accountants have furnished a certificate of their eligibility under Section 141 of the Act and the Companies (Audit and Auditors) Rules 2014, confirming that they are eligible for continuance as Statutory Auditors of the Company.

The Statutory Auditors' Report for FY 2018-19 on the financial statements of the Company forms part of this Annual Report.

The Statutory Auditors' report on the financial statements for FY 2018-19 does not contain any qualifications, reservations or adverse remarks or disclaimer.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Act.

**COST AUDITORS:**

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. 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 2019-20, at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus taxes, as applicable and out of pocket expenses on actual basis. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2019-20 is provided in the Notice of the ensuing Annual General Meeting.

**COST RECORDS:**

The Cost accounts and records as required to be maintained under Section 148 (1) of Act are duly made and maintained by the Company.



**SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M Baldeva Associates, Company Secretaries, Thane to undertake Secretarial Audit of the Company for the year 2018-19. The Secretarial Audit Report is annexed to this report as **Annexure IV** and forms part of this report.

With respect to observations made by the Secretarial Auditors in their report, we would like to state that:

- (a) delay in filing of some e-forms with Registrar of Companies (ROC) was inadvertent; and
- (b) delay in processing of one dematerialisation request was due to tremendous volume of transfer and demat requests at RTA which was processed on 31<sup>st</sup> day.

**INTERNAL AUDITOR:**

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

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

**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's 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 monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

**REPORT ON CORPORATE GOVERNANCE:**

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following have been made a part of the Annual Report and are enclosed / annexed to this report:

- Management Discussion and Analysis
- Report on Corporate Governance
- Declaration on compliance with Code of Conduct
- Certificate from Practicing Company Secretary that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies
- Auditors' certificate regarding compliance of conditions of Corporate Governance.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:**

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

The details as required under Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 are annexed to this report as **Annexure V** and forms part of this report.

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

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and are reported in the Notes to Accounts on the Financial Statements.

The details of material related party transactions as referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 under Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure VI** and forms part of this 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/5d008e42360cb400017e598d/1560317680147/Related+Party+Transaction+Policy.pdf>

**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:**

There have been no material changes or commitments affecting the financial position of the Company occurred between end of the financial year to which the financial statements relate and the date of this report.

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

The details of loans or guarantees given or investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are given under Notes to Accounts on the Financial Statements forming part of this Annual Report.

**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 significant or material 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.

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the provisions of Section 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India which remained unpaid/unclaimed for seven years or more. Further, according to the said Rules, the shares on which dividend remained unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred 143100 shares to the IEPF Authority on which dividends remained unpaid/unclaimed for seven consecutive years.

In terms of the provisions of Section 125 of the Companies Act, 2013 and read with Investor Education and Protection Fund (Accounting, Audit, Transfer & Refund) Rules, 2016, during the year an amount of Rs. 9,19,578/- being unpaid and unclaimed dividend for the F.Y. 2010-11 was transferred to the IEPF.

Further the unpaid and unclaimed dividend amount lying with the Company for F.Y. 2011 - 12 is due to transfer to the IEPF in the month of September 2019. The details of the same are available on the Company's website viz. [www.menonbearings.com/Investor relations/IEPF](http://www.menonbearings.com/Investor%20relations/IEPF).

The Board has appointed Mr. Arun Aradhya, Whole-Time Director & CFO of the Company as the Nodal Officer effective from 21<sup>st</sup> October, 2016 to ensure compliance with the IEPF Rules.

#### **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. No complaint was pending at the beginning or end of the year under review.

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

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 details regarding Conservation of Energy, Technology absorption, Foreign exchange earnings and outgo is given in **Annexure VII** and forms part of this report.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and your directors confirm compliance of the same during the year under review.

#### **ACKNOWLEDGEMENTS:**

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

For and on behalf of the Board of Directors

Place : Kolhapur  
Date : 23<sup>rd</sup> April, 2019

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

# Annexures to Boards' Report

## Annexure I

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31<sup>st</sup> March, 2019)

[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	Company Limited by Share/ Indian Non-Government Company
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 – <a href="mailto:admin@menonbearings.in">admin@menonbearings.in</a> Website – <a href="http://www.menonbearings.in">www.menonbearings.in</a>
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	97.46%

#### 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	2,60,07,480	-	2,60,07,480	46.41	2,61,18,080	-	2,61,18,080	46.61	0.20
b. Central Govt / State Govt.	-	-	-	-	-	-	-	-	-
c. Bank/ FI	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	1,36,12,800	-	1,36,12,800	24.29	1,36,19,800	-	1,36,19,800	24.30	0.01
Sub-total(A) (1):-	3,96,20,280	-	3,96,20,280	70.70	3,97,37,880	-	3,97,37,880	70.91	0.21
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)	3,96,20,280	-	3,96,20,280	70.70	3,97,37,880	-	3,97,37,880	70.91	0.21
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	6,60,600	-	6,60,600	1.18	6,60,600	-	6,60,600	1.18	0
b. Venture Capital FundsI	-	-	-	-	-	-	-	-	-
c. Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e. Foreign Portfolio Investors	-	-	-	-	2,24,100	-	2,24,100	0.40	0.40
f. Banks/ FI's	23,887	-	23,887	0.04	12,976	-	12,976	0.02	-0.02

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>6,84,487</b>	<b>-</b>	<b>6,84,487</b>	<b>1.22</b>	<b>8,97,676</b>	<b>-</b>	<b>8,97,676</b>	<b>1.60</b>	<b>0.38</b>
<b>2. Cen. Government/ State Government(s) President of India</b>	6,20,510	-	6,20,510	1.11	-	-	-	-	-1.11
<b>Sub-total (B) (2)</b>	<b>6,20,510</b>	<b>-</b>	<b>6,20,510</b>	<b>1.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.11</b>
<b>3. Non-Institutions</b>									
<b>a. Individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 Lakh	88,05,579	39,90,998	1,27,96,577	22.84	85,66,833	35,51,374	1,21,18,207	21.62	1.21
ii. Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	6,78,438	1,15,200	7,93,638	1.42	6,84,568	-	6,84,568	1.22	-0.19
b.NBFC registered with RBI	-	-	-	-	-	-	-	-	-
c. Employee Trust	-	-	-	-	-	-	-	-	-
d. Overseas Depositories (Holding DRs) (Balancing Figures)	-	-	-	-	-	-	-	-	-
e. Any Others									
(i) HUF	4,08,987	-	4,08,987	0.73	4,38,312	-	4,38,312	0.78	0.05
(ii) NRI (Rep)	1,48,325	-	1,48,325	0.26	1,56,123	-	1,56,123	0.28	0.02
(iii) NRI (Non-Rep)	1,83,973	-	1,83,973	0.33	1,55,101	-	1,55,101	0.28	- 0.05
(iii) Clearing Members	1,34,707	-	1,34,707	0.24	5,62,171	-	5,62,171	1.00	0.76
(iv) Bodies Corporate	6,48,516	-	6,48,516	1.16	5,26,352	-	5,26,352	0.94	- 0.22
(v) Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	-	-	-	-	7,63,610	-	7,63,610	1.36	1.36
<b>Sub-total B (3)</b>	<b>1,10,08,525</b>	<b>41,06,198</b>	<b>1,51,14,723</b>	<b>26.97</b>	<b>1,18,53,070</b>	<b>35,51,374</b>	<b>1,54,04,444</b>	<b>27.49</b>	<b>0.52</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)	1,23,13,522	41,06,198	1,64,19,720	29.30	1,27,50,746	35,51,374	1,63,02,120	29.09	-0.21
C. Non Promoter-Non Public Shareholding	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,19,33,802	41,06,198	5,60,40,000	100.00	5,24,88,626	35,51,374	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	1,36,19,800	24.30	8.57	0.01
3	Mrs .Sucheta Nitin Menon	28,01,964	5.00	-	28,01,964	5.00	-	-
4	Mr. Aditya Nitin Menon	30,94,368	5.52	-	31,49,668	5.62	-	0.10
5	Mr. Anshul Nitin Menon	30,94,368	5.52	-	31,49,668	5.62	-	0.10
	<b>Total</b>	3,96,20,280	70.70	8.30	3,97,37,880	70.91	-	0.21

## 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
1.	Mr. Nitin R Menon				
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

Sr. No	Promoters' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>2.</b>	<b>M/s. Menon United Pvt. Ltd.</b>					
A	At the beginning of year		<b>1,36,12,800</b>	<b>24.29</b>	-	-
B	Changes during the year					
	<b>Date</b>	<b>Reason</b>				
	20.06.2018	Purchase	5000	0.009	1,36,17,800	24.30
	22.06.2018	Purchase	2000	0.004	1,36,19,800	24.30
C	At the end of year		-	-	<b>1,36,19,800</b>	<b>24.30</b>
<b>3.</b>	<b>Mrs. Sucheta Nitin Menon</b>					
A	At the beginning of year		<b>28,01,964</b>	<b>4.99</b>	-	-
B	Changes during the year		No change during the year			
C	At the end of year		-	-	<b>28,01,964</b>	<b>4.99</b>
<b>4.</b>	<b>Mr. Aditya Nitin Menon</b>					
A	At the beginning of year		<b>30,94,368</b>	<b>5.52</b>	-	-
B	Changes during the year					
	<b>Date</b>	<b>Reason</b>				
	30.06.2018	Purchase	2,500	0.004	30,96,868	5.53
	13.07.2018	Purchase	22,800	0.041	31,19,668	5.56
	17.08.2018	Purchase	28,000	0.050	31,47,668	5.62
	08.03.2019	Purchase	2,000	0.004	31,49,668	5.62
C	At the end of year		-	-	<b>31,49,668</b>	<b>5.62</b>
<b>5.</b>	<b>Mr. Anshul Nitin Menon</b>					
A	At the beginning of year		<b>30,94,368</b>	<b>5.52</b>	-	-
B	Changes during the year					
	<b>Date</b>	<b>Reason</b>				
	30.06.2018	Purchase	2,500	0.004	30,96,868	5.53
	13.07.2018	Purchase	22,800	0.041	31,19,668	5.56
	17.08.2018	Purchase	28,000	0.050	31,47,668	5.62
	08.03.2019	Purchase	2,000	0.004	31,49,668	5.62
C	At the end of year		-	-	<b>31,49,668</b>	<b>5.62</b>

**v) 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 - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		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	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS						
	At the beginning of year	6,20,510	1.11	-	-	-	-
	Changes during the year						
	Transfer	-	-	09 Nov. 2018	143100	-	-
	At the end of year	-	-	-	-	763610	1.36
2	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE CAPITAL BUILDER FUND 4 SR C						
	At the beginning of year	660600	1.18	-	-	-	-
	Changes during the year			NO CHANGE			
	At the end of the year	-	-	-	-	660600	1.18
3	MOTILAL OSWAL FINANCIAL SERVICES LTD-CLIENT ACCOUNT						
	At the beginning of year	50	0.00	-	-	-	-
	Changes during the year						
	Market Sell	-	-	04 May 2018	-50	0	0
	Market Buy	-	-	09 Nov 2018	527284	527284	0.94
	Market Sell	-	-	16 Nov 2018	-7698	519586	0.93
	Market Sell	-	-	23 Nov 2018	-1526	518060	0.92
	Market Buy	-	-	30 Nov 2018	4574	522634	0.93
	Market Sell	-	-	07 Dec 2018	-5826	516808	0.92
	Market Sell	-	-	14 Dec 2018	-2406	514402	0.92
	Market Buy	-	-	21 Dec 2018	177	514579	0.92
	Market Sell	-	-	28 Dec 2018	-2767	511812	0.91
	Market Sell	-	-	31 Dec 2018	-1332	510480	0.91
	Market Buy	-	-	04 Jan 2019	1822	512302	0.91
	Market Sell	-	-	11 Jan 2019	-660	511642	0.91
	Market Sell	-	-	18 Jan 2019	-3028	508614	0.91
	Market Buy	-	-	25 Jan 2019	114	508728	0.91
	Market Buy	-	-	01 Feb 2019	17636	526364	0.94
	Market Sell	-	-	08 Feb 2019	-16738	509626	0.91
	Market Sell	-	-	15 Feb 2019	-4700	504926	0.90



Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Sharesheld	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
	Market Buy	-	-	22 Feb 2019	1655	506581	0.90
	Market Buy	-	-	01 Mar 2019	16542	523123	0.93
	Market Sell	-	-	08 Mar 2019	-35887	487236	0.87
	Market Sell	-	-	15 Mar 2019	-490	486746	0.87
	Market Buy	-	-	22 Mar 2019	998	487744	0.87
	Market Buy	-	-	29 Mar 2019	18500	506244	0.90
	Market Sell	-	-	30 Mar 2019	-60	506184	0.90
	At the end of the year	-	-	-	-	<b>506184</b>	<b>0.90</b>
<b>4</b>	<b>SEEMA DILIP VORA</b>						
	At the beginning of year	<b>300000</b>	<b>0.54</b>	-	-	-	-
	Changes during the year						
	Market Sell	-	-	29 Sep 2018	-300000	0	0
	Market Buy	-	-	14 Dec 2018	199885	199885	0.36
	Market Sell	-	-	04 Jan 2019	-199000	885	0.00
	Market Buy	-	-	29 Mar 2019	299115	300000	0.54
	Market Buy	-	-	30 Mar 2019	28801	328801	0.59
	At the end of the year	-	-	-	-	<b>328801</b>	<b>0.59</b>
<b>5</b>	<b>GYMKHANA PARTNERS L.P.</b>						
	At the beginning of year	0	0	-	-	-	-
	Changes during the year						
	Market Buy	-	-	08 Jun 2018	20700	20700	0.04
	Market Buy	-	-	22 Jun 2018	20000	40700	0.07
	Market Buy	-	-	06 Jul 2018	9368	50068	0.09
	Market Buy	-	-	24 Aug 2018	22932	73000	0.13
	Market Buy	-	-	05 Oct 2018	33513	106513	0.19
	Market Buy	-	-	19 Oct 2018	14475	120988	0.22
	Market Buy	-	-	02 Nov 2018	24212	145200	0.26
	Market Buy	-	-	15 Feb 2019	18048	163248	0.29
	Market Buy	-	-	01 Mar 2019	20813	184061	0.33
	Market Buy	-	-	08 Mar 2019	8816	192877	0.34
	Market Buy	-	-	29 Mar 2019	31223	224100	0.40
	At the end of the year	-	-	-	-	<b>224100</b>	<b>0.40</b>
<b>6</b>	<b>D SRIMATHI</b>						
	At the beginning of year	<b>114954</b>	<b>0.21</b>	-	-	-	-
	Changes during the year						
	Market Buy	-	-	14 Sep 2018	6000	120954	0.22
	Market Buy	-	-	21 Sep 2018	1040	121994	0.22
	Market Buy	-	-	29 Sep 2018	7000	128994	0.23
	At the end of the year	-	-	-	-	128994	0.23
<b>7</b>	<b>SUKUMAR JAMBURAO BINDAGE</b>						
	At the beginning of year	<b>95700</b>	<b>0.17</b>	-	-	-	-
	Changes during the year						

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shareheld	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
	Market Buy	-	-	06 Apr 2018	660	96360	0.17
	Market Buy	-	-	13 Apr 2018	270	96630	0.17
	Market Buy	-	-	20 Apr 2018	310	96940	0.17
	Market Buy	-	-	27 Apr 2018	220	97160	0.17
	Market Buy	-	-	04 May 2018	290	97450	0.17
	Market Buy	-	-	11 May 2018	50	97500	0.17
	Market Buy	-	-	18 May 2018	400	97900	0.17
	Market Buy	-	-	25 May 2018	180	98080	0.18
	Market Buy	-	-	01 Jun 2018	90	98170	0.18
	Market Buy	-	-	08 Jun 2018	250	98420	0.18
	Market Buy	-	-	15 Jun 2018	120	98540	0.18
	Market Buy	-	-	22 Jun 2018	230	98770	0.18
	Market Buy	-	-	30 Jun 2018	320	99090	0.18
	Market Buy	-	-	06 Jul 2018	690	99780	0.18
	Market Buy	-	-	13 Jul 2018	219	99999	0.18
	Market Buy	-	-	20 Jul 2018	180	100179	0.18
	Market Buy	-	-	27 Jul 2018	565	100744	0.18
	Market Buy	-	-	03 Aug 2018	550	101294	0.18
	Market Buy	-	-	10 Aug 2018	452	101746	0.18
	Market Buy	-	-	17 Aug 2018	190	101936	0.18
	Market Buy	-	-	24 Aug 2018	535	102471	0.18
	Market Buy	-	-	31 Aug 2018	1050	103521	0.18
	Market Buy	-	-	07 Sep 2018	500	104021	0.19
	Market Buy	-	-	14 Sep 2018	600	104621	0.19
	Market Buy	-	-	21 Sep 2018	690	105311	0.19
	Market Buy	-	-	29 Sep 2018	1250	106561	0.19
	Market Buy	-	-	05 Oct 2018	610	107171	0.19
	Market Buy	-	-	12 Oct 2018	749	107920	0.19
	Market Buy	-	-	19 Oct 2018	900	108820	0.19
	Market Buy	-	-	26 Oct 2018	1980	110800	0.20
	Market Buy	-	-	02 Nov 2018	3199	113999	0.20
	Market Buy	-	-	16 Nov 2018	501	114500	0.20
	Market Buy	-	-	23 Nov 2018	100	114600	0.20
	Market Buy	-	-	30 Nov 2018	554	115154	0.21
	Market Buy	-	-	07 Dec 2018	100	115254	0.21
	Market Buy	-	-	14 Dec 2018	390	115644	0.21
	Market Buy	-	-	21 Dec 2018	140	115784	0.21
	Market Buy	-	-	28 Dec 2018	256	116040	0.21
	Market Buy	-	-	04 Jan 2019	160	116200	0.21
	Market Buy	-	-	18 Jan 2019	90	116290	0.21
	Market Buy	-	-	25 Jan 2019	610	116900	0.21
	Market Buy	-	-	01 Feb 2019	560	117460	0.21
	Market Buy	-	-	08 Feb 2019	160	117620	0.21

