

Menon Pistons Ltd.
Annual Report 2013-2014



Menon Pistons Ltd. main manufacturing facility at Kolhapur.

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The Board of Directors

BOARD OF DIRECTORS

Mr. Ram Menon
Chairman

Mr. Sachin Menon
Managing Director

Mr. Nitin Menon
Director

Mr. R. D. Dixit
Director

Mr. Ajitkumar S. Belur
Director

Dr. Shivram Bhoje
Director

KEY MANAGERIAL PERSONNEL

Mr. S B P Kulkarni
Associate Vice President

AUDITORS

M/S P.M. Vardhe & Co.
Chartered Accountants

INSTITUTIONS & BANKERS

IDBI Bank Ltd.

REGISTERED OFFICE

182, Shirol, Kolhapur - 416122
Phone: 91-230- 2468041/2468042
Fax – 0230- 2468442

Website:

<http://www.menonpistons.com>

Email: oad@menonpistons.com
cs@menonpistons.com

DIRECTORS REPORT

for the Financial Year ended 31st March 2014

Dear Shareholders,

Your Directors are delighted in presenting you the 37th Annual Report on the business and operations of the Company together with the audited statements of accounts for the year ending on 31st March 2014.

Financial & operational Performance:

(₹. in Lakhs)

Particulars	Current Year 2013-2014	Previous Year 2012-2013
Gross Turnover	14,446.52	15,441.67
Less: Usual working Expenses	13,728.04	14,322.59
Gross Profit	718.48	1,119.08
Less: Depreciation	406.24	456.69
Profit Before Taxation	312.24	662.39
Less: Provision for Taxation (Net)	129.85	205.77
Profit After Tax	182.40	456.61
Add: Balance of profit as per last year's accounts	3,275.30	2,988.02
Add : Previous Year Provision W/o	0.00	0.00
Balance Available for appropriation	3,475.70	3,444.63
Less :		
Proposed Dividend	76.50	102.00
Tax on Dividend	13.00	17.33
Transfer to General Reserves	18.00	50.00
Balance carried to next year	3,350.20	3,275.30

General Review

The Indian automobile industry has witnessed a period of sluggish demand for almost three consecutive years with signs of recovery still appearing distant. As auto component manufacturers derive over 60% of their revenues from supplies to the domestic auto Original Equipment Manufacturers (OEM), the ongoing weakness in demand for new vehicles accordingly had an adverse impact on revenue growth of suppliers.

With demand for vehicles declining in most mature markets in the face of the global recession, high fuel costs and urban driving restrictions, the industry is turning its attention even more strongly

towards the expanding middle classes in the new power houses of china, India, Brazil, Russia etc. and other after developing countries.

Auto Component Industry continues to face tremendous pressure on profit margins due to elevated inflation levels. Going ahead, amidst rising market competition, new product launches, as also product refreshes planned, OEM are expected to increase spending on marketing & promotional activities.

During the year 2013-14 your company has made turnover of Rs 14,446.52 Lakhs as compared to Rs. 15441.67 Lakhs during the previous financial year whereas profit after tax for the year is Rs. 182.40/- Lakhs as against Rs. 456.61/- Lakhs in the previous financial year.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 1.50/- per equity share of Rs. 10/- each for the financial year 2013-2014. Total outgo on dividend would be Rs. 76,50,000/- (Seventy Six Lakh Fifty Thousand only). The Company has made preparations to transfer Rs. 18,00,000/- (Eighteen Lakh Only) to general reserves while appropriating dividend from the net profit. The tax on dividend will be paid by the Company and the dividend in the hands of shareholders is free from income tax. Dividend would be distributed to the Share holders after approval of members in the Annual General Meeting.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

As a listed Company necessary measures are taken to comply with provisions of the listing agreement entered with Bombay Stock Exchange. The Report on Corporate Governance along with a certificate as stipulated confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 forms part of the Annual Report. The Managing Director's declaration regarding compliance with code of conduct for Board Members and Senior Management is attached to the Corporate Governance Report.

Eco Friendly Compliance

The company complies with all requirements regarding management of pollutants of manufacturing units. The plants do not cause any type of water, air or noise pollution. The company has obtained clearances from the State Pollution Control Board for both the plants.

Board of Directors

Mr. Nitin Ram Menon and Shri Ram Menon, Directors, would retire by rotation at the ensuing Annual General Meeting of the Company; and being eligible, may offer themselves for reappointment. In accordance with clause 49 of the listing agreement, particulars relating to the Directors seeking appointment/re-election/reappointment at the ensuing Annual General Meeting are furnished in the Corporate Governance Report.

Industrial Relation

During the year, Industrial relations at both the plant locations remained harmonious. The Directors express their appreciation for the support given and the contribution made by the employees at all levels and there were no man days lost due to any kind of unrest.

Directors' Responsibility Statement:

In accordance with the requirements of section 217 (2AA) of the Companies Act, 1956, the Directors declare that:

- 1) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure, if any;
- 2) the Directors had 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 as on 31st March, 2014 and of the profit of the Company for the year ended on that date;
- 3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) the Directors had prepared the annual accounts on a 'going concern' basis.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo

The particulars as prescribed under sub-section (1) (e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of directors) Rules, 1988, are set out in 'Annexure A' to this report.

Management Discussion & Analysis and Corporate Governance

A separate Report on the Management Discussion & Analysis is annexed to this report and forms part of this Report.

Particulars of employees

There is no employee whose particulars are required to be given under section 217(2A) (a) of the Companies Act 1956, read with Notification dated 31st March, 2011 by MOCA.

Auditors & Their Report

The Auditors of the Company, P.M. Vardhe & Co., Chartered Accountants, Kolhapur would retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

The Board has duly reviewed the Statutory Auditors' Report. No qualification remark was listed out by the Auditor in their report. It is forming part of this Annual Report.

Mr. Chandrasekhar S. Adawadkar, Cost Accountant, Pune has been appointed as cost auditor to conduct the said audit for the year 2013-14, and the government approval in this regard has been received.

Audit committee

The Audit Committee, which was constituted pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement with Bombay Stock Exchange, has reviewed the Accounts for the year ended on March 31, 2014. The Composition of the Audit Committee are Mr. R. D. Dixit (Chairman), Mr. Sachin Ram Menon (Member), Dr. Shivram Bhoje (Member) and Mr. A. S. Belur (Member).

Acknowledgments

The Directors place on record their appreciation and express their gratitude for the continued support extended to the Company by the share holders, Financial Institutions & Banks, Suppliers and the Customers. We thank the Government of India, State Government, Reserve Bank of India, Bombay Stock Exchange depositories and other Government Agencies for their continuous & stable support, and look forward to their continued backing in the future.

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

Place: Kolhapur
Date : 11.05.2014

Ram Menon
Chairman



ANNEXURE A TO DIRECTORS' REPORT

Information required under the Companies Disclosure of particulars in the (report of the Board of Directors) rule 1988.

1. Conservation of Energy:

In continuous improvement process several energy saving measures which have been initiated by appropriate modifications in adopting systems such as installation of induction furnaces, multiple cavity dies, modern machines with multiple operations, and new designated holding furnaces to save fuel and power cost and monitoring energy saving measures periodically and implementing the energy management technique has resulted average total saving of Approx. Rs.25 lakhs per year.

2. Technology absorption:

(i) Specific areas in which R & D is carried out:-

Continuous Research is being undertaken by the company in following areas:-

- Cost and productivity
- Market and new products
- Energy and Environment

(ii) Benefits derived from a result of the above R & D & future plan of action:-

Customer's satisfaction and new business opportunities because of cost, quality, productivity, process flow and speed. Existing as well as new customers are approaching for upgradation in their existing engine designs.

In order to maximise value creation and create stake holder delight by worldclass differentiating R & D shall continue to improve the competitive position of the Company by carrying out research related to oil cooled gallery pistons & present operations as well as its future business needs.

3. Foreign Exchange Earnings & Outgo:

- a) Activities relating to exports initiative :Nil
taken for exports, development of new
export markets for products and services.

b) Total Foreign exchange used :

1. Raw Material	: Rs. 0.75 Lakhs
2. Capital Equipment (Including Advance)	: Rs. Nil
3. Stores & Spares	: Rs. 10.23 Lakhs
4. Foreign travel & other expenditure	: Rs. 18.34 Lakhs
5. Royalty & Consultancy fees	: Rs. 40.59 Lakhs
6. Earned Deemed Export	: Rs. 3127.89 Lakhs

Place: Kolhapur
Date : 11.05.2014

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

Ram Menon
Chairman



ANNEXURE 'B' TO DIRECTORS REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Transformation of Indian Auto-Component Industry-

The Indian Auto Component industry has witnessed a period of sluggish demand for almost three consecutive years with signs of recovery. Auto Component manufacturers derive over 60% of their revenues from supplies to the domestic Original Equipment Manufacturers (OEMs), the ongoing weakness in demand had an adverse impact on revenue growth of your Company. The volumes in the domestic passenger vehicle (PV), Medium & Heavy Commercial Vehicle (N&HCV) and Commercial Vehicle (CV) segment is badly hit during the last 3 years and 2013-14 has turned out to be worse. During the year 13-14 most of the auto component manufacturers including your Company were grappling with a rising cost, firm interest rates and inflation in other overheads including employee costs, power costs and raw material cost etc.

We expect the auto component industry's growth pertaining to supplies to domestic OEMs to remain weak in the absence of immediate demand triggers for end users.

In the previous two to three years there is a negative Year to Year revenue growth. Due to high volatility in the market conditions, improvements in one area get squared off against another negative factor like improvements on lower raw materials get adjusted against higher fuel costs etc.

For Indian Auto Component manufacturer there is a growing competition from ASEAN imports due to FTA signed in 2010, as a result MSMEs located in auto-hubs like Chennai, Gurgaon are on the verge of closure and near dire state of existence.

There are global trends like consolidation, business integrations, reorganization of portfolios of vehicles are impacting the Indian auto component industry.

The global economic uncertainties and domestic monetary tightening measures have built up a near term negative sentiment for the Indian auto component industry. However, the long term prospects of the industry are definitely perceived as a huge opportunity area.

Structure of the Industry

Auto Component industry is fragmented so far. It is said that around 19 to 20 thousand different vehicle components are made by around eleven thousand organized and unorganized, large and small firms spread in clusters throughout India. Vehicle manufacturers source their 70 to 80 % requirements from Auto Components units.

The market is divided into many segments such as export market, replacement market, OEM market. These are distinct from one another and have distinct advantages and plights.

Future outlook

Growth drivers –

- Strong infrastructural demand
- Increasing per capita and disposable income in agricultural sector
- 0% finance schemes by major auto manufacturing units
- Higher disposable funds in hands of Indians and their rising aspirations.

As per reports of Automotive Components Manufacturers Association the annual growth of industry is pegged at an average 12% till year 2021 and at 8 to 10 % currently. As the number of vehicles goes on increasing the replacement market is sure to fuel the growth rate.

According to published figures of Investment and Technology Promotion division of Ministry of External affairs the automotive industry as such is doing fairly well and its turnover touched US\$ 40.6 billion in 2012–13 and is expected to reach US\$ 115 billion by 2020–21. However There is very uncertain near term future and poor sentiments in the auto component sector across India. The long term sustainability would depend on new set of skills, operational excellence, risk mitigation, innovation, even de-risking to some extent by exploring areas in non-auto-components but engineering sector.

Internal control systems and their adequacy

Your company has effective systems of internal control in place. The Company also maintains suitable monitoring procedures in various functional areas. Controls are in place as:

- a) Effective systems of accounting and administrative control.
- b) Existence of Audit Committee of Directors.

The company's internal control system has been designed in order to provide the directors and the audit

committee with reasonable assurance that its assets are safeguarded, transactions are properly authorized and recorded, material errors and irregularities are either timely prevented or detected. The internal controls system provides the board an independent, reasonable assurance of the adequacy of effectiveness of the organizations risk management, control and governance process. The company's internal control system comprises of a specially designed ERP system which is running in all departments of the company which is tested and tried at operational level. These procedures are subject to internal audit by independent, external professional firm of chartered accountants. Thus effective internal control structure has been set up in the company to enhance organizational performance and contribute towards accomplishment of its objectives.

Risk Management :

The risk management is periodically reviewed to ensure that your company identifies its risks through means of properly defined framework and mitigate the identified risks through proper action plans and reviews.

Environment :

The company believes that, by nature, our operations have a minimal impact on the environment. However, we acknowledge that there are inevitable environment impacts associated with daily operations. We strongly encourage the internationally established 3 R's reduce, re-use, recycle. In the course of our operations we seek to identify opportunities to reduce/ keep it at minimum consumption of energy, water and other natural resources. We also strive to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing impact on the environment.

Human Relations, workers' welfare, inclusive development activities:

It is our strategy to adhere to all legislation relating to employment rights and equal opportunities, with particular reference to non-discrimination on the basis of ethnic origin, religion, gender, age, marital status, disability or sexual orientation. We aim to ensure a safe and healthy working environment that is safe hygienic and humane and which upholds the dignity of employees, outside contractors and visitors.

Safety Health

Your Company continues to look for new opportunities to enhance health and safety training and awareness for employees and contractors. Analysis of Financial condition and results of operations .

Financial Statements

The financial statements have been prepared in accordance with the requirements of the Companies Act, the Indian GAAP (Generally accepted accounting principles), the Accounting Standards as prescribed by the Government. The board of director believes that it has been the objective and prudent in making estimates and judgments relating to the financial statements and confirms that these financial statements are a true and fair presentation of the company's operations of the year.

Statutory compliance

The managing director makes a declaration at each Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmations from all the units of the company. The company ensures compliance with SEBI regulations and provisions of the listing agreement.

Cautionary statement

Statements made in this Management Discussion Analysis report describing the company's projections expectations, estimates, global conditions, government policies etc contain forward looking statements based upon the data available with the company. The company cannot guarantee the accuracy of assumptions and perceived performance of the company in future. Therefore it is cautioned the actual results may materially differ from those expressed or implied in this analysis.

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

Date : 11.05.2014

Place: Kolhapur

**Ram Menon
Chairman**



INDEPENDANT AUDITORS' REPORT

To
The Members of Menon Pistons Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Menon Pistons Ltd., 182, Shirol, Kolhapur which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as on March 31, 2014
- (b) In the Case of the Statement of Profit and Loss, of the profit for the year ended on that date, and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Companies Act 1956, We report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 :
 - e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M/s. P.M. Vardhe & Co.,
Chartered Accountants
(FRN : 111274W)

Place : Kolhapur
Date : 11.05.2014

P. M.VARDHE
Proprietor,
M. No. 031817



The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Menon Pistons Limited. On the accounts of the company for the year ended 31st March, 2014.

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

- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

c. In our opinion and according to the information given to us, no fixed assets has been disposed During the year and therefore, does not affect the going concern assumption.
- (ii) a. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. In our opinion and on the basis of our examination of the records, The company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (iii) a. According to the information and explanation given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956, Consequently the provisions of Clause iii(b), iii (c) and iii (d) of the order are not applicable to the Company.

b. According to the information and explanation given to us and on the basis of our examination of the books of account, the Company has not taken loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Thus Sub – clauses (f) & (g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, There is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchases of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal control has been noticed.
- (v) a. Based on our audit procedures applied by us and according to the information and explanation provided by the management, The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b. As per information & explanations given to us and in our opinion, the transactions entered into by the company with parties covered u/s 301 of the Act have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public covered U/s 58A and 58AA of the Companies Act, 1956.
- (vii) As per information & explanation given by the management, the company has an internal audit system commensurate with its size and the nature of its business.
- (viii) As per information & explanation given by the management, maintenance of cost records has been prescribed by Central Government under clause (d) of sub - section 1 of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained, we have not, however, made a detailed examination of the same.
- (ix) a. According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise-duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information & explanation given to us there were no outstanding statutory dues on 31st March, 2014 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues, which have not been deposited with the appropriate authorities are as under :

Sr. No.	Authority	Item	Amount (₹. in Lacs)
1.	Dy. Commissioner of Sales Tax (Appeals), Pune	Sales Tax Penalty	5.00
2.	Custom, Excise & Service tax Appellate Tribunal	Service Tax Credit, GTA	3.31
3.	Custom, Excise & Service tax Appellate Tribunal	Service Tax Credit, GTA	0.91
4.	Joint Commissioner of Sales Tax (Appeals) Kolhapur	Sales Tax	310.45
5.	Commissioner of Central Excise (Appeals) Pune	Service Tax	18.57
		Total	338.24