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		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
	Market Buy	-	-	15 Feb 2019	190	117810	0.21
	Market Buy	-	-	22 Feb 2019	190	118000	0.21
	Market Buy	-	-	01 Mar 2019	220	118220	0.21
	Market Buy	-	-	08 Mar 2019	100	118320	0.21
	Market Buy	-	-	15 Mar 2019	180	118500	0.21
	Market Buy	-	-	22 Mar 2019	1647	120147	0.22
	Market Buy	-	-	29 Mar 2019	3826	123973	0.22
	At the end of the year	-	-	-	-	<b>123973</b>	<b>0.22</b>
<b>8</b>	<b>JAYASHREE VITHOBA SHETTI</b>						
	At the beginning of year	<b>106960</b>	<b>0.19</b>	-	-	-	-
	Changes during the year	No Change					
	At the end of the year	-	-	-	-	<b>106960</b>	<b>0.19</b>
<b>9</b>	<b>DESAI PALLAVKUMAR SAUBHAGYACHANDRA</b>						
	At the end of the year	<b>91800</b>	<b>0.16</b>	-	-	-	-
	Changes during the year						
	Market Buy	-	-	25 May 2018	5000	96800	0.17
	Market Buy	-	-	29 Sept 2018	6000	102800	0.18
	At the end of the year	-	-	-	-	<b>102800</b>	<b>0.18</b>
<b>10</b>	<b>MAHENDRA CHANDULAL DHARU</b>						
	At the beginning of year	<b>85688</b>	<b>0.1529</b>	-	-	-	-
	Changes during the year						
	Market Buy	-	-	27 Jul 2018	3226	88914	0.16
	Market Sell	-	-	03 Aug 2018	-3226	85688	0.15
	Market Buy	-	-	14 Sep 2018	200	85888	0.15
	Market Buy	-	-	21 Sep 2018	1777	87665	0.16
	Market Sell	-	-	29 Sep 2018	-1977	85688	0.15
	Market Buy	-	-	12 Oct 2018	265	85953	0.15
	Market Sell	-	-	19 Oct 2018	-30265	55688	0.10
	Market Buy	-	-	02 Nov 2018	30000	85688	0.15
	Market Buy	-	-	29 Mar 2019	14000	99688	0.18
	At the end of the year	-	-	-	-	<b>99688</b>	<b>0.18</b>

**VI) 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
<b>1.</b>	<b>Mr. R. D. Dixit</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>2.</b>	<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
<b>3.</b>	<b>Mr. Arun R. Aradhye*</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>4.</b>	<b>Mr. M. 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>5.</b>	<b>Mrs. Kailash Nevagi</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>6.</b>	<b>Mrs. Gajendra Vasa</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>7.</b>	<b>Dr. Santosh Prabhu**</b>				
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. Anup Padmai***</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-
<b>9.</b>	<b>Mr. Suraj S. Patil****</b>				
A	At the beginning of year	-	-	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	-	-

\* Appointed as a Whole Time Director w.e.f. 31.01.2019.

\*\* Appointed as a Director w.e.f. 24.10.2018.

\*\*\* Resigned as a Company Secretary & Compliance Officer w.e.f. 31.01.2019

\*\*\*\* Appointed as a Company Secretary & Compliance Officer w.e.f. 01.02.2019

## VII. 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 01.04.2018				
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>
Change in Indebtedness during the financial year				
+ Addition	3632.16	4.63	-	3636.79
-Reduction	(1554.91)	(38.30)	-	(1593.21)
<b>Net change</b>	<b>2,077.25</b>	<b>(33.67)</b>	<b>-</b>	<b>2,043.58</b>



Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year 31-03-2019				
1) Principal Amount	4,467.76	103.24	-	4,571.00
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>4,467.76</b>	<b>103.24</b>	<b>-</b>	<b>4,571.00</b>

## VIII. 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	Whole Time Director	
		Mr. R.D. Dixit	Mr. Nitin Menon	Mr. Arun Aradhya	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	75.69	100.79	6.58	183.06
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of Profit - Other, Specify	-	-	-	-
5.	Other, Please specify	-	-	-	-
	<b>Total (A)</b>	75.69	100.79	6.58	183.06
	Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013			

**B. Remuneration of other Directors:**

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount (in Lakhs)
		Mr. Gajendra Vasa	Mrs. Kailash Nevagi	Mr. M. L. Shinde	Dr. Santosh Prabhu	
1	<b>Independent Directors</b>					
	-Fee for attending Board/ Committee Meetings	0.04	0.02	0.04	0.02	0.12
	- Commission	-	-	-	-	-
	-Others	-	-	-	-	-
	<b>Total (1)</b>	<b>0.04</b>	<b>0.02</b>	<b>0.04</b>	<b>0.02</b>	<b>0.12</b>
	<b>Total = (A+B)</b>					<b>183.18</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 Aradhye, Chief Financial Officer (upto 30/01/2019)	Mr. Anup Padmai Company Secretary (upto 31/01/2019)	Mr. Suraj Patil, Company Secretary (w.e.f. 01/02/2019)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	32.89	3.16	2.13	38.18
	(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>32.89</b>	<b>3.16</b>	<b>2.13</b>	<b>38.18</b>

**IX. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: - Nil**

For and on behalf of the Board of Directors

Place : Kolhapur  
Date : 23<sup>rd</sup> April, 2019

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

(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	20.52
2	Mr. Nitin Menon	27.32
3	Mr. Arun Aradhye (appointed w.e.f. 31.01.2019)	10.21
Median Remuneration of the employees of the company for the financial year is Rs. 3.69 Lakhs.		
(ii)	The percentage increase in remuneration of each Director, CFO , CEO, Company Secretary or Manager, if any, in the financial year :-	
<b>Sr. No</b>	<b>Name of the Director</b>	<b>% Increase over last F.Y.</b>
1	Mr. R.D. Dixit	14.39
2	Mr. Nitin Menon	8.32
3	Mr. Arun Aradhye (appointed as Whole Time Director w.e.f. 31.01.2019)	24.16
4	Mr. Anup Padmai -CS (resigned w.e.f. 31.01.2019)	NA
5	Mr. Suraj Patil- CS (appointed w.e.f. 01.02.2019)	Not comparable since appointed as Company Secretary & Compliance Officer w.e.f 01.02.2019
(iii)	The percentage increase in the median remuneration of employees in the financial year	2.59%
(iv)	The number of permanent employees on the rolls of the company	234
(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 3.48% while managerial remuneration is increased by 14.97%
We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.		
<div> <div>Place: Kolhapur Date: 23<sup>rd</sup> April, 2019</div> <div>R. D. Dixit Chairman &amp; Managing Director DIN : 00626827</div> <div>M L Shinde 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

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	100.79	Contractual	B.Com	01.10.1992	51	-	49.55*	-
2	Mr. R. D. Dixit	Chairman & MD	75.70	Contractual	B.E. Mech	01.10.1992	76	-	Nil	-
3	Mr. Arun Ramchandra Aradhye	Whole Time Director & CFO	37.65	Permanent	M.Com, GDC&A, LLB (Spl), CA (Inter)	31.01.2011	62	Ghatge Patil Transport, Kolhapur	Nil	-
4	Mr. Ranjeet Babasaheb Bhosale	Chief Operating Officer	25.52	Permanent	B.E. Mech	01.01.2006	52	Thyssen Group, Pune	Nil	-
5	Mr. Shantaram Bapu Dhond	Assistant General Manager, Foundry	10.79	Permanent	B.E.	06.10.2006	45	Mani Auto Component, Kolhapur	Nil	-
6	Mr. Ganpati Appaji Sankpal	Assistant General Manager, (Engineering Dept)	10.35	Permanent	ITI - Draughtsman Mech	01.06.1992	54	Menon Piston Ltd., Kolhapur	0.004	-
7	Mr. Prashant Dattatraya Hanamar	Sr. Manager	9.59	Permanent	B.E.	14.07.1994	52	Xlo Mechine Tools Ltd, Thane	Nil	-
8	Mr. Nilesh Maniklal Tiwari	AGM	9.27	Permanent	DME, DBM, B.TECH (MECH.)	24.08.2018	52	Maharashtra Shootars Ltd.	Nil	-

9	Mr. Satish Madhusudan Kusurkar	Manager	8.41	Permanent	B. TEC	01.10.2014	46	Siddhivinayak Aesthetic Pvt. Ltd.	Nil	-
10	Mr. Dharmendra Kumar Jha	Regional sales Manager - NZ	8.07	Permanent	D.A.E.	15.05.2014	59	Benara Udyog Ltd, Agra	Nil	-
II	None of employees of the Company was drawing remuneration of Rs.8,50,000/- p.m. or Rs. 1,02,00,000/- p.a.									
III	Name of employees who were employed throughout the Financial Year 2018-19 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>									
IV	None of employees are relative of any Director or Manager of the Company.									

\* The percentage of equity shares held includes that of the spouse and dependent children.

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

Place : Kolhapur  
Date : 23<sup>rd</sup> April, 2019

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



**ANNEXURE - IV**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**  
**[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**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Menon Bearings Limited** (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019('Audit Period' ) generally 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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 and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
  - (iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
  - (vi) 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;
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);** and
  - (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015.

- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

I have also examined compliance with the applicable clause/regulations of the following:

- (i) Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India.

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

- a. delay in filling of some e-forms with the Registrar of Companies; and
- b. delay in processing of one dematerialization request as specified under Regulation 74 (5) of the SEBI (Depositories and Participants) Regulations, 2018.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. 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 were 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I 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.

I further report that during the audit period:

1. The Company has obtained approval of shareholders through postal ballot process result of which declared on 20th March, 2019 for:
  - a) Confirming the appointment of Mr. Gajendra Vasa, Independent Director of the Company (DIN:00461425) as per Reg. 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2015 as amended vide SEBI (LODR Amendment) Regulations of 2018;
  - b) appointment of Dr. Santosh Prabhu, as an Independent Director (DIN:00506595) of the Company; and
  - c) appointment of Mr. Arun Aradhya (DIN: 03052587), CFO of the Company, as a Whole Time Director of the Company.

**For M Baldeva Associates**  
Company Secretaries

Place : Thane  
Date : 23<sup>rd</sup> April, 2019

**CS Manish Baldeva**  
Proprietor  
M. No. FCS 6180 C.P. No. 11062

This report is to be read with my letter of even date which is annexed as Annexure-I and forms an integral part of this report.

**'Annexure A'**

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

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

1. Maintenance of secretarial records is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever required, I 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. My 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 M Baldeva Associates**  
Company Secretaries

**Place :** Thane  
**Date :** 23<sup>rd</sup> April, 2019

**CS Manish Baldeva**  
**Proprietor**  
**M. No. FCS 6180 C.P. No. 11062**

## 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				Mr. Nitin Menon – Chairperson Mr. R. D. Dixit – Member Mr. M. L. Shinde – Member		
3	Average net profit of the company for last three financial years				RS. 2,762.93 Lakhs		
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)				Rs. 55.26 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.136.38 Lakhs  b) Rs.98.44 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 (Rs.)	Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period (Rs.)	Amount spent: Direct or through implementing agency
a	Contribution to wrestling Championship	Promoting rural sports & nationally recognised sports, (Restling Championship)	Kolhapur, Maharashtra, India	1,44,000	Direct Expenditure	1,44,000	Direct

b	Contribution to rural sports	Promoting rural sports & nationally recognised sports	Kolhapur, Maharashtra, India	41,000	Direct Expenditure	41,000	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	27,000	Direct Expenditure	27,000	Direct
d	Financial Assistance to Enhancing Vocational skills	Enhancing Vocational skills (Rent for premises near Pitli Ganpati)	Kolhapur, Maharashtra, India	2,54,419	Direct Expenditure	2,54,419	Direct
e	Financial Assistance to Enhancing Vocational skills	Enhancing Vocational skills	Kolhapur, Maharashtra, India	5,30,796	Direct Expenditure	5,30,796	Direct
f	Donation to Kerala Flood	Eradicating hunger, poverty and malnutrition	Kolhapur, Maharashtra, India	3,81,500	Direct Expenditure	3,81,500	Direct
g	Financial Assistance to paralympic sports	Promoting nationally recognised sports, paralympic sports and olympic sports	Kolhapur, Maharashtra, India	20,00,000	Direct Expenditure	20,00,000	Direct
h	State level Kolhapur Shahu Marathon organized by "Shri Binkhambi Ganesh Mitra Mandal"	Promotion of Health care including preventive health care	Kolhapur, Maharashtra, India	50,000	Direct Expenditure	50,000	Direct



i	Financial assistance provided to Education and safety of Children	Promotion of Education and safety of Children	Kolhapur, Maharashtra, India	2,64,906	Direct Expenditure	2,64,906	Direct
j	Financial assistance provided to ensuring environmental sustainability	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare	Kolhapur, Maharashtra, India	1,00,000	Direct Expenditure	1,00,000	Direct
	<b>TOTAL</b>			<b>37,93,621</b>		<b>37,93,621</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:	<p>As previously reported, the Company was 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 but the project is pending since GOSHIMA Officials are still in process of taking necessary permissions for construction of the said Auditorium.</p> <p>Further, the Company is in the process of identifying the other projects for which the unspent amount is to be spent.</p>					

The Implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and Policy as laid down in this report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above.

Place: Kolhapur  
Date: 23<sup>rd</sup> April, 2019

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

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

**ANNEXURE VI****FORM - AOC -2**

(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.**

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

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2018-19.

**2.Details of material contracts or arrangements or transactions at arm's length basis:**

**A) 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 : 23<sup>rd</sup> April, 2019

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****i. Steps Taken or impact on 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 for 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:-

- Regular Maintenance Program to optimize furnace performance and maintain yield.
- Reduction in scrap material to reduce furnace,s energy use .
- Motors that are inadvertently left on can be a big drain on energy, therefore we are using a timer to turn off pumps.

**ii. Steps taken by the Company for utilizing alternative sources of energy:**

The Company is exploring possibility to install roof tough solar panels to generate sufficient electricity for lighting, fans, water pumping.

**II. TECHNOLOGY ABSORPTION**

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

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

1) Efforts in brief made towards Technology Absorption, Adaptation and Innovation	<p>At Menon Alkop (Division of Menon Bearings Ltd.)</p> <ul style="list-style-type: none"> <li>· Imported two high pressure die casting machines of 900 tons and 1600 tons capacity to cater need of large surface and weight components.</li> <li>· Set up a brand new tool room.</li> </ul>
2) Benefits derived as a result of above effort e.g. product improvement, cost reduction, product development etc.	<ol style="list-style-type: none"> <li>1) Wide product range</li> <li>2) Reuse of turned material to reduce material cost</li> <li>3) Reduce the cost of electricity.</li> <li>4) All the dies and tools will be manufactured in house.</li> </ol>
3) In case of imported technology (imported during last 5 years recorded from beginning of the Financial Year)	<p>We have imported following machineries and the same are operating trouble free:-</p> <ul style="list-style-type: none"> <li>· During the year 2018-19 following machineries are imported : <ol style="list-style-type: none"> <li>1. Imported high pressure die casting machine of 900 tons capacity to cater need of large surface and weight components.</li> <li>2. Imported high pressure die casting machine of 1600 tons capacity to cater need of large surface and weight components.</li> </ol> </li> </ul>

**B. Research and Development (R&D):**

1	Specific areas in which R & D is being carried out by the company	The Company is developing new process in manufacturing to enhance the productivity and in turn increase in production quantity using existing setup. The Company is also developing different foolproof processes so that the operators can operate multi machines. The Company has taken different kaizen projects to reduce the consumption of raw materials, oil & lubricants etc. During the financial year Company has built a new plant to manufacture bushes and washers, where all the scattered activities will be at one place.
2	Benefits derived as a result of above	<ul style="list-style-type: none"> <li>• Reduce the scraps/ wastages.</li> <li>• Increase the production substantially.</li> <li>• Cost reduction.</li> <li>• Maintain the profitability.</li> </ul>
3	Future plan of action	<ul style="list-style-type: none"> <li>• To train the staff and operators to reduce the cycle time.</li> <li>• To connect the machines to reduce the down time and material handling.</li> <li>• To reduce the inventory by shortening lead time.</li> <li>• To have growth in export business.</li> </ul>
4	Expenditure on R & D	a) Capital WIP: Nil b) Recurring: 359.91 Lakhs c) Total: 359.91 Lakhs Total R & D expenditure as a percentage of total turnover : 2.08%

**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., Japan, 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>	987.06	144.72
Earned	<b>Direct Export</b>	4352.29	2,804.47
	<b>Deemed Export</b>	1781.62	1,802.04

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

Place : Kolhapur  
 Date : 23<sup>rd</sup> April, 2019

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

## Management Discussion and Analysis

### Economy Overview:-

India's growth accelerated to an estimated 7.3 per cent in financial year 2018-19, as economic activity continued to recover with strong domestic demand. While investment continued to strengthen amid the GST harmonisation and a rebound of credit growth, consumption remained the major contributor to growth. India's growth performance has been quite impressive. Year after year it has delivered strong numbers around its potential growth.