- (x) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that, the company has not defaulted in repayment of dues to a financial institutions, banks, or debenture holders.
- xii) According to the information & explanation given to us, The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/ society therefore, the provisions of the Companies (Auditor's Report) order, 2003 (as amended) is not applicable to the company.
- (xiv) According to the information & explanation given to us, the Company is not trading in shares, securities, debentures and other investments. Further investments are held in their own name.
- (xv) The Company has not given guarantee for loans taken by others from Bank.
- (xvi) Based on our audit procedures and on the information given by the management, we report that the company has applied the term loans for the purpose for which they were obtained.
- (xvii) Based on the information & explanation given to us, and on an overall examination of the balance sheet of the company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long term investments by the company.
- (xviii) Based on the audit procedures performed and the information & explanation given to us, by the management, we report that the company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued debentures during the period under audit.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and the information & explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For M/s. P.M. Vardhe & Co.,
Chartered Accountants
(FRN : 111274W)

Place : Kolhapur
Date : 11.05.2014

P.M. VARDHE
Proprietor
M. No. 031817

BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	NOTES	CURRENT YEAR (₹.)	PREVIOUS YEAR (₹.)
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a. Share Capital	2	5,10,00,000	5,10,00,000
b. Reserves & Surplus	3	51,02,25,553	50,09,35,596
		56,12,25,553	55,19,35,596
2. Non-current Liabilities			
a) Long Term Borrowings	4	-	4,25,07,695
b) Deferred Tax Liability (Net)	5	3,09,07,192	2,37,95,547
c) Other Long Term Liabilities	6	33,15,150	29,65,340
d) Long Term Provisions	7	48,91,674	74,68,414
		3,91,14,017	7,67,36,996
3. Current Liabilities			
a) Short Term Borrowings	8	26,40,99,526	30,81,15,835
b) Trade payables	9	20,34,36,229	20,40,08,825
c) Other Current Liabilities	10	3,37,38,643	4,40,01,941
d) Short Term Provisions	11	5,46,57,472	5,77,10,644
		55,59,31,870	61,38,37,244
TOTAL ₹.		1,15,62,71,440	1,24,25,09,836
II ASSETS			
1. Non-Current Assets			
a) Fixed Assets	12		
i) Tangible assets		39,52,40,822	37,91,58,771
ii) Intangible assets		15,28,362	16,19,291
iii) Capital work-in-progress		2,67,823	3,75,06,416
b) Non Current Investments	13	44,46,464	44,46,464
c) Long-term loans and advances	14	3,78,86,957	3,35,47,710
d) Other non-current assets	15	78,82,382	79,98,759
		44,72,52,810	46,42,77,411
2. Current Assets			
a) Inventories	16	22,39,47,880	24,21,83,539
b) Trade Receivable	17	27,46,28,746	23,97,50,860
c) Cash and Bank Balances	18	8,40,77,261	18,30,65,424
d) Short-term loans and advances	19	10,68,24,129	9,78,44,590
e) Other current assets	20	1,95,40,614	1,53,88,012
		70,90,18,630	77,82,32,425
TOTAL ₹.		1,15,62,71,440	1,24,25,09,836

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

P. M. Vardhe
Proprietor
M.No.031817

Place : Kolhapur
Date : 11.05.2014

For and on Behalf of the Board of Directors

Ram Menon
Chairman

Sachin Menon
Managing Director

R.D.Dixit
Director

S.B.P. Kulkarni
Associate Vice President



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2014

PARTICULARS	NOTES		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
I) INCOME					
Revenue From operation	21	1,56,12,31,652		1,68,34,50,799	
Less: Excise Duty		13,19,44,233		15,62,79,087	
		1,42,92,87,419		1,52,71,71,712	
Other Income	22	1,53,65,161		1,69,95,898	
Total			1,44,46,52,579		1,54,41,67,610
II) EXPENDITURE					
Raw Material	23	69,26,59,677		77,29,66,892	
Changes in inventories of finished Goods and work-in-progress	24	1,30,25,618		(15,39,427)	
Payments to and provisions for Employees	25	13,45,75,105		12,61,33,425	
Cost of Finance	26	4,01,03,850		4,32,43,680	
Depreciation	12	4,06,24,038		4,56,68,866	
Operating & Other expenses	27	49,24,39,571		49,14,54,911	
Total			1,41,34,27,858		1,47,79,28,347
III) Profit before Taxation			3,12,24,721		6,62,39,263
Provision for Income Tax (Current)		58,73,000		1,60,00,000	
Provision for Income Tax (Deferred)		71,11,646		45,77,711	
IV) Profit After Taxation			1,82,40,075		4,56,61,552
V) Earning Per Share					
Basic and Diluted Earning Per Share			3.58		8.95

As per our report of even date attached

M/s. P. M. Vardhe & Co.

Chartered Accountants

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

P. M. Vardhe

Proprietor

M.No.031817

Ram Menon

Chairman

Sachin Menon

Managing Director

R.D.Dixit

Director

Place : Kolhapur

Date : 11.05.2014

S.B.P. Kulkarni

Associate Vice President

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

CASH FLOW STATEMENT PARTICULARS	2013-14 (₹)		2012-13 (₹)	
	Amount	Amount	Amount	Amount
Cash flows from operating activities				
Profit as per Profit & Loss A/c (before tax & dividend)		3,12,24,721		6,62,39,263
Adjustments for :				
Depreciation	4,06,24,038		4,56,68,866	
Interest Received	(1,36,22,142)		(1,26,50,444)	
Dividend Received	(60,837)		(72,122)	
Interest Paid	4,01,03,850	6,70,44,909	4,32,43,680	7,61,89,980
Operating profit before working capital changes		9,82,69,630		14,24,29,243
Adjustments for :				
Inventories	1,82,35,659		(45,47,284)	
Sundry Debtors	(3,48,77,886)		(7,78,272)	
Loans and Advances	(1,31,32,141)		(5,47,80,313)	
Current Liabilities and provisions	(36,89,065)		(6,44,68,839)	
Direct Tax Paid	(1,29,84,646)		(2,05,77,711)	
Increase in deferred tax liability	71,11,645		45,77,711	
Tax on Dividend	(13,00,118)		(28,95,000)	
Previous year Provision Written off	-	(4,06,36,552)		(14,34,69,708)
Net Cash Generated from operations		5,76,33,078		(10,40,465)
Cash flow from investing activities				
Purchase of fixed assets	(5,84,09,028)		(5,42,33,616)	
Sale of fixed Assets	28,69,814		7,35,167	
Fixed assets under installation	3,72,38,593		(3,48,60,144)	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Long Term Loans and Advances	(42,22,870)		(36,05,000)	
Investment income :				
Interest received	1,36,22,140		1,26,50,444	
Dividend received	60,837		72,122	
Depreciation on assets sold	(10,75,943)		(4,86,500)	

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014 (continued)

CASH FLOW STATEMENT PARTICULARS	2013-14 (₹)		2012-13 (₹)	
	Amount	Amount	Amount	Amount
Cash flow from investing activities		(99,16,457)		(7,97,27,527)
Total Cash Generation		4,77,16,621		(8,07,67,992)
Cash flow from financing activities				
Proceeds from issue of share capital			2,23,89,188	
Proceeds from long term borrowing			12,20,17,906	
Proceeds from short term borrowing	(4,25,07,695)		(5,50,88,651)	
Repayment of long term borrowing	(22,26,930)		-	
Repayment of short term borrowing	(4,40,16,309)		(1,78,50,000)	
Dividend paid	(1,78,50,000)		(4,32,43,680)	
Interest Paid	(4,01,03,850)			
Net cash used in financing activities		(14,67,04,784)		2,82,24,763
Net cash increase / (Decrease) in cash and cash equivalents		(9,89,88,163)		(5,25,43,229)
Op. Balance of cash and cash equivalents 1st April. 2012	18,30,65,424		23,56,08,653	
Closing balance of cash and cash equivalents 31st Mar. 2013	8,40,77,261	(9,89,88,163)	18,30,65,424	(5,25,43,229)

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

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

P. M. Vardhe
Proprietor
M.No.031817

Ram Menon
Chairman

Sachin Menon
Managing Director

R.D.Dixit
Director

Place : Kolhapur
Date : 11.05.2014

S.B.P. Kulkarni
Associate Vice President

NOTE 1 :

I] Significant Accounting Policies

a) Basis of Accounting :

Accounts of the Company are prepared under the historical cost convention. The Company has complied with accounting standards as recommended by the Institute of Chartered Accountants of India.

b) Fixed Assets

Fixed Assets are stated at cost (Net of Cenvat wherever applicable) of appreciation less accumulated depreciation. Cost is inclusive of Freight, Duties, Levies and any directly attributable cost of bringing the asset to their working condition for intended use.

c) Impairment of Fixed Assets

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

d) Depreciation:

1. Depreciation has been provided on straight-line basis (SLM) at the rates and the manner prescribed in Schedule XIV of The Companies Act, 1956, as amended up to date.
2. The cost of Leasehold land is amortised over the period of lease.

e) Investments:

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

f) Inventories:

Inventories are valued at cost or market price whichever is lower. However, the Company has valued Closing Stocks exclusive of Excise Duty as per the new guidelines.

g) Foreign Exchange Transaction

Transactions arising in foreign currency are converted at the rates ruling on the transaction dates. Outstanding liabilities payable in foreign currency on the Balance Sheet date are converted at the rate on Balance Sheet date.

h) Contingent Liabilities and Provisions

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

i) Sales:

Sales are recognised on dispatch to customers. Sales exclude excise duties and VAT & CST.



j) Retirement Benefits:

- 1) The Company has created the Employees Group Gratuity Trust, which is administered through a Group Gratuity Policy with Life Insurance Corporation of India.
- 2) Provision for leave encashment is made on the basis of Actuarial Valuation.
- 3) Company's Contribution to Provident Fund is charged to Profit and Loss Account.

k) Disclosure of borrowing cost capitalised under Accounting Standard 16:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. The qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.

l) Segment Reporting under Accounting Standard 17:

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

m) Related party disclosures as per Accounting Standard 18:

Following are the related parties under the above Standard.

1) Menon Piston Rings Pvt. Ltd.: This is a private limited company having majority of Directors of that Company are Directors of Menon Pistons Ltd., which is supplying Piston and Piston Rings to Menon Pistons Ltd.

2) M/s. Menon Exports: This is a partnership firm and an Export House. Menon Exports purchases goods from M/s. Menon Pistons Ltd. and other outside parties for the purpose of export outside India. Two of the Partners of the firm are Directors of Menon Pistons Ltd. The balance amount receivable from the firm is considered as good.

3) M/s. Menon Engineering Services: This is a partnership firm. Menon Engineering Services supplies goods to Menon Pistons Ltd. One of the Partner of the firm is Director of Menon Pistons Ltd.

The transactions with the above parties had taken place in the normal course of business. The summary of transactions with the above parties during the year 2013-14 is as under:

(Amount in ₹.)

Party Name	Purchase value	Machining Charges	Sales Value	Closing Balance
Menon Piston Rings Pvt. Ltd.	6,81,23,798	0	1,24,20,098	10,47,97,227(Dr)
M/s. Menon Exports	0	0	29,77,33,844	6,51,63,,038 (Dr)
M/s. Menon Engineering Services	13,29,48,236	0	39,562	2,83,09,544 (Cr)

4) Directors :

(Amount in ₹.)

Sr No.	Names	Nature of Transaction	Amount	Balance
1.	Mr. Ram Menon, Chairman	Commission	90,000	81,000
2.	Mr. Sachin Menon, Managing Director	Managerial Remuneration & Commission	47,73,964	1,71,195

Apart from the above Director , all other Directors are Non Executive directors. The Company has not entered into any transactions with them. They are paid sitting fees from the company for the Board Meetings attended by them.

5) M/s. Menon Bearings Ltd: is a public limited listed company, having Mr. Ram Menon, as Chairman, Mr. R. D. Dixit as Vice Chairman & Managing Director, Mr. Nitin Menon as Jt. Managing Director and Mr. Sachin Menon as Director. There are no transactions.

Note: There are no write offs/write backs of any amount for any of the above Parties during the Year 2013-2014

6) Other Parties: Apart from the above-mentioned parties, following parties are also related parties of the Company. However, no transactions have taken place with these parties in the year 2013-14.

1. Menon Metals and Alloys P. Ltd.
2. Menon Automobiles

Note: There are no write off / write backs of any amount for any of the above Parties during the Year 2013-14.

n) **Lease accounting** as per Accounting Standard 19 is not applicable to the Company since no Lease transaction during the year 2013-14.

o) Earnings per share as per Accounting Standard 20:

The earnings per share (basic and diluted) computed as per the requirements under accounting standard 20 on earning per share issued by the Institute of Chartered Accountants of India are as under.

Profit Attributable to Equity Share Holders	: Rs 1,82,40,075
Basic /Weighted Average No of Equity Shares Outstanding during the year	: 51,00,000

Basic Earnings per Share	: Rs 3.58
Diluted Earnings per Share	: Rs 3.58

p) **Consolidated Financial Statements** as per Accounting Standard 21 is not applicable to the company, as the Company does not have any subsidiary.

q) **Deferred Taxes on income** are computed as per Accounting Standard 22 and the same are provided in the audited accounts at appropriate places. The details thereof are as under:

(Amount in ₹.)

Sr.No.	Deferred tax asset / (liability)	As at 1 st April, 2013	During the year	As at 31 st March, 2014
1	Difference in Book and Tax Depreciation	(2,95,13,280)	(55,02,496)	(3,50,15,776)
2	Bonus	46,94,777	61,271	47,56,048
3	Group Gratuity	10,22,957	(16,70,421)	(6,47,464)
	Total	(2,37,95,546)	(71,11,646)	(3,09,07,192)

NOTES TO ACCOUNTS

NOTE 2 SHARE CAPITAL	CURRENT YEAR (₹.)	PREVIOUS YEAR (₹.)
AUTHORISED 55,00,000 Equity Shares of ₹.10/- each (Previous year 55,00,000 Equity Shares of ₹.10/- each)	5,50,00,000	5,50,00,000
TOTAL	5,50,00,000	5,50,00,000
ISSUED, SUBSCRIBED AND PAID UP 51,00,000 Equity Shares of ₹.10/- each (Previous year 51,00,000 Equity Shares of RS,10/-each.)	5,10,00,000	5,10,00,000
TOTAL	5,10,00,000	5,10,00,000

a. There is no change during the year in number of shares.

b. The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

c. Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Particulars	31.03.2014		31.03.2013	
	No of shares held	% to Total Shares	No of shares held	% to Total Shares
MENON METALS & ALLOYS PVT LTD.	3,65,743	7.17	3,65,743	7.17
SACHIN MENON FAMILY TRUST	10,52,166	20.63	10,52,166	20.63
NIVEDITA BENEFIT TRUST	4,20,866	8.25	4,20,866	8.25
SAVITA GOPI	0	0	5,00,000	9.80
SACHIN RAM MENON	10,57,366	20.73	2,84,066	5.57
GAYATRI SACHIN MENON	5,01,050	9.82	3,01,050	5.90
MENON PISTON RINGS PVT LTD.	0	0	4,73,300	9.28
RADHAMANI RAM MENON	2,56,562	5.03	2,56,562	5.03

As per records of the company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 3 RESERVES AND SURPLUS		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
CAPITAL RESERVE		50,66,179		50,66,179
There is no movement during the year				
GENERAL RESERVE		8,93,89,104		8,75,89,104
Balance as per last Balance Sheet	8,75,89,104		8,25,89,104	
Add : Transferred from Profit and Loss A/c	18,00,000		50,00,000	
SHARE PREMIUM RESERVE		8,07,50,000		8,07,50,000
There is no movement during the year				
PROFIT AND LOSS ACCOUNT		33,50,20,270		32,75,30,313
Balance as per last Balance Sheet	32,75,30,313		29,88,02,251	
Add : Transferred from Profit and Loss A/c	1,82,40,075		4,56,61,552	
Add : Previous Year Provision W/O	0		0	
Less : Proposed Dividends including Dividend Distribution Tax	89,50,118		1,19,33,490	
Less : Transferred to General Reserve	18,00,000		50,00,000	
TOTAL		51,02,25,553		50,09,35,596