### Outlook:-

The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility etc. Despite softer growth, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil.

### Industrial Review:-

Technavio's indian auto component industry analysis has predicted that the market will grow steadily at a moderate CAGR of around 19% by 2020. Production capacity expansion outpacing domestic consumption will drive export-oriented growth in the coming years and will be one of the major factors that will have a positive impact on the component market growth in the coming years. Cost-efficient operations and acceptable quality have increased export volumes for the auto components to global OEMs (original equipment manufacturer). Moreover, recent regulations that facilitate 100% foreign direct investment in the automobile industry will attract more joint ventures and wholly owned subsidiaries. This will augment export growth to OEMs in global markets.

Factors such as the rising vendor consolidation, faster replacement market growth, increasing localization, export-oriented growth, and growing electronic content per vehicle have induced the Indian auto component segment to continue to grow much faster than the OEM segment. This, in turn, will invite more exports to OEMs from auto component manufacturers.

The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to US\$ 30 billion by 2021.

The Foreign Direct Investment (FDI) inflows into the Indian automotive\* industry during the period April 2000 – December 2018 were recorded at US\$ 20.85 billion, as per data by the Department of Industrial Policy and Promotion (DIPP).

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports

ranging between US\$ 80- US\$ 100 billion by 2026.

#### Achievements:

Following are the achievements of the government in the past four years:

- The FAME – India Scheme formulated by Department of Heavy Industry led to a continuous increase in registered OEMs and vehicle models. Also, the scheme enhanced the sales of electric vehicles and about 261,507 electric/hybrid vehicles were supported under the scheme up to December 6, 2018. In February 2019, the Government of India approved the FAME-II scheme with a fund requirement of Rs 10,000 crore (US\$ 1.39 billion) for FY20-22.
- Under National Automotive Testing and R&D Infrastructure Project (NATRiP) various facilities including passive safety labs comprising of crash core facility and crash instrumentations including dummies were established at ICAT-Manesar & ARAI-Pune
- To give a fresh thrust to e-mobility in public transport, Department of Heavy Industry announced the launch of public & shared mobility based on electric powertrain.

#### Futuristic Outlook:-

Growth indicators paint a picture of optimism for India—it might emerge as the world's fifth-largest economy by 2019, and become a USD 4.7 tn economy in 2023. Anticipation of a growing consumer class, enhanced ease of doing business, expanding infrastructure—such favourable factors could propel the country forward, and with it, India's automobile industry.

The Indian automotive OEM industry is already in a strong position. Globally, it is at the forefront of many segments—leading in two-wheelers, segment A cars, and tractors. The industry aspires to nearly triple vehicle sales by 2026, from 26 mn to 65 mn to 76 mn vehicles, across segments. These could be definitive tailwinds for the Indian automotive components industry, which has ambitions of its own by 2026—to double the contribution to manufacturing GDP with a four-fold growth in size and a six-fold growth in exports. While industry turnover has more than tripled (in Rupee terms) in the past decade, India's contribution to global turnover is approximately 3 percent. Clearly, there is substantial scope for growth in an industry being shaped by a variety of trends.

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

- Growing working population and expanding middle class are expected to remain key demand driver.
- Relative to competitors, India is geographically closer to key automotive markets like the middle East & Europe.
- 100 per cent FDI allowed under automatic route for auto component sector.
- A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America.

#### Concern & Threats:-

Spurious / Counterfeit products continue to attract price sensitive Replacement Market which accounts for 25-30% of total demand of bearing industry. These supplies, being of inferior quality, are unsafe in use and pose a risk to people, industry and to the economy by way of unexpected downtime and are safety hazards. In spite of industry wide efforts in educating customers and increasing awareness about the need to use safe sources of procurement, the problem continues owing to the slow legal process in punishing unscrupulous suppliers. There is an industry wide effort to control the same.

The auto component industry has been exposed to many risks of varying intensity. Important concerns and threats auto component industry is facing are:-

- Regulatory & Infrastructure Bottleneck



- Rising imports from China
- Increase in prices of input materials such as aluminium, Tin, Copper etc.
- Obsolete technologies which are not as competitive as compared to the technologies of global players which hinder the growth of Indian auto component industry.

Your Company is working continuously to mitigate these threats - leveraging its wide range of products and its Engineering capabilities and priming its sourcing and purchasing capabilities. The Company remains committed towards implementing and investing in sophisticated technology to offer enduring and efficient solutions.

### Future Challenge:-

Evolving and increasingly stringent regulations could prompt changing expectations from auto component manufacturers, who might need to rethink their component production to comply with regulatory and other guidelines, such as:

- Emissions:** Enforcement of BS-VI norms by 2020, push towards EV, discussions on methanol, CNG and potentially even fuel cells
- Safety:** Mandatory ABS on cars, buses and two-wheelers, cabin safety, and roll over protection systems
- Scrappage:** Policy mandating the scrappage of old trucks impacting lead use and reverse value chain

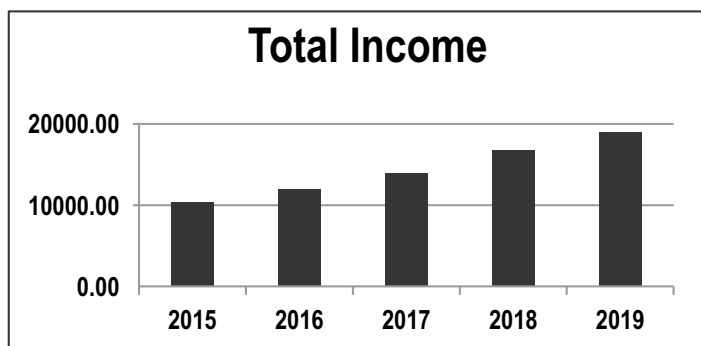
Some challenges need to be addressed by auto components industry along with the government, are as follows:-

- Dynamic global trade policies add to the flux. International trade is often governed by factors beyond the control of individual companies or even of industries. The rise of tariff and non-tariff protection (stringent testing, quality related barriers), the existence or lack of free trade agreements with certain countries, and other government-to-government concerns could impact the business performance of auto component industry.
- Constantly shifting market dynamics due to changing manufacturing locales, customer demands, operating models and priorities
- The changing needs of OEMs, who are likely to want different, more agile and rapid component inputs as demand, timelines and processes keep shifting
- Technological improvements and discontinuities that are already starting to change revenue pools, trigger new competition and invite new forms of cooperation

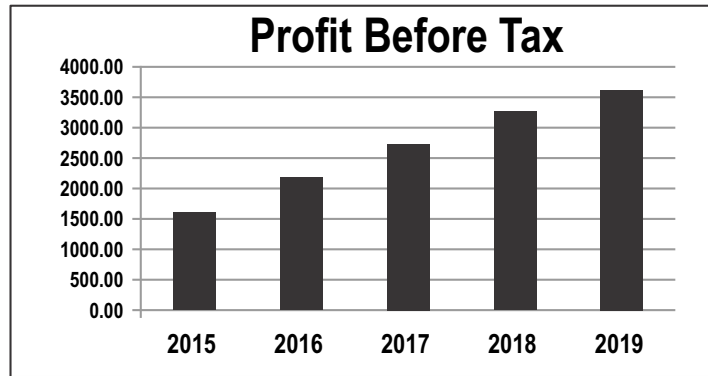
The global automotive industry is staring at headwinds arising out of disruptions on account of shift in power train technology, from traditional internal combustion engines to electric and enhanced connectivity of vehicles with myriad connected features. This disruption will change the way auto industry has been operating in the last 100 years or so, ushering in both, opportunities and challenges for OEs and component manufacturers.

### Financial Performance:

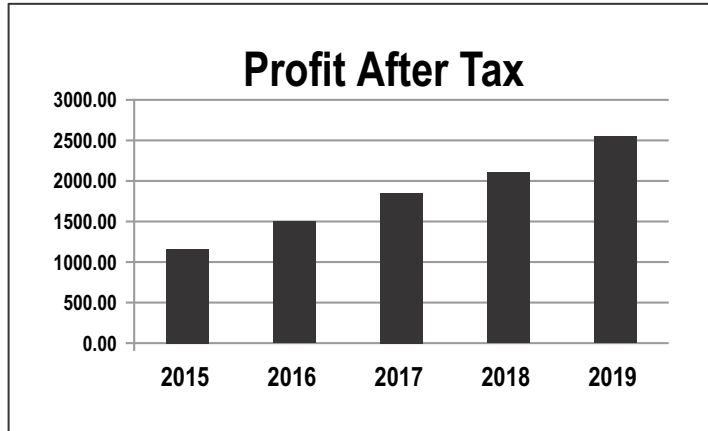
Year	Income (Rs. in Lakhs)
2015	10391.12
2016	11191.14
2017	12422.18
2018	14678.20
2019	17541.38



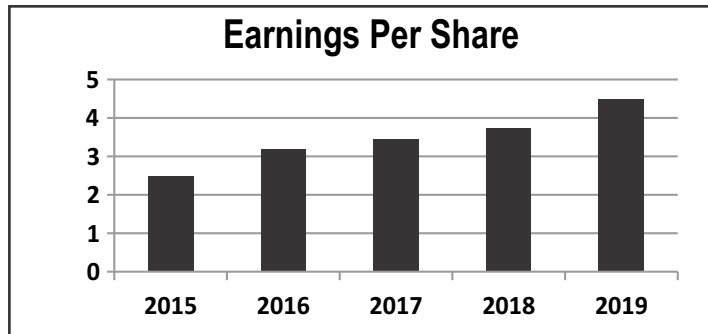
Year	PBT (Rs. in Lakhs)
2015	1662.69
2016	2332.88
2017	2753.91
2018	3233.51
2019	3610.20



Year	PAT (Rs. in Lakhs)
2015	1154.49
2016	1489.06
2017	1909.88
2018	2107.35
2019	2529.68



Year	EPS (in Rs.)
2015	2.47
2016	3.19
2017	3.41
2018	3.76
2019	4.51



#### Key Financial Ratios:

In accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2018 (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios:

(Rs. in Lakhs)

Ratios	2019	2018	Change
Debtors Turnover	4.62	4.48	0.14%
Inventory Turnover	10.58	9.98	0.60%
Interest Coverage Ratio	11.20	17.77	-6.57%
Current Ratio	2.30	1.88	0.42%
Debt Equity Ratio	0.50	0.33	0.17%
Operating Profit Margin (%)	22.60	23.34	-0.74%
Net Profit Margin (%)	20.58	22.03	-1.45%

#### Note:

Net profit margin and return on net worth are lower mainly on account of exceptional items in the previous year.

**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 shareholder's 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, 2019 the Company had 234 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 30% 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

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## 1. CORPORATE GOVERNANCE

### 1.1 Company's philosophy on Corporate Governance

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

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

This Report contains the details of implementation of the Corporate Governance by the Company which is in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).

### 1.2 Governance Structure

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

- (i) The Board of Directors - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It ensures 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, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility ('CSR')Committee are focused on financial reporting, audit and internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities and the risk management framework.
- (iii) Executive Management – The entire business including the support services are managed with specifically defined responsibilities and authorities at different levels.

## 2. BOARD OF DIRECTORS

### 2.1 Composition

The Company has a very balanced and diverse Board of Directors, which comprises of experienced, competent and highly renowned persons from the fields of manufacturing, finance, taxation, economics, law, governance, etc. The Board of Directors along with its Committees provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board represents an optimal mix of professionalism, knowledge and experience and 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. The Directors 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 Company.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on financial year ended 31st March, 2019, the total Board strength comprised of the following:

Executive Directors	3
Independent Directors	4
<b>Total</b>	<b>7</b>

The 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 Meetings, agenda and proceedings etc. of the Board of Directors:

#### Meetings:

The Board generally meets 4 times during the year. Additional meetings are held when necessary. The Directors are also given an option of attending the board meetings through video conferencing, whenever they request for the same. During the year under review, the Board of Directors met 4 (four) times on 3rd May, 2018, 19th July, 2018, 24th October, 2018 and 31st January, 2019. The previous Annual General Meeting ('AGM') of the Company was held on 21th July, 2018. 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, 2019 ( 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	Nil
2.	Mr. Nitin Menon	Vice Chairman & Joint Managing Director	4	Yes	-	-	-	Not Related	1,70,16,780
3.	Mr. Arun Aradhye*	Whole Time Director & CFO	NA	-	-	-	-	Not Related	Nil
4.	Mr. Gajendra Vasa	Independent Director	4	Yes	1	-	-	Not Related	Nil

Sr. No.	Name of Director	Category	Attendance at meetings		As on 31 <sup>st</sup> March, 2019 ( Excluding position in the Company )			Inter se relationship among Directors	No. of Shares held
			Board	AGM	No. of Directorships	Committee			
						Membership	Chairmanship		
5.	Mr. M. L. Shinde	Independent Director	4	Yes	-	-	-	Not Related	Nil
6.	Mrs. Kailash Nevagi**	Independent Director	2	NA	-	-	-	Not Related	Nil
7.	Dr. Santosh Prabhu***	Independent Director	1	NA	1	-	-	Not Related	Nil
8.	Capt. Sudheer Naphade****	Independent Director	NA	NA	-	-	-	Not Related	Nil

\* Appointed as Whole Time Director and CFO w.e.f. 31<sup>st</sup> January, 2019

\*\* Appointed as Independent Director w.e.f. 16<sup>th</sup> April, 2018

\*\*\* Appointed as Independent Director w.e.f. 24<sup>th</sup> October, 2018.

\*\*\*\* Resigned from the directorship of the Company w.e.f. 14<sup>th</sup> April, 2018.

**2.3 Details of directorships and Chairmen/Membership of Board Committees including The Company showing the position as on 31<sup>st</sup> March, 2019 are given in the following table:**

Sr. No.	Name of Director	Directorships and Chairmen/ Membership of Board /Committees in Indian Public Companies				
		Names of the Public Companies where Directors are on Board		No. of Directorship in Public Co. including the Company	Committee Membership** (in public company whether listed or not)	Committee Chairmanship ** (in public company whether listed or not)
		Name of Public Company	Category			
1.	Mr. R. D. Dixit	Menon Piston Ltd.	Independent Director	2	3	1
		Menon Bearings Ltd	Chairman & Managing Director			
2.	Mr. Nitin Menon	Menon Bearings Ltd	Vice Chairman & Jt. Managing Director	1	1	0
3.	Mr. Arun Aradhye	Menon Bearings Ltd	Whole-Time Director & CFO (KMP)	1	0	0
4.	Mr. Gajendra Vasa	Kolhapur Sugar Mills Limited	Director	2	1	1
		Menon Bearings Ltd	Independent Director			
5.	Mr. M. L. Shinde	Menon Bearings Ltd	Independent Director	1	1	1
6.	Mrs. Kailash Nevagi	Menon Bearings Ltd	Independent Director	1	1	0
7.	Dr. Santosh Prabhu	Discovery Mediscan Ltd.	Director	2	-	-
		Menon Bearings Ltd	Independent Director			



**Note:**

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 of all public companies / subsidiary of public companies has been 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.