NOTE 4 LONG TERM BORROWINGS		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
I) SECURED :				
A) Term Loans				
1. From Banks		0		4,17,05,099
a. IDBI Bank Ltd.				
Term Loan II (Rs. 10 Crs)	0		2,83,38,929	
Term Loan III (Rs. 4 Crs)	0		1,33,66,170	
Buyers Credit				
It is shown under other Current Liabilities Hypothecated by equitable mortgage of Machinery and Building situated at 182, Shiroli and at H- 1 M.I.D.C. Kupawad, Sangali and Personal guarantee of Mr. Sachin Menon, Managing Director				
b. H.D.F. C Bank Ltd. - Vehicle Loans		0		8,02,596
TOTAL		0		4,25,07,695

a. Repayment Schedule & Other details

Particulars	Closing Balane (₹.)	Rate of Interest (%)	Installment	Balance nos. of Installments Due
A.) H.D.F.C Bank Ltd. - Vehicle Loans				
a) Vehicle -I (MH09-BX 7962)	1,29,583	11	13,642	9
b) Vehicle -II (MH09-CF-200)	1,29,583	11	13,642	9
c) Vehicle -III (MH09-BA -200)	5,04,607	10	53,386	9
d) Vehicle -IV (MH09-BX 758)	38,823	12	12,232	3

NOTE 5 DEFERRED TAX LIABILITY (NET)		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
a) Deferred tax liability				
1. Fixed assets ; Impact of difference between tax depreciation / amortisation charged for the financial reporting	3,50,15,776		2,95,13,281	
Gross deferred Liability		3,50,15,776		2,95,13,281
b) Defered tax assets				
Provision for bonus	47,56,048		46,94,777	
Provision for gratuity	(-6,47,464)		10,22,957	
Gross deferred assets		41,08,584		57,17,734
Net Deferred Tax Liability		3,09,07,192		2,37,95,547

NOTE 6 OTHER LONG TERM LIABILITIES		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
Trade Payables (including acceptances) refer note 29.5 for details of dues to micro and small enterprises)		33,15,150		29,65,340
TOTAL		33,15,150		29,65,340

NOTE 7 OTHER LONG TERM PROVISIONS		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
a.) Provision for employee benefits				
Gratuity (unfunded)		0		31,52,900
Leave Encashment (unfunded)		48,91,674		43,15,514
TOTAL		48,91,674		74,68,414

NOTE 8 SHORT TERM BORROWINGS		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
SECURED :				
A) Loans repayable on demand				
From Banks				
1. Loan Against Fixed Deposit		0		5,34,83,484
2. Cash Credit		26,40,99,526		25,46,32,351
Loans other than loan against Fixed Deposit carries interest rate @12.25% and Loan against fixed deposits carries interest 1% higher than interest rate of fixed deposit				
Secured by hypothecation of Raw Material, Work in process and finished goods and equitable mortgage of Land and Building situated at 182, Shirol, Kolhapur and at H-1, MIDC, Kupwad, Sangli and personal guarantee of Mr. Sachin Menon, Managing Director				
TOTAL		26,40,99,526		30,81,15,835

NOTE 9 TRADE PAYABLES		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
1. Sundry Creditors (Refer Note in Schedule 29.5)				
Sundry Creditors- Others	20,20,36,229		20,12,93,329	
2. Advances from customers	14,00,000		27,15,496	
TOTAL		20,34,36,229		20,40,08,825

NOTE 10 OTHER CURRENT LIABILITIES :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
a) Statutory Dues		51,09,716		68,61,750
b) Dividend for past years		11,29,910		11,06,918
c) Current maturity of long term borrowings		2,74,99,018		3,60,33,273
a. IDBI Bank Ltd.				
I) Term Loan- 10.00 Crores - Buyers Credit	2,66,96,422		2,00,04,000	
II) Term Loan- 04.00 Crores	0		80,04,000	
II) Term Loan- 10.50 Crores	0		65,87,510	
b. H.D.F.C. Bank Ltd.				
i) Vehicle Loan	8,02,596		14,37,763	
TOTAL		3,37,38,643		4,40,01,941

NOTE 11 SHORT TERM PROVISIONS :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
a) Provision for employee benefits		1,11,38,691		1,19,46,629
b) Provision for Directors Commission		1,62,000		1,62,000
c) Proposed Dividend		76,50,000		1,02,00,000
d) Provision for Tax on Dividend		13,00,118		17,33,490
e) Other Provisions		3,44,06,663		3,36,68,525
TOTAL		5,46,57,472		5,77,10,644

NOTE 12 : FIXED ASSETS (in ₹.)

Sr. No.	Particulars of Assets	Gross Block			Depreciation			Net Block			
		As on 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 01.04.2013	For the Year	Deductions	Total	As at 31.03.2014	As at 31.03.2013
I)	TANGIBLE ASSETS										
1	Land Freehold	3,75,574	-	-	375,574	-	-	-	-	3,75,574	3,75,574
2	Land Leasehold	4,76,130	-	-	4,76,130	13,312	-	-	13,312	4,62,818	4,62,818
3	Land Development	5,30,879	-	-	5,30,879	1,16,652	9,253	-	1,25,905	4,04,974	4,14,227
4	Building	11,00,85,114	21,89,213	-	11,22,74,327	2,77,34,414	35,25,862	-	3,12,60,276	8,10,14,051	8,23,50,700
5	Plant & Machinery	61,10,48,112	5,29,03,428	25,000	66,39,26,540	37,59,63,277	2,95,60,876	-	40,55,24,153	25,84,02,386	23,50,84,835
6	Computers	83,20,828	9,92,017	-	93,12,845	53,10,783	8,59,093	-	61,69,876	31,42,969	30,10,045
7	Electrical Installation	6,14,46,891	2,32,501	-	6,16,79,392	255,75,223	36,06,566	-	2,91,81,789	3,24,97,603	3,58,71,668
8	Furniture & Fixtures	1,10,86,294	8,01,101	-	1,18,87,395	62,18,627	4,47,424	-	66,66,051	52,21,344	48,67,667
9	Office Equipment	85,48,381	8,78,129	-	94,26,510	47,13,589	3,30,484	-	50,44,073	43,82,437	38,34,792
10	Vehicle	1,96,33,425	-	28,69,814	1,67,63,611	86,60,065	16,89,235	10,75,943	92,73,357	74,90,254	1,09,73,360
11	Mtl Handling Equipment	31,09,878	1,51,000	-	32,60,878	11,96,788	2,17,674	-	14,14,462	18,46,416	19,13,090
	TOTAL (i)	83,46,61,507	5,81,47,388	28,94,814	88,99,14,080	45,55,02,731	4,02,46,468	10,75,943	49,46,73,255	39,52,40,820	37,91,58,773
	Previous year	78,24,56,068	5,29,40,606	7,35,167	83,46,61,507	41,07,37,236	4,52,51,996	4,86,500	45,55,02,731	37,91,58,771	37,17,18,833
II)	INTANGIBLE ASSETS										
1	Goodwill	71,000	-	-	71,000	-	-	-	-	71,000	71,000
2	Software	41,63,114	2,86,640	-	44,49,754	26,14,823	3,77,570	-	29,92,393	14,57,361	15,48,291
3	Technical Know-how	2,89,010	-	-	2,89,010	2,89,010	0	-	2,89,010	-	-
4	Plant & Machinery R&D	9,377	-	-	9,377	9,377	0	-	9,377	-	-
	TOTAL (ii)	45,32,501	2,86,640	-	48,19,141	29,13,210	3,77,570	-	32,90,780	15,28,361	16,19,291
	Previous year	32,39,492	12,93,010	-	48,19,141	24,96,339	4,16,871	-	29,13,210	19,05,931	7,43,152
	TOTAL (i) + (ii)	83,91,94,008	5,84,34,028	28,94,814	89,47,33,221	45,84,15,941	4,06,24,038	10,75,943	49,79,64,035	39,67,69,181	38,07,78,064
	Previous year	78,56,95,560	5,42,33,616	7,35,167	83,94,80,648	41,32,33,575	4,56,68,866	4,86,500	45,84,15,941	38,10,64,702	37,24,61,985

NOTE 13 NON CURRENT INVESTMENT	CURRENT YEAR (₹.)	PREVIOUS YEAR (₹.)
Non Trade (Unquoted) (Valued at cost unless stated otherwise)		
1. 12 Equity Shares of Maharashtra Co-op. Engg. Society Ltd., of Rs.500/- each fully paid	6,000	6,000
2. 10 Shares in Kolhapur Janata Sahakari Bank Ltd., of Rs.10/- each	100	100
3. 3675 Shares in Shri Warna Sahakari Bank Ltd. of Rs.10/- each (Total market value of unquoted Investments Rs. 42,850 Previous year Rs.42,850)	36,750	36,750
Total	42,850	42,850
Trade (Quoted) (Valued at cost unless stated otherwise)		
1. 500 Equity Shares of Bank of Maharashtra Rs.10/- each (Market Price as on 31.03.2014 Rs.38.95 per share)	11,500	11,500
2. 1062 Equity Shares of Reliance Industries Limited of Rs 10/-each (Market price as on 31.03.2014 Rs. 929.50 per share)	14,09,128	14,09,128
3. 500 Equity Shares of HDFC Bank Shares Rs.2/- each (Market Price as on 31.03.2014 Rs.748.85 per share)	2,16,130	2,16,130
4. 2500 Equity Shares of Hindalco Shares Rs.1/- each (Market Price as on 31.03.2014 Rs.141.70 per share)	2,93,525	2,93,525
5. 300 Equity Shares of L & T Shares Rs. 2 /- each (Market Price as on 31.03.2014 Rs.1272.65 per share)	2,55,856	2,55,856
6. 588 Equity Shares of Tech. Mahindra Limited Shares Rs. 2/- each (Market Price as on 31.03.2014 Rs.1794.55/- per share)	3,31,208	3,31,208

NOTE 13 NON CURRENT INVESTMENT	CURRENT YEAR (₹.)	PREVIOUS YEAR (₹.)
7. 800 Equity Shares of ONGC Shares Rs. 5/- each (Market Price as on 31.03.2014 Rs.318.70 per share)	2,01,196	2,01,196
9. 3500 Equity Shares of SAIL Shares Rs.10 /- each (Market Price as on 31.03.2014 Rs.71.40 per share)	2,95,540	2,95,540
10. 2000 Equity Shares of Sterlite Ind. Shares Rs.1/ - each (Market Price as on 31.03.2014 Rs.187.95 per share)	2,06,809	2,06,809
11. 1000 Equity Shares of Tata Power Shares Rs.1 /- each (Market Price as on 31.03.2014 Rs.84.80 per share)	92,470	92,470
12. 2300 Equity Shares of Tata Steel Shares Rs.10 /- each (Market Price as on 31.03.2014 Rs.393.85 per share) (Total market value of quoted Investments Rs. 50,43,684 Previous year Rs.37,71,154)	8,75,252	8,75,252
Total	41,88,614	41,88,614
Others (Valued at cost unless stated otherwise)		
1. 7 Year National Saving Certificates	22,500	22,500
2. Investment in Dalmia Resorts	27,500	27,500
3. Investment in Raga Airlines	25,000	25,000
4. Prestige Holiday Resorts	1,40,000	1,40,000
Total	2,15,000	2,15,000
TOTAL	44,46,464	44,46,464

NOTE 14 LONG - TERM LOANS AND ADVANCES :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
(Unsecured, Considered Good)				
1) Advance Income Tax/TDS (All Net of Provision for taxes)		2,51,26,362		2,11,65,808
2) Deposits		1,23,30,595		1,19,51,902
3) Other Advances		4,30,000		4,30,000
TOTAL		3,78,86,957		3,35,47,710

NOTE 15 OTHER NON - CURRENT ASSETS :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
1. Trade Receivable		15,75,626		4,91,005
2. Capital Advances		6,65,200		18,66,199
3. Preoperative Expenses		56,41,556		56,41,555
a. Travelling and other project expenses.	7,57,293		7,57,293	
b. Consultation Fees	34,63,361		34,63,361	
c. Technical Know-how fees/ cess	14,20,902		14,20,901	
TOTAL		78,82,382		79,98,759

NOTE 16 INVENTORIES		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
(At cost or Market Price whichever is lower)				
a) Raw Material	5,18,29,584		5,36,85,701	
b) Stores and Spares	3,55,48,804		3,89,02,728	
c) Work in Process	2,54,71,948		3,68,47,312	
d) Finished Goods	11,10,97,544		11,27,47,798	
TOTAL		22,39,47,880		24,21,83,539

NOTE 17 TRADE RECEIVABLES (Unsecured Considered Good)		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
Exceeding six months	1,11,33,912		69,00,272	
Other Debts	26,34,94,834		23,28,50,588	
		27,46,28,746		23,97,50,860
i) Dues from Firms in which some Directors are interested as a partner.				
1) Menon Exports	6,51,63,038		7,64,78,395	
ii) Others	-		-	

NOTE 18 CASH AND CASH EQUIVALENTS		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
Cash and Bank Balance		8,40,77,261		18,30,65,424
Cash in Hand	8,44,746		7,69,560	
Balances with Banks				
1. In Current Accounts	3,38,92,157		4,65,63,813	
2. In fixed Deposits	4,93,40,359		13,57,32,051	
TOTAL		8,40,77,261		18,30,65,424
Fixed Deposits Include:				
i) Margin money	1,71,10,029		2,61,10,029	
ii) Security against borrowings	-		3,57,21,889	
iii) Fixed Deposits maturing after 1 year	1,90,30,282		11,15,21,871	
iv) Current account includes funded dividend	11,29,910		11,06,918	

NOTE 19 SHORT - TERM LOANS AND ADVANCES :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
A) Other loans and advances Unsecured Considered Good				
1. Gratuity		19,95,574		-
2. Staff Advance		21,014		8,911
3. Other Advances		10,314		15,665
4. Advance to Suppliers		10,47,97,227		9,78,20,014
TOTAL		10,68,24,129		9,78,44,590

NOTE 20 OTHER CURRENT ASSETS :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
a) Interest Receivable on Bank Deposits		19,55,149		18,96,086
b) Prepaid Expenses		26,39,617		16,35,574
c) Other Receivables		1,54,376		1,09,432
d) Duties & Taxes Receivable		1,47,91,472		1,17,46,920
TOTAL		1,95,40,614		1,53,88,012

NOTE 21 REVENUE FROM OPERATION		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
a) Sales Of Products				
Piston / Piston Assemblies	1,12,05,68,343		1,26,97,81,170	
Rings	4,78,61,630		4,04,05,011	
Gudgeon Pins, Circlips	23,88,50,734		19,17,82,500	
Liners / Variators Sale	9,14,280	1,40,81,94,986	27,51,412	1,50,47,20,093
b) Other operating revenues				
Sale of Disposal	1,12,18,218		1,51,07,630	
Development Charges	91,66,762		18,84,323	
Other Sales	7,07,453	2,10,92,432	54,59,666	2,24,51,619
TOTAL		1,42,92,87,419		1,52,71,71,712

NOTE 22 OTHER INCOME		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
1) Other Receipts				
1. Miscellaneous Receipts	17,43,019		13,77,842	
2. Vat Refund	-		25,05,612	
3. Interest Income	1,36,22,142		1,26,50,444	
4. Profit on sale of Assets	-		4,62,000	
TOTAL		1,53,65,161		1,69,95,898

NOTE 23 COST OF MATERIALS CONSUMED :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
1. Raw Material				
Opening Stock	5,36,85,701		6,36,09,698	
Add: Purchases During the Year	69,08,03,560		76,30,42,895	
	74,44,89,261		82,66,52,593	
Less: Closing Stock	5,18,29,584		5,36,85,701	
TOTAL		69,26,59,677		77,29,66,892

NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS & WIP		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
Opening Stock				
Finished Goods	11,27,47,798		9,15,28,996	
Work in Process	3,68,47,312		5,65,26,687	
		14,95,95,110		14,80,55,683
Less : Closing Stock				
Finished Goods	11,10,97,544		11,27,47,798	
Work in Process	2,54,71,948		3,68,47,312	
		13,65,69,492		14,95,95,110
TOTAL		1,30,25,618		(15,39,427)