**2.4 Profile of Directors:**

All the Directors are professionals with erudition and experience in their respective areas and fields and Corporate Management Practices. The brief profile of the directors as on 31<sup>st</sup> March, 2019 is given below:

1. **Mr. R. D. Dixit**, (DIN: 00626827) *aged 76 years*, is Chairman & Managing Director of the Company. He is associated with the Company since 1992. He is a Bachelor of Engineering (Mech.). His excellence has served Menon Group for more than 51 years
2. **Mr. Nitin Menon**, (DIN: 00692754) *aged 51 years*, is Promoter and Vice Chairman & Joint Managing Director of the Company. He is associated with the Company since 1995. He is an industrialist and has rich and varied experience in Automobile Sector. He is also engaged in the field of Agriculture and allied services thereof.
3. **Mr. Arun Aradhye**, (DIN: 03052587) *aged 62 years*, is Whole Time Director & CFO of the Company since 31<sup>st</sup> January, 2019. Before appointing him as Whole Time Director of the Company, he was serving Company as Vice President Finance & Corporate (CFO) and was responsible for finance, corporate administration, corporate image and relationships. He holds Master Degree in Commerce and Bachelor degree in Law. He has an extensive background and vast experience of around 40 years in various fields like Banking, Finance, Insurance, Transport, Tourism, Tele-communication, Manufacturing, Industry etc. He is associated with the Company for more than 8 years.
4. **Mr. Mukund L Shinde**, (DIN: 07417527) *aged 67 years*, is Independent Director of the Company since 29<sup>th</sup> January, 2016. He is M.COM, LL.M, FCA and FCS and has vast experience in the fields of Finance, Accounts, Corporate laws, Taxation, etc.
5. **Mr. Gajendra Vasa**, (DIN: 00461425) *aged 80 years*, is Independent Director of the Company since 30<sup>th</sup> December, 2017. He is industrialist and has more than 53 years of experience in Trading & Engineering Industries.
6. **Mrs. Kailash A Nevagi**, (DIN: 03011076) *aged 60 years*, is Independent Director of the Company since 16<sup>th</sup> April, 2018. She did her post- graduation in commerce followed by MBA and graduation in law. She is an active, ambitious and multi- faceted personality leading a team of lawyers as a Partner & Director at Abhay Nevagi and Associates. She has more than 27 years of rich experience in every domain of law, ranging from family matters to cybercrime.
7. **Dr. Santosh Prabhu**, (DIN:00506595) *aged 60 years*, is Independent Director of the Company since 24<sup>th</sup> October, 2018. He is a renowned Neurological and Spinal Surgeon, is director at Neurological Surgery at Western India Institute of Neurosciences (WIINS), Kolhapur. He is M.S., M.Ch. (Medical Professional). He has

vast experience in Medical field. He is a member of many international bodies like World Federation of Neurosurgeon etc.

## 2.5 Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 31<sup>st</sup> January, 2019 without the presence of Non-Independent Directors and members of the management to consider the following:

- i. performance of Non-Independent Directors and the Board as a whole;
- ii. performance of the Chairman of the Company, taking into account the views of executive directors and non executive directors;
- iii. assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed satisfaction on the performance of Non-Independent Directors and the Board as a whole. The Independent Directors were also satisfied with the quality, quantity and timeliness of flow of information between the Company management and the Board.

## 2.6 Director's Familiarization programme:

The Company undertakes and makes necessary provisions for an appropriate induction programme of 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 familiarization programme imparted to independent directors are available on the Company's website at:

<http://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c35c4d088eb411a0883b/1459143658277/Terms+of+Appointment+of+Independent+Director.pdf>

## 2.7 Key Board qualifications, expertise and attributes

The Menon Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Menon Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualification, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board:

Gender, ethics, national, or other diversity	Representation of gender, ethics, geographic, cultural, or other perspective that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.
Financial	Leadership in management of finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting process, or experience in actively supervising accountant, auditor or person performing financial functions.
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and board perspective on global market opportunities.
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Strengths in developing talent, planning succession, and driving change and long-term growth.
Technology	Significant background in technology, resulting in knowledge of how to anticipate technological trends, generates disruptive innovation, and extends or create new business model.
Board Services and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Directors	Financial	Diversity*	Global Business	Leadership	Technology	Board Service and Governance	Sales and Marketing
Mr. R. D. Dixit (Chairman & Managing Director)	√	√	√	√	√	√	√
Mr. Nitin Menon (Vice Chairman & Joint Managing Director)	√	√	√	√	√	√	√
Mr. Arun Aradhye (Whole Time Director & CFO)	√	√	√	√	√	√	√
Mr. Gajendra Vasa (Independent Director)	√	√	√	√	√	√	√
Mr. M. L. Shinde (Independent Director)	√	√	√	√	√	√	√
Mrs. Kailash Nevagi (Independent Director)	√	√	√	√	√	√	√
Dr. Santosh Prabhu (Independent Director)	√	√	√	√	√	√	√

\* Gender, ethnicity, nationality, and other

## 2.8 Agenda:

All the meetings are conducted as per well designed and structured agenda complying with the provisions of Secretarial Standard-1 on "Meetings of the Board of Directors", issued by the Institute of Company Secretaries of India (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 also includes minutes of the previous Board and Committees' meetings for the information of the Board. Agenda papers are circulated seven days prior to the Board Meeting. In case of any business exigencies, meetings are called & convened at shorter notice or the resolutions are passed by circulation and later placed in the subsequent Board Meeting.

**Compliance Framework:** The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and to provide updates to senior management and the Board on a periodic basis. The Audit Committee and the Board periodically reviews the status of the compliances with the applicable laws.

## 2.9 Confirmation of Board:

The Board of Directors of the Company confirms that the Independent Directors of the company fulfil the conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

## 2.10 Reason of resignation of Independent Director:

Capt. Sudheer Naphade, aged 76 years, Independent Director of the Company has resigned from the directorship of the Company w.e.f 14<sup>th</sup> April, 2018 on the ground of age, increased domestic responsibility and cumbersome travel to and from Kolhapur.

## 2.11 Code of Conduct:

The Board of Directors has laid down a Code of conduct for Board of Directors (including independent directors) & senior management ('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 of the financial year ended on 31<sup>st</sup> March, 2019 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Report.

## 2.12 Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. All the directors, designated persons and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window was closed during the time of declaration of results and occurrence of any material events as per the applicable regulations.

### 3. AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of Companies act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, etc.

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

The Audit Committee of the Company reviews the financial statements to be submitted with the Board of Directors with respect to auditing and accounting matters, to review reports of the Internal and Cost Auditors. It also supervises the Company's internal control and financial reporting process. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

During the year under review, the Audit Committee met 4 (four) times on 3<sup>rd</sup> May, 2018, 19<sup>th</sup> July, 2018, 24<sup>th</sup> October, 2018 and 31<sup>st</sup> January, 2019 and the gap between two committee meetings did not exceed one hundred and twenty days.

#### 3.1 Composition and Attendance:

Sr. No.	Name of the Member	Status	No. of Meetings	
			Held	Attended
1	Mr. M. L. Shinde	Chairman	4	4
2	Mr. R. D. Dixit	Member	4	4
3	Mr. Gajendra Vasa (w.e.f. 19 <sup>th</sup> April, 2018)	Member	4	4
4	Mrs. Kailash A Nevagi (w.e.f. 19 <sup>th</sup> April, 2018)	Member	4	2
5	Capt. Sudheer S. Naphade (upto 14 <sup>th</sup> April, 2018)	Member	NA	NA

#### 3.2 Terms of reference:

The terms of reference of the Audit Committee are as per the guidelines set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 177 of the Companies Act, 2013. These broadly includes (i) develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal financial controls and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

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

- Matter to be included in the Director's Responsibility Statement.
- Changes, if any, in the accounting policies.
- Major accounting estimates and significant adjustments in financial statement.
- Compliance with listing and other legal requirements concerning financial statements.

- Disclosures in financial statement including related party transactions.
- Management's Discussions and Analysis of Company's operations.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Periodical review of Internal Audit Reports.
- Findings of any special investigations carried out either by the Internal Auditors.
- Findings 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 Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, *inter alia*, recommends the remuneration payable to executive directors and senior management personnel of the Company.

The Company Secretary and Compliance Officer of the Company acts as a secretary to the Committee.

During the year under review, the Nomination and Remuneration Committee met 3 (three) times on 3<sup>rd</sup> May, 2018, 24<sup>th</sup> October, 2018 and 31<sup>st</sup> January, 2019.

##### 4.1 Composition and Attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. M. L. Shinde	Chairman	3	3
Mr. Gajendra Vasa	Member	3	3
Mrs. Kailash A Nevagi (w.e.f. 19 <sup>th</sup> April, 2018)	Member	3	1
Capt. Sudheer S. Naphade (upto 14 <sup>th</sup> April, 2018)	Chairman	NA	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 Personnel.
- Formulate a policy relating to remuneration of the Directors and the Senior Management Personnel of the Company. The Remuneration Policy is available on the website of the Company at :  
<https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/5d009f0258660d00014ffee2/1560322084639/Policy+for+Appointment+of+Director%2C+KMPs+and+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:-  
<https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/56f8c35c4d088eb411a0883b/1459143658277/Terms+of+Appointment+of+Independent+Director.pdf>

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performance of each Independent Director.

The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

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

### 5 Remuneration of Director

- 5.1** The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2018-19.
- 5.2** Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive and Independent Directors is being paid at the rate of Rs. 1,000 for each meeting of the Board and Committees attended by them.
- 5.3** Details of remuneration/sitting fees paid during the financial year 2018-19 are as follows:

(Rs. in Lakhs)

Name of the Director	Salary	Contribution to Provident Fund	Other Perquisites	Sitting Fees	Total
Mr. R. D. Dixit	75.70	-	-	-	75.70
Mr. Nitin Menon	100.79	-	-	-	100.79
Mr. Arun Aradhye*	6.58	Nil	Nil	Nil	6.58
Mr. M. L. Shinde	Nil	Nil	Nil	0.04	0.04
Mr. Gajendra Vasa	Nil	Nil	Nil	0.04	0.04
Mrs. Kailash A Nevagi**	Nil	Nil	Nil	0.02	0.02
Dr. Santosh Prabhu***	Nil	Nil	Nil	0.02	0.02

\*Appointed w.e.f. 31<sup>st</sup> January, 2019

\*\*Appointed w.e.f. 16<sup>th</sup> April, 2018

\*\*\*Appointed w.e.f. 24<sup>th</sup> October, 2018

**Note:**

- The above details of remuneration or fees paid include all elements of remuneration package of individual director summarized under major groups.
- Apart from the above mentioned remuneration or fees paid, there are no other fixed components and performance linked incentives based on the performance criteria.

- iii. There are no separate service contracts with any of the directors. The tenure of office of the Managing Director and Whole Time / Executive Directors is for five years from their respective dates of appointment. There is no separate provision for payment of severance fees.
- iv. No stock options are offered to any of the Directors of the Company.

## 6 STAKEHOLDER'S RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (Listing) Regulations, the Board of Directors has duly constituted the Stakeholders' Relationship Committee. The Committee is empowered to oversee the redressal of investors' complaints pertaining to Share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. This Committee is responsible for the satisfactory redressal to investors' complaints and 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 3<sup>rd</sup> May, 2018, 19<sup>th</sup> July, 2018, 24<sup>th</sup> October, 2018 and 31<sup>st</sup> January, 2019.

### 6.1 Composition and attendance:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Gajendra Vasa (w.e.f. 19 <sup>th</sup> April, 2018)	Chairman	4	4
Mr. R. D. Dixit	Member	4	4
Mr. Nitin Menon	Member	4	4

The Company Secretary and Compliance Officer of the Company acts as a secretary to the Committee

Mr. Anup Padmai was the Company Secretary and Compliance Officer up to 31<sup>st</sup> January, 2019 and consequent upon his resignation, Mr. Suraj Patil was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 1<sup>st</sup> February, 2019.

Status of investors' complaints handled by the Company and its Registrar & Share Transfer Agents during the year 2018-19 are as under:

Opening balance at the beginning of the year	Nil
Received during the year	29
Disposed during the year	29
Closing balance at the end of the year	Nil

## 7. CORPORATE SOCIAL RESPONSIBILITY(CSR) COMMITTEE

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors has duly constituted the Corporate Social Responsibility (CSR) Committee. During the year under review, the Committee met two times on 3<sup>rd</sup> May, 2018 and 24<sup>th</sup> October, 2018.

**7.1 Composition and Attendance:**

Name of the Member	Status	No. of Meetings	
		Held	Attended
Mr. Nitin Menon	Chairman	2	2
Mr. R. D. Dixit	Member	2	2
Mr. M. L. Shinde	Member	2	2

**7.2 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 periodically report to the Board of Directors.

**8. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

- E-mail : [admin@menonbearings.in](mailto: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 for adequate safeguards against victimization of the person who avails 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:

<https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/5d008ce9be4f020001580c21/1560317231963/Whistle+Blower+Policy.pdf>

**8.1 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 directors and employees on reporting any suspicious activity and handling critical information and evidence.
- To provide healthy and fraud-free work culture.

**8.2 WORKING :**

The Audit committee is responsible for reviewing and working of Vigil Mechanism which includes 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.

## 9. INTERNAL COMPLAINT COMMITTEE

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has framed a policy for prevention of sexual harassment at workplace and adopted the same. The existing policy has been amended by incorporating the rules and procedures as mandated in the notification issued by Ministry of Woman & Child Development on 9<sup>th</sup> December, 2013. The objective of the policy is to provide its women employees, a workplace free from harassment/ discrimination and every employee is treated with dignity and respect.

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

### 9.1 Composition:

Name of the Members	Designation
Mr. R. D. Dixit	Chairperson
Ms. Neha Harollikar	Member
Mr. Jayawant Jadhav	Member
Mr. Sachin Patil	Member

No complaint was received during the financial year 2018-19, nor any complaint was pending at the beginning and end of the financial year.

## 10. GENERAL BODY MEETINGS

### 10.1 Annual General Meetings:

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

Financial Year	Date	Location	Time
2017-18	21 <sup>st</sup> July, 2018	Residency Club, P.O. New Palace, Kolhapur - 416003	10.00 a.m.
2016-17	29 <sup>th</sup> June, 2017		10.00 a.m.
2015-16	21 <sup>st</sup> July, 2016		11.00 a.m.

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

Date of AGM	Description of Resolution
21 <sup>st</sup> July, 2018	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Nitin Menon as Vice Chairman and Joint Managing Director of the Company.</li> <li>2. Re-appointment of Mr. R. D. Dixit as Chairman and Managing Director of the Company.</li> </ol>
29 <sup>th</sup> June, 2017	<ol style="list-style-type: none"> <li>1. To re-designate Mr. Nitin Menon as Vice-Chairman and Joint Managing Director.</li> <li>2. To re-designate Mr. R D Dixit as Chairman and Managing Director.</li> </ol>
21 <sup>st</sup> July, 2016	<ol style="list-style-type: none"> <li>1. To approve the remuneration payable to Mr. Nitin Menon, Joint Managing Director of the Company for period of two years from 1st April, 2016 to 31st March, 2018.</li> <li>2. To approve the remuneration payable to Mr. R D Dixit, Vice Chairman &amp; Managing Director of the Company for period of two years from 1st April, 2016 to 31st March, 2018.</li> <li>3. To approve the continuation of material transactions with the related parties i.e. with M/s. Mani Auto Components and M/s. M. B. Exports in which Directors of the Company are interested.</li> </ol>

**10.3 Postal Ballot**

During the year under review, the Company conducted Postal Ballot one time. The details of the postal ballot process are as follows:

The Company dispatched Postal Ballot Notice dated 31<sup>st</sup> January, 2019 to its shareholders to seek their consent for the following matters:

Sr. No.	Particulars
1.	Ordinary resolution for appointment of Mr. Arun Aradhye, CFO of the Company as a Whole Time Director (designated as WTD & CFO) of the Company for a period of 5 years w.e.f. 31st January, 2019.
2.	Ordinary resolution for appointment of Dr. Santosh Prabhu as an Independent Director of the Company for a period of 5 years w.e.f. 24th October, 2018.
3.	Special resolution for confirming appointment of Mr. Gajendra Vasa as an Independent Director of the Company w.e.f. 30th December, 2017, who has attained the age of 75 years.