NOTE 25 PAYMENTS TO & PROVISIONS FOR EMPLOYEES		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
Wages, Bonus and Allowance To Workers	7,91,00,835		7,87,08,800	
Contribution To PF.Etc.. For Workers	57,22,534		47,23,625	
Employee Welfare Expenses	34,61,579		34,25,142	
Salary, Bonus and Allowance To Staff	3,45,20,919		2,79,10,538	
Directors Remuneration	49,53,964		47,94,049	
Contribution To PF,Etc.. For Staff	35,51,162		41,27,640	
Contribution To Group Gratuity	32,51,112		16,81,619	
Provision for leave encashment	13,000		7,62,013	
TOTAL				
		13,45,75,105		12,61,33,425

NOTE 26 COST OF FINANCE		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
Interest on Working Capital & Term Loans	3,83,63,482		4,22,15,787	
Bank Charges	8,41,552		8,72,398	
Interest to Others	8,98,816		1,55,495	
TOTAL				
		4,01,03,850		4,32,43,680

NOTE 27 OPERATING AND OTHER EXPENSES :		CURRENT YEAR (₹.)		PREVIOUS YEAR (₹.)
A. Operating Expenses				
Stores and Spares	12,32,11,415		10,68,58,157	
Power and Fuel	11,15,97,546		12,81,99,535	
Water Charges	21,91,972		18,78,445	
Machining Charges	8,71,25,117		9,95,05,344	
Total		32,41,26,050		33,64,41,481
B. Other Expenses				
Sitting Fees	20,000		20,000	
Insurance Charges	29,26,501		21,58,780	
Repairs to Building	16,87,974		20,91,017	
General Repairs and Maintenance	26,66,013		71,85,359	
Repairs Maintenance to vehicles	12,63,598		11,86,112	
Rent Rates and Taxes	39,40,806		40,65,127	
Conveyance Expenses	7,06,740		4,47,838	
Printing and Stationery	15,54,257		16,01,486	
Postage and Telephone Expenses	13,49,560		20,86,423	
Travelling Expenses	40,53,551		59,70,431	
Selling and Distribution Expenses	12,17,31,560		11,39,58,057	
Auditor's Remuneration	1,55,000		1,75,500	
License Fees	67,822		94,295	
Legal and Consultation charges	1,63,87,518		58,12,126	
Professional and other taxes	12,51,480		35,50,810	
Loss on sale of Assets.	10,60,538		0	
Donation	17,47,356		1,20,000	
Filing Fees	24,475		15,655	
Subscription and Contribution	4,96,383		4,57,178	
Sundry Expenses	51,99,298		39,98,186	
Books and Periodicals	23,092		19,052	
Total		16,83,13,521		15,50,13,430
TOTAL		49,24,39,571		49,14,54,911

28) Contingent Liability: Contingent Liabilities are not provided for in respect of :

1) Guarantees: I D B I Bank Ltd. has issued Guarantees on behalf of the Company for Rs 43.08 lacs (previous year Rs. 39.73 Lacs) and Letters of Credit for Rs. 697.61 Lacs (previous year Rs. 376.25 lacs).

2) The Income Tax Assessments: are completed up to the Assessment year 2011-12 (Relevant to Accounting year ended 31.03.2011). Liability, if any, in respect of the pending assessments, or appeals under the Income-Tax Act, 1961 is unascertainable.

3) VAT and Central Sales Tax: C.S.T. assessments are completed up to the accounting year 2005-2006. MVAT Audit Report for the year 2012-2013 was considered while finalizing the accounts. Liability reported is not final and the same is against non –receipt of 'C' Forms and ' F' Forms, which Company expects to receive in near future, hence not provided for.

29) Other Notes

29.1 Previous year figures are regrouped wherever necessary.

29.2 Paises are rounded off to the nearest rupee.

29.3 Auditors remuneration :

Particulars	Current Year ₹.	Previous Year ₹.
Audit Fees	1,55,000	1,29,000
Other services	71,250	46,500
Service Tax	27,965	20,576
Total :	2,54,215	1,96,076

29.4) Excise Duty

The Company has been accounting liability for Excise Duty on Finished Goods as and when they are cleared. A liability in respect of finished goods lying in stock at the close of the year is estimated at Rs 117.69 Lacs and has not been provided in the accounts and hence not included in the valuation of inventory of such goods. However, the said liability, if accounted, would have no impact on the profit/loss for the year.

29.5) Micro, Small and Medium Enterprises :

The Company is in the process of identifying the Micro, Small and Medium Enterprises and hence interest, if any payable as per Interest under the Micro, Small and Medium Enterprises Development Act, 2006 is not ascertainable and the Auditors relied upon this submission

29.6) Value of Imports Calculated on CIF Basis :

Particulars	Current Year ₹.	Previous Year ₹.
Capital Goods Payable	0	3,48,99,232
Raw Materials	75,421	0
Stores & Spares	10,23,100	1,46,350
Total	10,98,521	3,50,45,582

Note : Including advance for Capital Goods.

29.7) Expenditure in Foreign Currency on Account of:

Particulars	Current Year ₹.	Previous Year ₹.
Travelling & Other Exps.	18,34,047	11,74,394
Royalty	25,79,300	31,90,021
Technical & Consultancy Fees	14,80,171	14,11,686
Total	58,93,518	57,76,101

29.8) Value of Imports and Indigenous raw materials, stores, spares and components consumed.

Particulars	Current Year ₹.	%	Previous Year ₹.	%
Raw materials, stores, spares and components consumed				
Imported	10,98,521	0.13%	1,46,350	0.02%
Indigenous	81,47,72,571	99.97%	87,96,78,699	99.98%
TOTAL	81,58,71,092	100.00	87,98,25,049	100.00

29.9) Employee Benefit:

The Company has made provision in the Accounts for Gratuity on the basis of Actuarial valuation. The particulars under AS 15 (revised) furnished below are those which are relevant and available to company for this year.

Actuarial Assumptions	As On 31.03.2014	As On 31.03.2013
(a) Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
(b) Withdrawal Rate	1% to 3% Depending on Age	1% to 3% depending on age
(c) Discount Rate	8%	8%
(d) Salary Escalation	6%	6%

Table showing changes in present value of obligation

Description	As On 31.03.2014	As On 31.03.2013
1. Present Value of Obligation as at beginning of year	5,32,16,667	4,79,16,021
2. Interest Cost	42,57,333	38,33,282
3. Current Service Cost	24,29,892	23,08,591
4. Benefits Paid	(26,54,222)	(19,53,386)
5. Actuarial (gain)/Loss on obligation	13,98,411	14,75,595
6. Present Value of Obligation as at beginning of year	5,84,83,141	5,32,16,667

Table showing fair value of plan assets

Description	As On 31.03.2014	As On 31.03.2013
1. Fair Value of plan assets at beginning of year	5,00,63,770	3,37,43,063
2. Actual return on plan assets	46,69,584	35,88,870
3. Contributions	83,99,583	1,50,48,659
4. Benefits Paid	(26,54,222)	(19,53,386)
5. Fair Value of plan assets at beginning of year	6,04,78,715	5,00,63,770
6. Funded Status	19,95,574	(31,52,897)
7. Excess of Actual over estimated return on plant assets	-	-

Actuarial Gain/Loss recognized

Description	As On 31.03.2014	As On 31.03.2013
1. Actuarial (gain)/Loss on obligations	(12,33,471)	(14,75,595)
2. Actuarial (gain)/Loss for the year-Plan assets	-	-
3. Total (gain)/Loss for the year	12,33,471	14,75,595
4. Actuarial (gain)/Loss recognized in the year	68,91,842	14,75,595

The Amounts to be recognized in the balance sheet and statements of Profit and Loss

Description	As On 31.03.2014	As On 31.03.2013
1. Present Value of Obligations as at the end of year	5,84,83,141	5,32,16,667
2. Fair Value of Plan Assets as at the end of the year	6,04,78,715	5,00,63,770
3. Funded Status	19,95,574	74,15,651
4. Net asset/(liability) recognized in balance sheet	19,95,574	(31,52,897)

Expenses recognized in statement of Profit and Loss

Description	As On 31.03.2014	As On 31.03.2013
Current Service Cost	24,29,892	23,08,591
Interest Cost	42,57,333	38,33,282
Expected return on plan assets	(46,69,584)	(35,88,870)
Net Actuarial (gain)/loss recognised in the year	12,33,471	14,75,595
Expenses recognized in statement of Profit and Loss	32,51,112	40,28,598

As per our report of even date attached

M/s. P. M. Vardhe & Co.