The postal ballot process was undertaken in accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

CS Manish Baldeva, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process in fair and transparent manner. The result of the Postal Ballot was announced on 20<sup>th</sup> March, 2019. The details of resolutions passed through postal ballot process and the voting pattern for the same are as follows:

**RESOLUTION NO. 1: APPOINTMENT OF MR. ARUN ARADHYE, CFO OF THE COMPANY AS WHOLE TIME DIRECTOR (DESIGNATED AS WTD & CFO) OF THE COMPANY FOR A PERIOD OF 5 (FIVE) YEARS W.E.F. 31st JANUARY, 2019.**

Resolution Required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	Mode of Voting	No. of Shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of votes – in favor	No. of votes-against	% of votes in favor on votes polled	% of Votes against on votes polled
<b>Promoter and Promoter Group</b>	E- Voting	39733880	6295336	15.8437	6295336	0	100.0000	0.000
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		33438544	84.1563	33438544	0	100.0000	0.000
	<b>Total</b>	<b>39733880</b>	<b>39733880</b>	<b>100.0000</b>	<b>39733880</b>	<b>0</b>	<b>100.0000</b>	<b>0.000</b>
<b>Public-Institutions</b>	E- Voting	814361	660600	81.1188	660600	0	100.0000	0.000
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		0	0	0	0	0	0.000
	<b>Total</b>	<b>814361</b>	<b>660600</b>	<b>81.1188</b>	<b>660600</b>	<b>0</b>	<b>100.0000</b>	<b>0.000</b>
<b>Public-Non Institutions</b>	E- Voting	15491759	13471	0.0870	13163	308	99.6999	2.2864
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		274258	1.7703	273435	823	99.6999	0.3001
	<b>Total</b>	<b>15491759</b>	<b>287729</b>	<b>1.8573</b>	<b>286598</b>	<b>1131</b>	<b>99.6069</b>	<b>0.3931</b>
<b>Total</b>		<b>56040000</b>	<b>40682209</b>	<b>72.5949</b>	<b>40681078</b>	<b>1131</b>	<b>99.9972</b>	<b>0.0028</b>

Number of invalid votes: 31610

Result: The Ordinary Resolution is passed with requisite majority.

**RESOLUTION NO. 2: APPOINTMENT OF DR. SANTOSH PRABHU AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A PERIOD OF 5 YEARS W.E.F. 24<sup>TH</sup> OCTOBER, 2018.**

Resolution Required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	Mode of Voting	No. of Shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of votes – in favor	No. of votes-against	% of votes in favor on votes polled	% of Votes against on votes polled

<b>Promoter and Promoter Group</b>	E- Voting		6295336	15.8437	6295336	0	100.0000	0.0000
	Poll	39733880	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		33438544	84.1563	33438544	0	100.0000	0.0000
	<b>Total</b>	<b>39733880</b>	<b>39733880</b>	<b>100.0000</b>	<b>39733880</b>	<b>0</b>	<b>100.0000</b>	<b>0.000</b>
<b>Public-Institutions</b>	E- Voting		660600	81.1188	660600	0	100.0000	0.0000
	Poll	814361	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot	0		0.0000	0	0	0.0000	0.0000
	<b>Total</b>	<b>814361</b>	<b>660600</b>	<b>81.1188</b>	<b>660600</b>	<b>0</b>	<b>100.0000</b>	<b>0.000</b>
<b>Public-Non Institutions</b>	E- Voting		13471	0.0870	13421	50	99.6288	0.3712
	Poll	15491759	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		274856	1.7742	271633	3223	98.8274	1.1726
	<b>Total</b>	<b>56040000</b>	<b>288327</b>	<b>1.8612</b>	<b>285054</b>	<b>3273</b>	<b>98.8648</b>	<b>1.1352</b>
<b>Total</b>		<b>56040000</b>	<b>40682807</b>	<b>72.5949</b>	<b>40679534</b>	<b>3273</b>	<b>99.9920</b>	<b>0.0080</b>

Number of invalid votes: 31010

Result: The Ordinary Resolution is passed with requisite majority.

**RESOLUTION NO. 3: APPOINTMENT OF MR. GAJENDRA VASA, AS AN INDEPENDENT DIRECTOR OF THE COMPANY, WHO WAS APPOINTED AS SUCH FOR THE PERIOD OF 5 (FIVE) YEARS W.E.F. 30TH DECEMBER, 2017 AND HAS ATTAINED THE AGE OF 75 YEARS.**

<b>Resolution Required: (Ordinary/Special)</b>			Special Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
<b>Category</b>	<b>Mode of Voting</b>	<b>No. of Shares held</b>	<b>No. of valid votes polled</b>	<b>% of Votes Polled on outstanding shares</b>	<b>No. of votes – in favor</b>	<b>No. of votes-against</b>	<b>% of votes in favor on votes polled</b>	<b>% of Votes against on votes polled</b>
<b>Promoter and Promoter Group</b>	E- Voting		6295336	15.8437	6295336	0	100.0000	0.0000
	Poll	39733880	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		33438544	84.1563	33438544	0	100.0000	0.0000
	<b>Total</b>	<b>39733880</b>	<b>39733880</b>	<b>100.0000</b>	<b>39733880</b>	<b>0</b>	<b>100.0000</b>	<b>0.000</b>



<b>Public-Institutions</b>	E- Voting	814361	660600	81.1188	660600	0	100.0000	0.0000
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>	<b>814361</b>	<b>660600</b>	<b>81.1188</b>	<b>660600</b>	<b>0</b>	<b>100.0000</b>	<b>0.000</b>
<b>Public-Non Institutions</b>	E- Voting	15491759	13471	0.0870	13088	383	97.1569	2.8431
	Poll		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		273116	1.7630	264583	8533	96.8757	3.1243
	<b>Total</b>	<b>15491759</b>	<b>286587</b>	<b>1.8499</b>	<b>277671</b>	<b>8916</b>	<b>96.8889</b>	<b>3.1111</b>
<b>Total</b>		<b>56040000</b>	<b>40681067</b>	<b>72.5939</b>	<b>40672151</b>	<b>8916</b>	<b>99.9781</b>	<b>0.0219</b>

Number of invalid votes: 32750

Result: The Special Resolution is passed with requisite majority.

No business is proposed to be transacted through Postal Ballot process.

## 11. MEANS OF COMMUNICATION:

The Company has published its Quarterly Results as per the details mentioned below:

<b>News Papers</b>	<b>Date of Board Meetings</b>	<b>Date of Publication</b>
Business Standard (English - All India Edition) Pudhari (Marathi)	3 <sup>rd</sup> May, 2018	4 <sup>rd</sup> May, 2018 4 <sup>rd</sup> May, 2018
Economic Times (English - All India Edition) Pudhari (Marathi)	19 <sup>th</sup> July, 2018	21 <sup>st</sup> July, 2018 20 <sup>th</sup> July, 2018
Economic Times (English - All India Edition) Pudhari (Marathi)	24 <sup>th</sup> October, 2018	26 <sup>th</sup> October, 2018 25 <sup>th</sup> October, 2018
Business Standard (English - All India Edition) Pudhari (Marathi)	31 <sup>st</sup> January, 2019	1 <sup>st</sup> February, 2019 1 <sup>st</sup> February, 2019

**Website:** The Company's website viz. [www.menonbearings.in](http://www.menonbearings.in) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Reports and quarterly results are also available in a user-friendly and downloadable form.

**News releases, presentations, among others:** All corporate announcements made to the Stock Exchanges during the year 2018-19.

## 12. GENERAL SHAREHOLDERS' INFORMATION:

### 12.1 Annual General Meeting:

Day & Date : 18th July, 2019

Time : 11.00 a.m.

Venue : Residency Club, P.O. New Palace, Kolhapur-416003

**12.2 Financial Year:**

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

**12.3 Book Closure:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 12<sup>th</sup> July, 2019 to Thursday, 18<sup>th</sup> July, 2019, (both days inclusive).

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

The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e. Friday, 12<sup>th</sup> July, 2019. Remote e-voting shall remain open from Monday, 15<sup>th</sup> July, 2019 (9.00 a.m.) till Wednesday, 17<sup>th</sup> July, 2019 (5.00 p.m.).

**12.5 Listing on Stock Exchanges:**

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

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

PhirozeJeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001.

Scrip 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 for the Company's equity share :INE071D01033 (having face value of Re.1/-)

c. Corporate Identity Number (CIN) : L29130PN1991PLC062352

d. The Company has paid listing fees for the financial year 2019-20 to BSE Ltd. and National Stock Exchange of India Ltd., where Company's shares are listed.

**12.6 Stock Market Price Data and performance in comparison to BSE Sensex/NSE NIFTY 50:**

The monthly high / low quotations of shares traded on BSE Ltd. and at National Stock Exchange of India Ltd. during each month in last financial year and performance in comparison to BSE Sensex and NSE Nifty 50 are as follows:

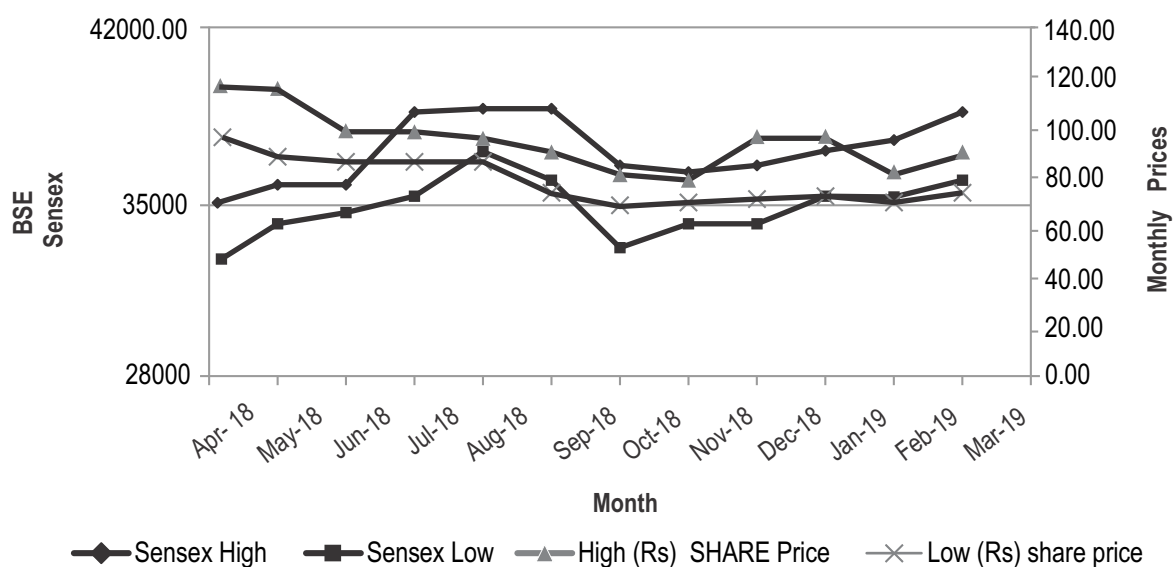
Month-Year	NSE NIFTY 50		Share price of the Company on NSE		BSE SENSEX		Share price of the Company on BSE	
	High (Points)*	Low (Points)*	High (Rs.)*	Low (Rs.)*	High (Points)**	Low (Points)**	High (Rs.)**	Low (Rs.)**
Apr-18	10759.00	10111.30	117.00	97.60	35213.3	32972.56	117.80	97.65
May-18	10929.20	10412.80	118.90	92.10	35993.53	34302.89	117.65	91.00
Jun-18	10893.25	10550.90	99.00	85.10	35877.41	34784.68	99.95	87.55
Jul-18	11366.00	10604.65	99.90	89.00	37644.59	35106.57	101.00	88.40
Aug-18	11760.20	11234.95	95.35	88.55	38989.65	37128.99	97.90	89.25
Sep-18	11751.80	10850.30	92.50	76.55	38934.35	35985.63	92.50	78.35
Oct-18	11035.65	10004.55	84.90	70.10	36616.64	33291.58	85.30	70.00
Nov-18	10922.45	10341.90	82.80	74.00	36389.22	34303.38	83.00	72.25
Dec-18	10985.15	10333.85	92.30	71.70	36554.99	34426.29	92.90	73.50
Jan-19	10987.45	10583.65	90.70	73.15	36701.03	35375.51	91.00	73.85
Feb-19	11118.10	10585.65	83.90	72.25	37172.18	35287.16	81.70	70.10
Mar-19	11630.35	10817.00	86.45	75.05	38748.54	35926.94	86.45	75.55

Source: \*www.nseindia.com

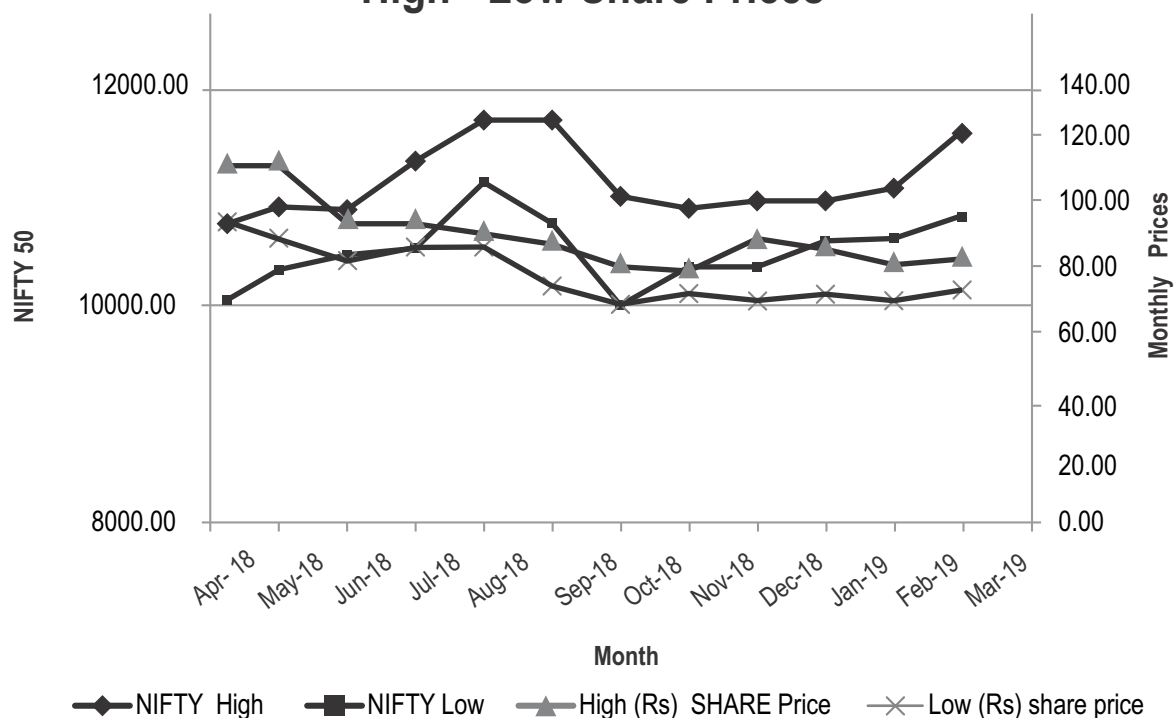
\*\*www.bseindia.com

## 12.7 Performance in comparison to broad based indices:

### High - Low Share Prices



## High - Low Share Prices



**12.8 Trading of Securities:** The securities of the Company were not suspended from trading during the year 2018-19.

### 12.9 Registrar and Share Transfer Agents:

#### LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, L B S Marg, Vikhroli (West)

Mumbai – 400 083

Phone : (022) 49186000, 49186270

Fax : (022) 49186060

Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### 12.10 Share Transfer System:

All shares received for transfer in physical mode are registered by the Company's Registrar and Share Transfer Agents (RTA) within 15 days of the lodgement, if documents are found to be in order. Shares under objection are returned within two weeks.

All requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days. The SEBI vide its letter no. MRD/DOP2/DSA2/OW/2019/2503/1 dated 24<sup>th</sup> January, 2019 has granted relaxation in timeline for processing of dematerialization request number (DRN) to 30 days till 30<sup>th</sup> June 2019 from the current 15 days as specified in Regulation 74(5) of SEBI (Depository & Participants) Regulations 2018.

### 12.11 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Practicing Company Secretary carries the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued

and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during the financial year 2018-19.

#### 12.12 Distribution of Shareholding:

The shareholding distribution of the equity shares as on 31<sup>st</sup> March, 2019 is given below:

Shareholding by nominal value	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 - 500	9777	67.71	1213638	2.17
501-1000	959	6.64	745677	1.33
1001-2000	2251	15.59	2828327	5.05
2001-3000	662	4.58	1617531	2.89
3001-4000	199	1.38	715679	1.28
4001-5000	114	0.79	543385	0.97
5001-10000	300	2.08	2003070	3.57
10001& Above	177	1.23	46372693	82.75
<b>Total</b>	<b>14,439</b>	<b>100.00</b>	<b>5,60,40,000</b>	<b>100.00</b>

#### 12.13 Shareholding Pattern as on 31<sup>st</sup> March, 2019:

Sr.No.	Category	Total No. of Shares held (of Re. 1/- each )	% of Total Shareholdings
1.	Corporate Bodies (Promoter Co)	13619800	24.30
2.	Clearing Members	562171	1.00
3.	Other Bodies Corporate	526352	0.94
4.	Directors	17016780	30.37
5.	Financial Institutions	5786	0.01
6.	Hindu Undivided Family	438312	0.78
7.	Mutual Funds	660600	1.18
8.	Non Nationalised Bank	7190	0.01
9.	Non Resident Indians	156123	0.28
10.	Non Resident (Non Repatriable)	155101	0.28
11.	Public	12802775	22.85
12.	Relatives of Director	9101300	16.24
13.	Foreign Portfolio Investors (Corporate)	224100	0.40
14.	Investor Education And Protection Fund	763610	1.36
	<b>Total</b>	<b>56040000</b>	<b>100</b>

#### 12.14 Dematerialization of Shares:

As on 31<sup>st</sup> March, 2019 about 93.66% of the Company's Equity Shares has been held in dematerialized form.

#### 12.15 Convertible Instruments:

The Company has not issued any Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/warrants or any convertible instrument, which is likely to have impact on the Company's Equity.

**12.16 Plant Locations:**

G-1, MIDC, Gokul Shirgaon Kolhapur - 416234 Maharashtra	C-1 Five Star MIDC, Kagal, Kolhapur – 416236 Maharashtra
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**12.17 Registered Office:**

Menon Bearings Limited,  
G-1, MIDC, Gokul Shirgaon, Kolhapur, Maharashtra – 416234

**12.18 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 Company Secretary & 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

**12.19 Dividend History**

Financial Year	Dividend amount per share	Percentage
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%
2017-18 (Final)	Re. 0.25 per share (Face value Re. 1/-)	25%
2018-19 (1 <sup>st</sup> Interim Dividend)	Re. 1.50 per share (Face value Re. 1/-)	150%

**12.20 The following table gives information relating to the due dates for transfer of unpaid / unclaimed dividend amountsto the IEPF:**

Year	Dividend Rate per share	Date of Declaration	Due Dates for transfer to IEPF
2011-12	Rs. 2.75	16 <sup>th</sup> August, 2012	21 <sup>st</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	Re. 1.00	11 <sup>th</sup> March, 2016	17 <sup>th</sup> April, 2023
2016-17	Re. 1.00	09 <sup>th</sup> February, 2017	16 <sup>th</sup> March, 2024
2017-18	Re. 0.75	20 <sup>th</sup> July, 2017	25 <sup>th</sup> August, 2024
2017-18	Re. 0.50	9 <sup>th</sup> November, 2017	15 <sup>th</sup> December, 2024
2017-18	Re. 0.25	21 <sup>st</sup> July, 2018	27 <sup>th</sup> August, 2025
2018-19	Rs. 1.50	24 <sup>th</sup> October, 2018	30 <sup>th</sup> November, 2025

### 13. DISCLOSURES

#### 13.1 Related Party Transactions:

All transactions entered into with related parties as defined under the Act, and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during FY 2018-19 were in the ordinary course of business and on arm's length basis. 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, 2019 that may have potential conflict with the interest of the Company at large. Suitable disclosures as required by Indian Accounting Standards (Ind AS 24) have been made in the notes to the Financial Statements, forming part of the Annual Report. The Board has approved a policy for related party transactions which can be accessed at the Company website link at:

<https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/5d008e42360cb400017e598d/1560317680147/Related+Party+Transaction+Policy.pdf>

#### 13.2 Compliance by the Company:

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the regulations and guidelines of SEBI. There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three years.

#### 13.3 Whistle Blower Policy /Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of persons who avail of the mechanism and also



provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2018-19, no person was denied access to the Audit Committee.

#### **13.4 Compliance with mandatory / discretionary requirements under Regulation 27 read with Schedule II Part E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The Company has complied with all mandatory requirements under Regulation 27 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with non-mandatory recommendations under Regulation 27 and Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

- Modified opinion in Audit Report: The Company has moved to unmodified audit opinion regime.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee and he attends the meetings of the Audit Committee and presents his observations to the Audit Committee.

#### **13.5 Risk Management:**

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

#### **13.6 Subsidiary companies:**

During the financial year ended on 31<sup>st</sup> March, 2019, the Company had no subsidiary. As required under SEBI Regulations, a policy to determine a material subsidiary has been framed and the same can be accessed on the Company's website at the link:

<https://static1.squarespace.com/static/54df3692e4b0d9caed7742ae/t/5d008ad36ca3610001ba204e/1560316663541/Policy+on+determining+the+material+Subsidiaries.pdf>

#### **13.7 CEO / CFO Certification:**

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Mr. R. D. Dixit, Chairman & Managing Director and Mr. Arun Aradhye, Whole Time Director & 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.

#### **13.8 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, 2019 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**13.9** The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2018-19.

#### **13.10 Certificate from Practicing Company Secretary:**

A certificate from Practicing Company Secretary stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority is also annexed herewith and forms part of

this Report as required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### 13.11 Recommendation by Committee:

The Board has accepted all recommendations made by its committees during the financial year ended on 31<sup>st</sup> March, 2019.

**13.12 Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, given below:**

(Rs. in Lakhs)	
Nature of Payments	F.Y. 2018-19
Statutory Audit	3.25
Tax Audit	-
Other Services including reimbursement of expenses	0.40
<b>Total</b>	<b>3.65</b>

### 13.13 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of Complaints
a.	Complaints filed during the financial year	Nil
b.	Complaints disposed of during the financial year	Nil
c.	Complaints pending as on end of the financial year	Nil

### 13.14 Compliance of the requirement of Corporate Governance Report:

During the year 2018-19, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### 13.15 Disclosure of the compliance with Corporate Governance:

The Company has complied with the Regulations 17-20, 22-23, 24A, 25-27 and Clauses (b) to (i) of sub-regulations (2) of Regulation 46 of SEBI(Listing Obligations & Disclosure Requirements)Regulations, 2015, during the year 2018-19. Regulations 21and 24 of SEBI (Listing Obligations &Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

### 13.16 Compliance Certificate for Code of Conduct:

The declaration by Managing Director affirming compliance of Board and Senior Management Personnel to the Code of Conduct is also annexed herewith and forms part of this Report as per Schedule V of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **13.17 Disclosure of accounting treatment:**

In the preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind AS) as prescribed by the Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rule, 2015 and provisions of Companies Act, 2013 to the extent notified and applicable.

### **13.18 Disclosure with respect to demat suspense account/unclaimed suspense account**

The Company does not have shares lying in unclaimed suspense account arising out of public/bonus/right issues as at 31<sup>st</sup> March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

### **13.19 Auditors' Certificate on Corporate Governance:**

The Company has obtained a certificate from the Statutory Auditor of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of this Report.

## **DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT**

As per Regulation 17 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Nitin Menon, Vice Chairman & Joint Managing Director do hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct of the Company during the financial year 2018-19.

**Place: Kolhapur**  
**Date: 23<sup>rd</sup> April, 2019**

**NITIN MENON**  
**Vice Chairman & Joint Managing Director**  
**DIN: 00692754**

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**  
**(Pursuant to Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and**  
**Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

On the basis of the written representation/declaration received from the Directors of Menon Bearings Limited (CIN:L29130PN1991PLC062352) and taken on record by the Board of Directors of the Company and produced before me for the purpose of this certificate, and according to the verification of DIN status at MCA Portal viz. [www.mca.gov.in](http://www.mca.gov.in) pursuant to the Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that as on 31<sup>st</sup> March, 2019, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

I have expressed the above opinion on the basis of my verification of documents made available and information as available on websites of the Securities and Exchange Board of India and Ministry of Corporate Affairs.

**For M Baldeva Associates**  
 Company Secretaries

**CS Manish Baldeva**  
 Proprietor  
 M. No. FCS 6180 C.P. No. 11062

**Place :** Thane  
**Date :** 23<sup>rd</sup> April, 2019

# 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, 2019, as stipulated under Regulation 15 (2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 :** 23<sup>rd</sup> April, 2019

# Independent Auditor's Report

**TO**  
**THE MEMBERS OF**  
**MENON BEARINGS LIMITED**

## **Report on the Ind AS 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 March 2019, 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.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

Based on the circumstances and facts of the audit entity, in our opinion, there were no such key audit matters that required special attention or judgement by us.

## **Responsibilities of the Management and those charged with Governance for the Ind AS 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

**office** R.S. No. 176, Off No. 6C, 1st Floor, Eden Garden Comm. Complex,  
Near Khanwilkar Petrol Pump, Nagala Park, Kolhapur - 03

**phone** (0231) 2656572  
**email** info@arna.co.in

[www.arna.co.in](http://www.arna.co.in)

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 March 31, 2019;
- 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 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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 :** 23/04/2019

**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 31st March, 2019.**

- (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 (l) 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 of 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 :** 23/04/2019

**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, 2019**

**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 March 31, 2019 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 March 31, 2019, 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 :** 23/04/2019

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

# Balance Sheet as at

(Rs. in Lakhs)

Sr. No.	PARTICULARS	NOTE NO.	31.03.2019	31.03.2018
<b>A</b>	<b>ASSETS -</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and equipment	02	5579.15	4782.25
	(b) Capital work-in-progress	02	1909.08	453.79
	(c) Investment in Shares	03	342.14	-
	(d) Financial Assets			
	(i) Long Term - Security Deposit	04	99.89	70.54
	<b>Total non-current assets</b>		<b>7930.26</b>	<b>5306.58</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	05	1633.86	1,451.32
	(b) Financial Assets			
	(i) Trade receivables	06	3945.58	3,537.42
	(ii) Cash and Cash equivalents	07	1804.00	1,744.72
	(iii) Bank Balance other than (ii) above	07	129.45	108.91
	(iv) Short- Term Loans & Advances	08	357.27	420.85
	<b>Total Current assets</b>		<b>7870.16</b>	<b>7,263.22</b>
	<b>Total Assets</b>		<b>15800.42</b>	<b>12,569.80</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	09	560.40	560.40
	(b) Other Equity	10	8503.14	7,148.34
	<b>Total Equity</b>		<b>9063.54</b>	<b>7,708.74</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non- current liabilities</b>			
	(a) Financial Liabilities			
	(i) Long-Term borrowings	11	2734.45	496.57
	(b) Deferred Tax liabilities (Net)	12	367.58	348.67
	<b>Total non-current Liabilities</b>		<b>3102.03</b>	<b>845.24</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Short- Term Borrowings	13	1836.55	2,030.85
	(ii) Trade payables	14	996.42	1,065.02
	(iii) Other Financial Liabilities	15	665.22	537.69
	(b) Other current Liabilities	16	136.66	382.26
	<b>Total current Liabilities</b>		<b>3634.85</b>	<b>4,015.82</b>
	<b>Total equity and Liabilities</b>		<b>15800.42</b>	<b>12,569.80</b>
	Significant accounting policies and notes to accounts	1		

As per our report of even date attached

For M/s. ARNA &amp; Associates, Chartered Accountants

Rahulprasad Agnihotri

Partner

Membership No.:111576

For and on behalf of the Board of Directors

R. D. DIXIT

Chairman &amp; Managing Director

NITIN MENON

Vice Chairman &amp; Joint Managing Director

Place : Kolhapur

Date : 23<sup>rd</sup> April, 2019

ARUN ARADHYE

Whole Time Director &amp; CFO

SURAJ PATIL

Company Secretary

# Statement of Profit & Loss

For the year ended on

(Rs. in Lakhs)

Sr. No.	PARTICULARS	NOTE NO.	31.03.2019	31.03.2018
i	<b>Net - Revenue from operations</b>	17	17,289.27	14,486.18
ii	Other Operating Revenue	18	107.95	80.65
iii	Other Income	19	144.16	111.37
<b>1</b>	<b>Total Revenue (i+ii+iii)</b>		<b><u>17,541.38</u></b>	<b><u>14,678.20</u></b>
<b>2</b>	<b>Expenses</b>		-	-
	Cost of Materials Consumed	20	6,270.88	5,446.14
	Changes in inventories of finished goods, work in progress and Stock-in- trade	21	(42.07)	(115.97)
	Employee benefits expense	22	1,534.01	1,287.65
	Finance Costs	23	353.81	192.78
	Depreciation and amortization expense	02	481.80	407.69
	Operating and Other Expenses	24	5,332.75	4,226.40
	<b>Total</b>		<b><u>13,931.18</u></b>	<b><u>11,444.69</u></b>
<b>3</b>	Profit before exceptional and extraordinary items and tax (1-2)		<b><u>3,610.20</u></b>	<b><u>3,233.51</u></b>
<b>4</b>	Exceptional Items		-	-
<b>5</b>	Profit before tax (3-4)		<b><u>3,610.20</u></b>	<b><u>3,233.51</u></b>
<b>6</b>	Tax expense:		-	-
	(1) Current tax		1,063.85	1,126.29
	(2) Deferred tax		16.67	(0.13)
<b>7</b>	Profit/(Loss) for the period from continuing operations (5 -6)		<b><u>2,529.68</u></b>	<b><u>2,107.35</u></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		7.71	43.86
	(ii) Income tax effect on above		(2.24)	(15.18)
	<b>Total Other Comprehensive Income</b>		<b><u>5.47</u></b>	<b><u>28.68</u></b>
<b>9</b>	Total comprehensive Income for the period (7+8)		2,535.15	2,136.03
<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)		<b>4.51</b>	<b>3.76</b>
	(ii) Diluted (in Rs.) (not annualised )		4.51	3.76

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 : 23<sup>rd</sup> April, 2019

**ARUN ARADHYE**  
Whole Time Director & CFO

**SURAJ PATIL**  
Company Secretary





# Cash Flow Statement

For the year ended on

(Rs. in Lakhs)

Sr. No.	PARTICULARS	31.03.2019	31.03.2018
1	<b>Profit After Tax &amp; Adjustments for</b>	<b>2,535.15</b>	<b>2,136.03</b>
	Deferred Tax	16.67	(0.13)
	Tax on OCI	2.24	-
	Interest (Net)	209.65	81.41
	Profit on Sale of Assets	(0.06)	(4.60)
	Loss on Sale of Assets	0.19	1.87
	Loss on Fair Valuation of Shares	20.76	-
	Add:- Depreciation & Amortization	481.80	407.69
	<b>Operating Profit before W/C Changes</b>	<b>3,266.40</b>	<b>2,622.27</b>
	Changes in Working Capital		
	<b>Current Assets</b>		
	Inventories	(182.54)	(214.56)
	Trade Receivables	(408.16)	(613.50)
	Short Term Loans Advances	85.84	(159.36)
	Other Current Assets	(22.25)	-
	<b>Current Liabilities</b>		
	Trade Payables	(68.60)	250.74
	Other Current Liabilities	127.53	268.29
	Short Term Provisions	(245.60)	120.98
	<b>Cash From Operating Activities</b>	<b>2,552.62</b>	<b>2,274.86</b>
2	<b>Cash From Investing Activities</b>		
	Purchase of Fixed Assets	(1,278.69)	(1,473.21)
	Profit on Sale of Assets	0.06	4.60
	Loss on Sale of Assets	(0.19)	(1.87)
	Change in CWIP	(1,455.29)	(103.58)
	Investments	(362.90)	-
	Long Term - Security Deposits	(29.36)	-
	Interest Received	144.16	111.37
	<b>Cash From Investing Activities</b>	<b>(2,982.21)</b>	<b>(1,462.69)</b>
3	<b>Cash Flow from Financing Activities</b>		
	Change in Short Term Borrowing	(194.30)	256.21
	Change in Long Term Borrowing	2,237.88	126.77
	Interest Paid	(353.81)	(192.79)
	Dividend Paid	(980.70)	(700.50)
	Tax on Dividend	(199.65)	(142.61)
	<b>Cash Flow from Financing Activities</b>	<b>509.42</b>	<b>(652.92)</b>
	Total Cash Flow	79.83	159.26
	Add:- Opening Cash & Cash Equivalents	1,853.62	1,694.37
	<b>Closing Cash &amp; Cash Equivalents</b>	<b>1,933.45</b>	<b>1,853.63</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 : 23<sup>rd</sup> April, 2019

ARUN ARADHYE  
Whole Time Director & CFO

SURAJ PATIL  
Company Secretary

## Statement of Changes in Equity

Sr. No.	Particulars	Equity share capital	Reserves & Surplus				Other Comprehensive Income	Total equity attributable to equity holders of the Company
			Retained earnings	General reserve	Revaluation reserve	Capital reserve		
1	Balance as at April 1, 2017	560.40	5,026.39	801.47	2.56	25.00	-	6,415.82
2	Changes in equity for the year ended March 31, 2018	-	-	-	-	-	-	-
3	Transfer to general reserve	-	-75.00	75.00	-	-	-	-
4	Equity instruments through other comprehensive income	-	-	-	-	-	28.68	28.68
5	dividends (including dividend distribution tax)	-	-843.11	-	-	-	-	-843.11
6	Profit for the year	-	2,107.35	-	-	-	-	2,107.35
7	<b>Balance as at March 31<sup>st</sup>, 2018</b>	<b>560.40</b>	<b>6,215.63</b>	<b>876.47</b>	<b>2.56</b>	<b>25.00</b>	<b>28.68</b>	<b>7,708.74</b>
8	Changes in equity for the year ended March 31, 2019	-	-	-	-	-	-	-
9	Transfer to general reserve	-	-75.00	75.00	-	-	-	-
10	Equity instruments through other comprehensive income	-	-	-	-	-	5.47	5.47
11	dividends (including dividend distribution tax)	-	-1,180.35	-	-	-	-	-1,180.35
12	Profit for the year	-	2,529.68	-	-	-	-	2,529.68
13	<b>Balance as at March 31<sup>st</sup>, 2019</b>	<b>560.40</b>	<b>7,489.96</b>	<b>951.47</b>	<b>2.56</b>	<b>25.00</b>	<b>34.15</b>	<b>9,063.54</b>

# Notes on Accounts for the year ended on 31<sup>st</sup> March, 2019

**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 2019 (including comparatives) are duly adopted by the Board on 23<sup>rd</sup> April, 2019 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	08 - 10
Office equipments	03 - 06
Vehicles	08 - 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.

**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) 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):

The Company has investment in shares which are fair valued through Profit & Loss account. Any transaction cost on the same are expensed to Profit & Loss account. The total loss due to fair valuation of shares is Rs.2,59,375/-

**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. During the year, the company has capitalised borrowing costs of Rs.36,74,877.00

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

Following are the related parties: -

(Amount in Rs.)

Sr. No.	Name of Party	Relation	Nature of Transaction	Current Year 31.03.2019	Previous Year 31.03.2018
1.	MB Exports (Dissolved w.e.f. 01.08.2017)	Mr. Nitin Menon is a partner	Sales	-	2,74,75,120
			Commission Paid	-	14,13,588
2.	Mani Auto Components	Mr. Nitin Menon is a partner	Sales	21,05,53,799	16,34,21,320
			Commission Paid	1,48,83,903	42,49,431
			Advance Against Purchase of Property	-	60,00,000
3.	Menon United Pvt. Ltd. (Formerly known as Karveer United Pvt. Ltd.)	Mr. Nitin Menon is a Chairman	Corporate Services	28,44,000	28,56,600
4.	Flyga Auto Pvt.Ltd.	Mr. Nitin Menon is a Chairman	Purchase of Car	-	1,05,65,170
5.	Mr. R. D. Dixit	Chairman & Managing Director	Remuneration	75,69,847	66,17,459
6.	Mr. Nitin Menon	Vice Chairman & Joint Managing Director	Remuneration	1,00,78,522	93,04,492
7.	Mr. Sachin Menon	Director till 04.05.2017	Sitting Fees	-	1,000
8.	Mr. Arun R. Aradhye	Whole time Director & CFO	Salary	32,88,739	-
			Remuneration for 2 Months (Appointed as Director w.e.f. 31.01.19)	6,57,748	-
9.	Mr. Aditya N.Menon	Son of Vice Chairman & Joint Managing Director	Rent	4,80,000	-
10.	Mr. Anshul N.Menon	Son of Vice Chairman & Joint Managing Director	Rent	4,80,000	-
11.	Mr. M. L. Shinde	Independent Director	Sitting Fees	4,000	4,000
12.	Mr. B.S. Ajitkumar	Independent Director till 11.11.2017	Sitting Fees	-	2,000
13.	Capt .Sudheer Naphade	Independent Director till 14.04.2018	Sitting Fees	-	3,000
14.	Mrs .Nazura Ajaney	Independent Director till 15.02.2018	Sitting Fees	-	4,000
15.	Mrs. Kailash A.Nevagi	Independent Director w.e.f.16.04.2018	Sitting Fees	2,000	-
16.	Mr. G. T. Vasa	Independent Director-	Sitting Fees	4,000	1,000
17.	Dr. Santosh Prabhu	Independent Director- w.e.f.24.10.2018	Sitting Fees	2,000	-

**Notes:**

- a. Mr. R. D. Dixit – Chairman & Managing Director, Mr. Nitin Menon – Vice Chairman & Joint Managing Director and Mr. Arun R. Aradhye Whole time Director & CFO are employees of the Company. Mr. M.L.Shinde, Mr. B. S. Ajitkumar , Capt.Sudheer Naphade , Mrs. Nazura Ajaney, Mr. G.T.Vasa, Mrs.

Kailash A.Nevagi and Dr. Santosh Prabhu 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. Mr. Arun R. Aradhye was V.P. Corporate & Finance till 30/01/2019. Since 31/01/2019 he has been taken on board as Director.
- c. Apart from above mentioned parties, following parties are also related parties of the Company. However, no significant transactions took place with these parties during the year.
  - 1. Menon Piston Ltd
  - 2. Menon Signature Pvt.Ltd.
  - 3. Flyga Auto 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.

#### (i) **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.

##### **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.

#### (ii) **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 OF FINANCIAL STATEMENT FOR YEAR ENDING 2019 (CONTD.)															
Note No. 02															
PROPERTY, PLANT AND EQUIPMENT															
				GROSS BLOCK				DEPRICIATION						NET BLOCK	
Sr. No	Particulars	%	Years	Opening Balance	Additions	Deletions	Total	Upto	On Opening	On Additions	For the Year	Adjustments	Total	As on 31/03/19	As on 31/03/18
<b>A. Tangible Assets</b>															
1	Land (lease hold)	1	-	700.13	5.75		705.88	14.39	10.35	0.09	10.44	-	24.82	681.06	685.74
2	Land ( free hold)	-	-	36.76	-	-	36.76	-	-	-	-	-	-	36.76	36.76
3	Site development	-	-	176.36	-	-	176.36	-	1.97	-	1.97	-	1.97	174.39	176.36
4	Building	-	30	1253.55	10.73		1264.28	439.55	35.78	0.13	35.91	-	475.46	788.82	814.00
5	Plant and machinery	-	15	6083.72	1039.42	54.83	7068.30	3842.89	279.62	27.15	306.77	46.76	4102.90	2965.40	2240.83
6	Electrical installation	-	10	253.83	51.59	-	305.42	195.98	14.06	0.56	14.62	-	210.60	94.82	57.85
7	Tools and implements	-	15	615.69	134.67	-	750.36	270.86	24.74	8.54	33.28	-	304.15	446.21	344.82
8	Material handling equip.	-	15	71.00	6.05	-	77.05	46.54	4.58	0.33	4.91	-	51.45	25.60	24.46
9	Fire fighting	-	15	25.77	12.37	-	38.14	7.08	2.45	0.16	2.61	-	9.69	28.45	18.69
10	Effluent treatement plant	-	15	89.78	-	-	89.78	58.70	6.29	-	6.29	-	64.99	24.80	31.09
11	Office equipments	-	5	56.12	4.94	-	61.07	40.36	4.40	0.53	4.93	-	45.29	15.78	15.76
12	Miscellaneous assets	-	15	16.91	4.85	-	21.77	9.19	0.71	0.10	0.82	-	10.00	11.76	7.73
13	Computers	-	6	81.57	3.88	-	85.45	66.81	5.79	0.52	6.32	-	73.13	12.33	14.76
14	Furniture	-	10	158.04	5.90	-	163.94	70.39	9.96	0.16	10.11	-	80.50	83.43	87.64
15	Vehicle	-	8	285.69	1.27	-	286.95	82.91	34.40	0.08	34.47	-	117.39	169.56	202.77
16	Electrical Forklift	-	15	8.50	-	-	8.50	1.26	0.54	-	0.54	-	1.79	6.71	7.24
	<b>TOTAL</b>	-	-	<b>9913.43</b>	<b>1281.42</b>	<b>54.83</b>	<b>11140.01</b>	<b>5146.90</b>	<b>435.64</b>	<b>38.34</b>	<b>473.99</b>	<b>46.76</b>	<b>5574.13</b>	<b>5565.88</b>	<b>4766.53</b>
	<b>Previous Year Amount</b>	-	-	<b>8551.12</b>	<b>1483.42</b>	<b>121.12</b>	<b>9913.43</b>	<b>4851.09</b>	<b>3637.72</b>	<b>34.97</b>	<b>398.74</b>	<b>102.93</b>	<b>5146.90</b>	<b>4766.53</b>	<b>3700.03</b>
<b>B. INTANGIBLE ASSETS</b>															
1	Technical know how	-	3	52.45	-	-	52.45	52.45	-	-	-	-	52.45	-	-
2	Computers Software	-	3	60.53	5.35	-	65.88	44.80	6.63	1.18	7.81	-	52.61	13.26	15.73
	<b>TOTAL</b>	-	-	<b>112.97</b>	<b>5.35</b>	<b>-</b>	<b>118.33</b>	<b>97.25</b>	<b>6.63</b>	<b>1.18</b>	<b>7.81</b>	<b>-</b>	<b>105.06</b>	<b>13.26</b>	<b>15.73</b>
	<b>Previous Year Amount</b>	-	-	<b>105.00</b>	<b>7.98</b>	<b>-</b>	<b>111.97</b>	<b>88.30</b>	<b>7.28</b>	<b>1.67</b>	<b>8.95</b>	<b>-</b>	<b>97.25</b>	<b>15.73</b>	<b>16.70</b>

Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
<b>Note No.03</b> <b>© Investment in Shares</b> Trade (Quoted) 1) 20000 Equity Shares of Reliance Industries Ltd. 2) 10,000,20000 & 10000 Equity Shares of Tata Motors Limited @ Rs. 262.96,187.00 & 262.03 each The Company has purchased 20,000/- equity shares of Reliance at avg. price of Rs.1274.17 costing Rs.2,54,83,363/- & 40,000/- equity shares of Tata Motors at avg. price of Rs.224.75 costing Rs.89,90,011/- These shares are valued at prevailing rates on 31/03/2019 by fair value through Profit & Loss Account (FVTPL)	269.46 72.68	- -
<b>TOTAL</b>	<b>342.14</b>	
<b>Note No.04</b> <b>(I) Long Term - Security Deposit</b> Telephone deposit MSEB Deposit Water deposit	0.69 96.42 2.78	0.65 67.22 2.67
<b>TOTAL</b>	<b>99.89</b>	<b>70.54</b>
<b>Note No.05</b> <b>Current Assets -</b> <b>(a) Inventories</b> a) Raw Material b) Stores & Spares c) Finished goods d) Work in Process	397.12 249.88 682.65 304.21	401.12 105.41 621.14 323.65
<b>TOTAL</b>	<b>1,633.86</b>	<b>1,451.32</b>
<b>Note No.06</b> <b>(b) Financial Assets -</b> <b>(i) Trade Receivables</b> (Unsecured, considered good) Outstanding for a period exceeding 6 months Other Debts	689.29 3,256.29	281.46 3,255.96
<b>TOTAL</b>	<b>3,945.58</b>	<b>3,537.42</b>
<b>Note No.07</b> <b>(ii) Cash and Cash equivalents</b> <b>(iii) Bank Balance other than (ii) above</b>  i) In Current A/c ii) In Fixed Deposits & Recurring Deposit (Out of the above Fixed Deposits, Deposits of Rs.45.55 Lacs are Lien marked for Bank Guarantee and of Rs.5 Crore are Lien Marked for Foreign LC to import Machinery.)	2.59 244.23 1557.18 -	3.13 182.47 1,559.12 -
<b>TOTAL</b>	<b>1,804.00</b>	<b>1,744.72</b>
iii) Other Bank Balances - Dividend Warrant Accounts	129.45	108.91
<b>TOTAL</b>	<b>1,933.45</b>	<b>1,853.63</b>



Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
Note No.08		
<b>(iv) Loans - Short -Term Loans &amp; Advances</b>		
Other advance	10.36	10.19
Staff advance	7.35	5.79
Interest accrued but not received	2.47	48.23
Other Deposits	13.91	41.71
Prepaid expenses	16.28	25.94
Advance Income Tax	153.26	153.26
Provision for Exchange Difference Receivable	-	4.34
<b><u>TOTAL</u></b>	<b><u>203.63</u></b>	<b><u>289.46</u></b>
<b>c) Other Current Assets</b>		
Sales Tax Refund	55.10	-
Advance to suppliers	80.50	106.39
Excise Duty	3.74	5.38
Service Tax	14.30	19.62
Advance Group Gratuity Contribution	-	-
<b><u>TOTAL</u></b>	<b><u>153.64</u></b>	<b><u>131.39</u></b>
<b>EQUITY AND LIABILITIES</b>		
Note No.09		
<b>EQUITY</b>		
<b>(a) Equity Share Capital</b>		
<b>Authorised:</b>		
10,10,00,000 Equity Shares of Re.1 each fully paid	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	560.40	560.40
<b><u>TOTAL</u></b>	<b><u>560.40</u></b>	<b><u>560.40</u></b>

i) The Company has a single class of equity shares. All equity shares rank equally with regard to dividend and shares in the Company's residual assets.

ii) Equity Shareholders List holding more than 5% of equity shares along with the number of equity shares held is given below:

Name of the Shareholder	31.03.2019		31.03.2018	
	%	No. of Shares	%	No. of Shares
Nitin Menon	30.37	1,70,16,780	30.37	1,70,16,780
Menon United Pvt. Ltd.	24.30	1,36,19,800	24.29	1,36,12,800
Sucheta Nitin Menon	5.00	28,01,964	5.00	28,01,964
Aditya Nitin Menon	5.62	31,49,668	5.52	30,94,368
Anshul Nitin Menon	5.62	31,49,668	5.52	30,94,368
<b>Note No. 10</b>				
<b>(b) Other Equity</b>				
General Reserve		876.47		801.47
Add : Current Year		75.00		75.00
<b>Sub-Total</b>		<b>951.47</b>		<b>876.47</b>
Capital Reserve		25.00		25.00
Revaluation Reserve		2.56		2.56
Profit & Loss Account		7,524.11		6,244.31
<b><u>TOTAL</u></b>		<b><u>8,503.14</u></b>		<b><u>7,148.34</u></b>
<b>Note:</b>				
<i>a. Surplus</i>				
Opening Balance		6,244.31		5,026.39
Add:- Net Profit for the current period		2,529.68		2,107.35
Add:- Other comprehensive income		5.47		28.68
Profit available for appropriation		8,779.46		7,162.42
Less: Dividend Paid on equity shares		980.70		700.50
<b><u>TOTAL</u></b>		<b><u>7,798.76</u></b>		<b><u>6,461.92</u></b>
Less: Tax on distributed profits on equity shares		199.65		142.61
<b><u>TOTAL</u></b>		<b><u>7,599.11</u></b>		<b><u>6,319.31</u></b>
Less: Transfer to General Reserve		75.00		75.00
<b>Balance carried forward to Balance Sheet</b>		<b><u>7,524.11</u></b>		<b><u>6,244.31</u></b>
<b>LIABILITIES</b>				
<b>Non Current Liabilities</b>				
<b>Note No. 11</b>				
<b>(a) Financial Liabilities</b>				
<b>(i) Long-Term Borrowings</b>				
<b>a) Term Loan from Banks</b>				
AXIS Bank Limited		275.82		273.21
Bajaj Finance Ltd		770.10		-
HDFC Bank Ltd		1,551.68		-
<b>b) Car Loans from Banks</b>				
Axis Bank Ltd		71.92		120.13
<b>Sub Total</b>		<b><u>2,669.52</u></b>		<b><u>393.34</u></b>
<b>Unsecured Loans</b>				
Sales tax Deferral Loan		64.93		103.23
<b>Sub TOTAL</b>		<b><u>64.93</u></b>		<b><u>103.23</u></b>
<b><u>TOTAL</u></b>		<b><u>2,734.45</u></b>		<b><u>496.57</u></b>

Bank Name	Loan Amt in lakhs	Installment Amt. in Lakhs	Loan Amt in lakhs	Installment Amt. in Lakhs
	31.03.2019		31.03.2018	
Axis Bank Ltd. FCTL	182.35	3.90	473.25	16.67
Bajaj Finance Ltd.	900.00	18.99	-	-
HDFC Bank Ltd.	828.95	14.05	-	-
Axis Bank Ltd. Car Loan ( Creta)	7.58	0.29	10.14	0.29
Axis Bank Ltd. Car Loan (Jetta)	-	-	6.77	0.65
Axis Bank Ltd. Car Loan (Honda City-1)	-	-	4.61	0.33
Axis Bank Ltd. Car Loan (Honda City-2)	0.96	0.33	3.29	0.31
Axis Bank Ltd. Car Loan (VOLVO)	91.39	2.56	113.75	2.56

A) Axis Bank:- The Company has availed and utilised FCTL ( Foreign Currency Term Loan) of Rs. 2.83 Crores (Current Outstanding \$299754) & of Rs.2.00 Crore (Current Outstanding \$266783.28). These loans are repayable in monthly instalments of \$7863 & \$5698.52 plus interest as and when applied upto 30/06/2022 & 28/02/2023 respectively. The loan is secured by First Charge over entire movable and immovable fixed assets , both curent and future, of the company situated at G-01, 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-01, MIDC Gokul Shirgaon, Kolhapur & Plot No C-1, Kagal Five Star MIDC, Hatkanangale. It is also secured by personal guarantee of Mr. Nitin Menon.

B) Bajaj Finance:- The company has availed Term Loan of Rs.15.00 Crore . Out of this the Company has utilised Term Loan of Rs.9.00 Crore only. The repayment of this utilised loan amount is to be done by monthly Instalment of Rs.1899314/- plus interest as and when applied till 05/05/2024. The loan is secured by exclusive charge over immovable and movable fixed assets located at B-2, MIDC, Gokul Shirgaon and Personal Guarantee of Mr. Nitin Menon.

C) HDFC Bank:-The Company has availed Term Loan of Rs.22.00 Crore, Out of this, the Company has utilised the Term Loan of Rs.20.43 Crore. The loan is repayable in monthly instalments of Rs.3430755 plus interest as and when applied till 06/02/2024. The Loan is Secured by Pari Passu charge on Factory land and Building at Plot No C-1, Kagal Five Star MIDC, Hatkanangale and exclusive first charge on Factory Land & Building at G-1, MIDC, Gokul Shirgaon, Kolhapur. Pari Passu charge over entire movable fixed assets of Bearing and Alkop division. Plus Collateral charge on entire current assets of Alkop & Bearing division and Personal guarantee of Mr. Nitin Menon.

b) The Long Term Borrowing includes Car Loan taken by the Company from the Axis Bank & HDFC Bank

c) The unsecured loan represents Interest Free Sales Tax Deferral Loan From SICOM received under the incentive scheme of Government of Maharashtra.

(Rs. in Lakhs)

Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
<b>Note No. 12</b>		
<b>( C ) Deferred Tax Liabilities (Net)</b>		
<b>Deferred Tax Liability</b>		
a) Depreciation Opening	360.70	372.20
Add: During the year	17.82	(11.50)
Closing Liability (a)	378.52	360.70
b) Disallowances as per Section 43B & 40(a) of Income Tax		
At Opening	(14.50)	(13.25)
Add: During the year	1.08	(1.25)
Closing Asset (b)	(13.43)	(14.50)
c) Others Opening	2.47	(10.15)
Add:- During the Year	0.02	12.61
Closing Asset ©	2.49	2.47
<b>Deferred Tax Liability (Net) (a-b-c)</b>	<b>367.58</b>	<b>348.67</b>

(Rs. in Lakhs)

Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
<b>Current Liabilities</b>		
<b>Note No. 13</b>		
<b>(a) Financial Liabilities</b>		
<b>(i) Borrowings</b>		
Axis Bank Ltd. Cash Credit	271.98	1,352.10
Bajaj Finance Ltd (Demand Loan)	-	426.60
HDFC Bank Ltd Cash Credit	845.43	-
Term Loan Due within 1 Year	652.82	200.04
Vehicle Loans Due within 1 Year	28.01	18.44
<b>Unsecured Loans</b>		
Sales tax Deferral Loan Due within 1 Year	38.31	33.67
<b><u>TOTAL</u></b>	<b><u>1,836.55</u></b>	<b><u>2,030.85</u></b>

**Note:**

- a) The Working Capital facilities from Axis Bank Ltd (Rajarampuri Branch) and HDFC Bank Ltd. Kolhapur 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 Gokulshirgaon, Kolhapur- 416 234 and personal guarantee of Mr. Nitin Menon
- b) The company has availed Foreign Currency Demand Load (as a sub limit of existing Working Capital Facility) of Rs. 7.00 Crores. The total outstanding of such loan in foreign currency is \$422094.26

<b>Note No. 14</b>		
<b>(ii) Trade Payable</b>		
Trade Payable	908.46	1,024.29
Trade Payable (M.S.M.E.)	87.96	40.73
<b><u>TOTAL</u></b>	<b><u>996.42</u></b>	<b><u>1,065.02</u></b>
<b>Note No. 15</b>		
<b>(iii) Other Financial Liabilities</b>		
Gratuity Payable	7.31	0.29
Deposit from Customers	28.45	26.40
C.S.R.(CORPORATE SOCIAL RESPONSIBILITY)	98.46	72.60
Provision for expenses	401.55	329.49
'Unpaid / Unclaimed Dividend	129.45	108.91
<b><u>TOTAL</u></b>	<b><u>665.22</u></b>	<b><u>537.69</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> March -2019

(Rs. in Lakhs)

Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
<b>Note No. 16</b>		
<b>(b) Other Current Liabilities</b>		
Sales Tax Payable - Current Dues	-	37.31
Statutory Liabilities	75.82	45.61
Advance From Customers	24.77	269.57
Leave Encashment	36.07	29.77
<b><u>TOTAL</u></b>	<b><u>136.66</u></b>	<b><u>382.26</u></b>
<b>Note No. 17</b>		
<b>Sales</b>		
1. Auto & Aluminium Die Casting Components	17,095.21	14,346.53
2. Scrap Sale	194.06	139.65
<b><u>TOTAL</u></b>	<b><u>17,289.27</u></b>	<b><u>14,486.18</u></b>
<b>Note No. 18</b>		
<b>Other Operating Revenue</b>		
a) Exchange Difference	28.01	17.01
b) Sale of DEPB License	2.52	-
c) Duty Drawback Refund	21.83	0.87
d) Income from other Source	43.08	42.63
e) Other Income	12.43	15.54
f) Profit on Sale of Fixed Asset	0.06	4.60
<b><u>TOTAL</u></b>	<b><u>107.95</u></b>	<b><u>80.65</u></b>
<b>Note No. 19</b>		
<b>Other Income</b>		
<b>Income from non-current investments</b>		
a) Dividend from Companies	-	-
b) Interest Received	144.16	111.37
<b><u>TOTAL</u></b>	<b><u>144.16</u></b>	<b><u>111.37</u></b>
<b>Note No. 20</b>		
<b>Cost of Materials Consumed</b>		
<b>A] Raw Material</b>		
Opening Stock	401.12	314.12
Add : Purchases	6,266.88	5,533.14
<b>Total :</b>	<b>6,668.00</b>	<b>5,847.26</b>
Less: Closing Stock	397.12	401.12
<b>Total :</b>	<b>397.12</b>	<b>401.12</b>
<b><u>Raw Material Consumed</u></b>	<b><u>6,270.88</u></b>	<b><u>5,446.14</u></b>

Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
<b>Note No. 21</b>		
<b>Changes in stock of Work-in-Process and Finished Goods</b>		
<b>Opening Stock</b>		
Finished Goods	621.14	500.61
Work in Process	323.65	328.21
<b><u>TOTAL</u></b>	<b><u>944.79</u></b>	<b><u>828.82</u></b>
<b>Closing Stock :</b>		
Finished Goods	682.65	621.14
Work in Process	304.21	323.65
<b><u>TOTAL</u></b>	<b><u>986.86</u></b>	<b><u>944.79</u></b>
Increase / (Decrease )in Stock	(42.07)	(115.97)
<b>Note No. 22</b>		
<b>Employee Benefits Expenses</b>		
Directors Remuneration	183.06	159.21
Salary and Wages	1,241.98	1,024.12
Labour Welfare	9.25	10.14
Contribution to Provident Fund	66.58	61.22
Contribution to Group Gratuity Trust	33.14	32.96
	<b><u>1,534.01</u></b>	<b><u>1,287.65</u></b>
<b>Note No. 23</b>		
<b>Cost of Finance</b>		
Interest	323.27	157.78
Bank Commission & Other Charges	30.54	35.00
<b><u>TOTAL</u></b>	<b><u>353.81</u></b>	<b><u>192.78</u></b>
<b>Note No. 24</b>		
<b>Operating and Other Expenses</b>		
<b>A] Operating Expenses</b>		
Stores & Spares Consumed	1,299.02	964.35
Electricity	1,204.60	943.00
Power & Fuel Expense	96.18	62.98
Electric Material	2.67	11.70
Outside labour charges	142.86	151.14
Contract Labour Charges	942.74	904.28
Water charges	24.01	23.00
Repairs & Maintenance	277.45	229.60
Testing Fees	13.97	6.85
Hamali	5.87	3.03
Machining Charges	16.25	5.80
<b><u>Total A] Operating Expenses</u></b>	<b><u>4,025.61</u></b>	<b><u>3,305.74</u></b>

Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
<b>B] Other Expenses</b>		
Advertisement	12.19	5.70
C.S.R.(CORPORATE SOCIAL RESPONSIBILITY ) Expenses	63.80	45.02
i) Audit Fees	3.25	2.51
ii) Other Services	0.40	0.40
Business Expenses	23.46	26.43
Donation	0.13	0.10
Establishment Expenses	28.44	28.57
Foreign Tour Expenses	20.15	11.69
Freight Outward	410.12	189.93
Insurance	14.96	8.59
Building Repairs	49.91	62.95
Legal & Consultation	63.39	60.05
Misc. Expenses	56.06	24.47
Postage, Telephone	19.30	19.09
Printing & Stationary	16.03	6.39
Rent, Rates and Taxes	28.41	21.34
Sales Promotion Expenses	381.53	288.54
Sitting Fees	0.12	0.15
Traveling Expenses	88.08	89.83
Loss on Sale of Asset	0.19	1.87
Gain/Loss in Fair Valuation	2.59	-
Vehicle & Conveyance Expenses	19.34	19.88
Exchange Loss	5.29	7.16
<b>Total B] Other Expenses</b>	<b>1,307.14</b>	<b>920.66</b>
<b>Total [A+B] Operating and Other Expenses</b>	<b><u>5,332.75</u></b>	<b><u>4,226.40</u></b>
<b>Note No. 25</b>		
<b>Tax Expense</b>		
Current Tax	1,063.85	1,126.29
Deffered Tax	16.67	(0.13)
<b><u>TOTAL</u></b>	<b><u>1,080.52</u></b>	<b><u>1,126.16</u></b>
<b>Note No. 26</b>		
<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	302.14	247.59
b. Current Service Costs	19.83	16.88
c. Total Service Gratuity	612.23	623.11
d. Accured Gratuity	324.95	268.33
e. LCSA	385.46	334.56
f. LC Premiun	1.12	0.93
GST Tax @ 18 %	0.20	0.17



Particulars	Current Year Ended on 31.03.2019	Previous Year Ended on 31.03.2018
<b>2. Recommended Contribution Rate</b>		
a. Fund value as on renewal date	325.57	268.39
b. Additional Contribution for existing fund	3.03	2.45
c. Current Service Costs	5.71	3.25
3. Total Amount payable (Rs.) (1.f +1.g+2.b+2.c)	10.05	6.80
4. Less: Amount Paid	2.74	6.50
5. Liability appearing in Balance Sheet	<b><u>7.31</u></b>	<b><u>0.30</u></b>
<b>Note No. 27</b>		
Leave Encashment		
Valuation Method - Projected Unit Credit Method		
A) Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period	(7.71)	(43.86)
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	(7.71)	(43.86)
B) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	29.77	32.20
Adjustment to opening balance	-	-
Expenses as above	14.58	41.65
Contribution paid	(0.57)	(0.23)
Other Comprehensive Income (OCI)	(7.71)	(43.86)
<b>Closing Net Liability</b>	<b><u>36.07</u></b>	<b><u>29.77</u></b>

As per our report of even date attached

**For M/s.ARNA & Associates.**

Chartered Accountants

**Rahulprasad Agnihotri**

Partner

Membership No.:111576

Place : Kolhapur

Date : 23<sup>rd</sup> April, 2019

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

**R D DIXIT**

Chairman & Managing Director

**NITIN MENON**

Vice Chairman & Joint Managing Director

**ARUN ARADHYE**

Whole Time Director & CFO

**SURAJ PATIL**

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]**

**28<sup>TH</sup> ANNUAL GENERAL MEETING ON 18<sup>TH</sup> July, 2019**

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 28<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 18<sup>th</sup> July, 2019 at 11.00 a.m at The Residency Club, P.O. New Palace, Kolhapur-416003 and at any adjournment thereof in respect of such resolutions as are indicated overleaf: P.T.O



Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	<b>Ordinary Business:</b>			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2019 along with Boards' Report and Auditors' Report thereon.			
2	Ordinary Resolution to take note of payment of interim dividend (150%) paid for the financial year ended on 31 <sup>st</sup> March, 2019			
3	Ordinary Resolution to re-appoint Mr. R. D. Dixit (DIN: 00626827), as a director, who retires by rotation			
	<b>Special Business:</b>			
4	Ordinary Resolution for approval of remuneration payable to M/s. C. S. Adawadkar & Co., Cost Auditors, Pune (FRN: 100401) for the financial year 2019-20.			

Signed this ..... day of ....., 2019




Signature of shareholder .....

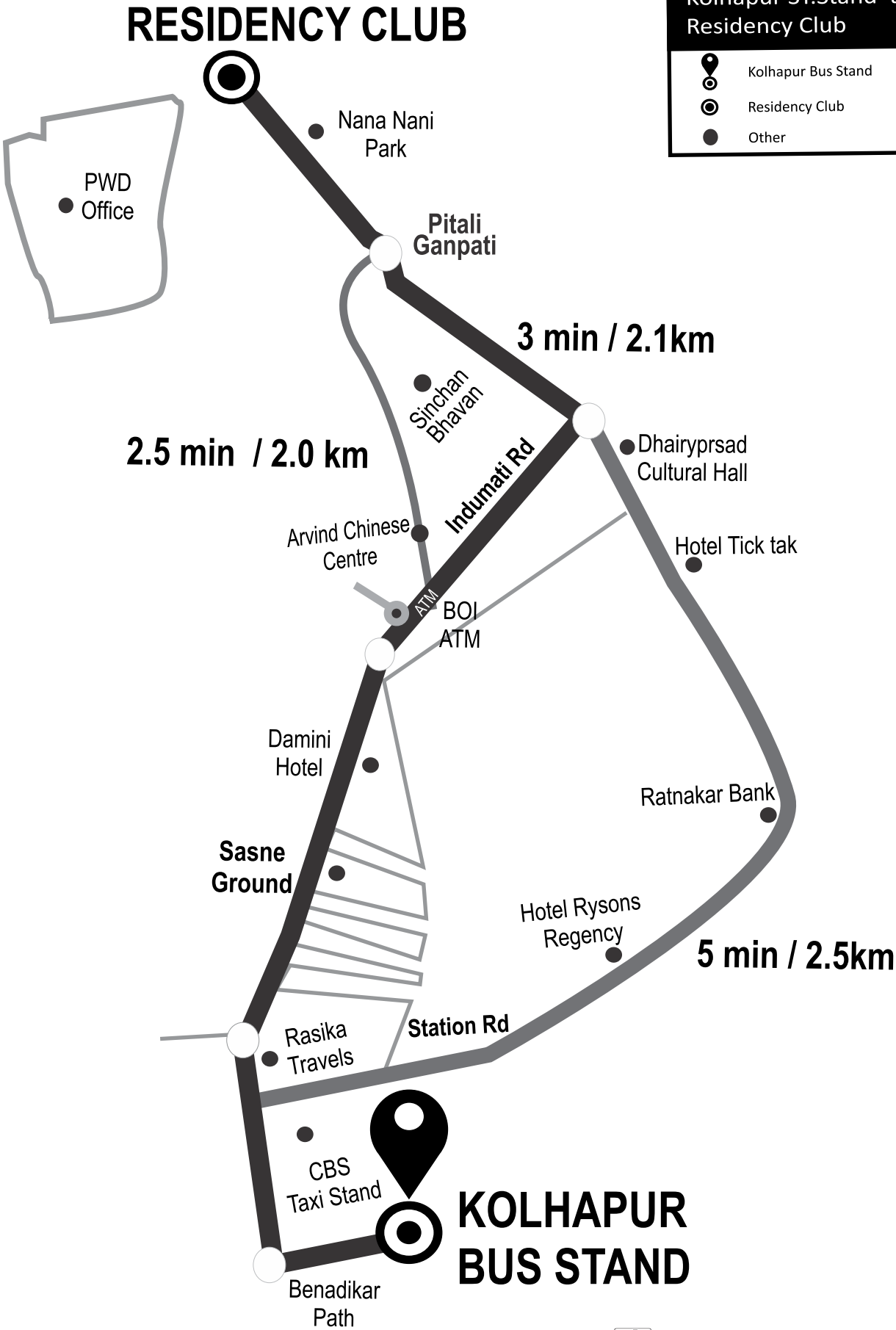
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Revenue  
Stamp

**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.

**ROUTE MAP**  
Kolhapur ST.Stand to  
Residency Club

 Kolhapur Bus Stand  
 Residency Club  
 Other



## Notes

Notes

## Notes



## MENON BEARINGS LTD.

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Shirgaon, Kolhapur-416234,  
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USA and Canada :  
Call Toll Free 1 ( 866 ) 55 MENON,  
001 ( 866 ) 556-3666 -  
OR 001 (317) 514-7215



Menon Bearings  
plant at Kolhapur,