Chartered Accountants

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

Ram Menon
Chairman

Sachin Menon
Managing Director

R.D.Dixit
Director

P. M. Vardhe,
Proprietor
M.No.031817

Place : Kolhapur
Date : 11.05.2014

S.B.P. Kulkarni
Associate Vice President

Auditors' Certificate on Compliance of Conditions of Corporate Governance

M/S. P.M. Vardhe & Co,
Chartered Accountants,
630/E,Shahupuri 1st Lane
Kolhapur

To
The Members of
Menon Pistons Ltd
182, Shirolu,
Kolhapur 416 122

We have examined the compliance of conditions of Corporate Governance by Menon Pistons Ltd., for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay stock exchange Ltd in India.

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 the 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 Clause 49 of Listing Agreement.

We state that all the investor complaints / grievances received during the year were redressed and resolved, as per the records maintained by the Share Transfer and Shareholders / Investors Grievance Committee.

We 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. P.M. Vardhe & Co.,**
Chartered Accountants,

Place : Kolhapur
Date : 11-05-2014

P.M. Vardhe,
Proprietor
M. No. 031817

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy: The Company's philosophy is to achieve business excellence and optimize long term values & ethical business conduct for its stakeholders. Company believes strongly that good corporate governance is intrinsic to the management of Company affairs, it ensures fairness, transparency and integrity of the management. These values and principles set the context to manage our company affairs in a fair and transparent manner. "Corporate Governance" is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. As a responsible Corporation, these values set the framework to maintain accountability in all our affairs, and employ democratic and open process.

Company believes strongly that corporate governance simply means implementation of best practices, compliance of law and voluntary adherence to ethical standards and aiming inclusive growth while achieving excellence in the chosen field; these things are inevitable for achieving organizational efficiency enhancing stakeholders value, and discharge of social responsibility which comes inevitably with the leadership.

Corporate Governance safeguards and creates value addition to the interest of its stakeholders viz. investors, creditors, customers, employees and Government etc. in the long run. The Board considers itself as a trustee of its stakeholders and acknowledge its duties & responsibilities towards them for creation and safeguarding their interest.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchange, the details are set out below :

I Board of Directors

The Board comprises of 6 (Six) Directors, of which 5 (five) are non-executive Directors. The Chairman is the Non - Executive Chairman. The Board comprises of 3 (three) independent Directors i.e. Directors, who, apart from receiving sitting fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management, which may affect independence of judgment of the Directors.

Composition of the Board and Directorship held during the year 2013-14.

Name of Director	Category	Attendance of meeting during 2013-2014		No. of other Directorship	No of Membership(s) Chairmanship(s), Board Committees of Other Companies *	
		Board Meetings	Last AGM		As Chairman	As Member
Mr. Ram Menon	Chairman / N.E.D.*	3	Yes	4	-	-
Mr. Sachin Menon	Managing Director	4	Yes	3	1	-
Mr. Nitin Menon	N.E.D.*	3	No	5	-	1
Mr. R. D. Dixit	Non-Executive & I*	4	No	2	-	2
Mr. Ajitkumar Belur	Non-Executive & I*	3	No	1	-	1
Dr. Shivram Bhoje	Non-Executive & I*	3	Yes	1	-	1

*In accordance with Clause 49, Membership / Chairmanship of only the Audit Committees and the Share Transfer & Shareholders / Investors Grievance Committees of all Public Limited Companies have been considered.

None of the Directors serve as members of more than 10 committees or are chairman of more than 5 committees across all the Companies in which they are Directors.

The Board met four times during the financial year under review on the following dates:

1) Saturday, 18 May, 2013 2) Sunday, 11 August, 2013

3) Sunday, 10 Nov., 2013 4) Sunday, 09 Feb, 2014

The maximum time gap between any two meetings was not more than four months.

Additional Information on directors recommended for appointment or seeking re-election at the Annual Meeting

1) Mr. Ram Menon :

Shri. Ram Menon is the Chairman of the Company. He founded Menon Pistons Private Limited in 1973.

Under his leadership Menon Pistons Private Limited converted into Menon Pistons Limited and was listed on Bombay Stock Exchange. Presently he is the non-executive chairman of the Company. He has vast experience of industries.

2) Mr. Nitin Ram Menon

Shri. Nitin Ram Menon aged 46 years is the Non Executive Director of the Company. He contributed for development of the Company. He has varied experience in the field of Automobile sector & apart from the Business activities, he is also engaged in field of Agriculture & allied services thereof.

Companies in which Mr. Nitin Ram Menon holds Directorship and committee membership

Sr. No.	Name of the Company	Nature of Interest
1.	Menon Bearings Ltd.	Joint Managing Director
2.	Menon Piston Rings Private Limited	Director
3.	Karveer United Pvt. Ltd.	Director
4.	Karveer Leisure Pvt. Ltd.	Director
5.	Mani Agriculture & Research Combine Pvt. Ltd.	Director

3) Dr. Shivram Baburao Bhoje

Dr. Shivram Baburao Bhoje was a Distinguished Scientist in the Department of Atomic Energy and worked for forty years for the design, construction, operation, and Research and Development of Fast Breeder Reactors (FBR). Considering India's large energy requirements and limited resources, FBRs are required to be developed at the earliest possible time.

He has coordinated FBR R&D, funded by IGCAR and carried out in twenty five different educational

institutions like IITs, IISc and research centers like Fluid Control Research Institute, Palghat, Kirloskar Brothers Limited, Pune.

He received Vasvik Award for research in Mechanical Sciences for the year 1992. He was elected Fellow of the Indian National Academy of Engineering in 1995. Dr. Bhoje was decorated with Padmashri by the Government of India in January 2003. He received Sir Visvesvaraya Memorial Award from Engineers Foundation in April 2004 and Life Time Achievement award from Engineers Forum, Nagpur in 2005.

He received “Doctor of Science” honorary degree from DY Patil University, Kolhapur, in March 2013.

Companies in which **Dr. Shivram Baburao Bhoje** holds directorship and committee membership

Sr. No.	Name of the Company	Nature of Interest
1.	Dm Precif Ab Private Limited	Director

Shareholding in Menon Pistons Limited - **Dr. Shivram Baburao Bhoje** does not hold equity shares.

Code of Conduct

i) Code of Conduct for Director and Senior Management of the Company.

The Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code as on March, 2014.

ii) Code of Conduct for prevention of Insider Trading

The Company has also adopted a Code of Conduct for Prevention of Insider Trading.

All pecuniary relationships or transactions of the non-executive Directors, if any have been disclosed in the Notes to Accounts.

Risk Mitigation Plan

Company has put a risk management framework in place a comprehensive review of its risk management process. The process identifies and assigns parties to take responsibility for each risk response. The review involved understanding the existing risk management initiatives, zero-based identification and assessment of risks in the various areas of Auto Component industry as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization.

The Board of Directors has periodically reviewed the risks in the various areas of the business and laid down the procedure for recommendation of appropriate risk mitigating plans.

Remuneration to Directors

Details of remuneration paid to Directors during the year 2013-2014:

(Figures in ₹.)

Name of Director	Salaries and Perquisites	Commission	Sitting Fees	Total
Mr. Ram Menon	-	90,000	3,000	93,000
Mr. Sachin Menon	47,73,964	90,000	4,000	48,67,964

Notes: The Company does not pay any remuneration to other Non-Executive Directors except sitting fees which were paid within the limit prescribed under section 310 of Companies Act, 1956

II Audit Committee

As per the provisions of section 292A of the Companies Act, 1956 and clause 49 of Listing Agreement the Board has constituted Audit Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/others management information.

The terms of reference of the Audit Committee include the following :

- Reviewing the Company's financial policies and results
- Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the adequacy of Internal Audit function and discussing the findings of the Internal Auditors.
- Management Discussions and analysis of financial condition & result of operations.
- Review of related party transactions.
- Interaction with Statutory Auditors.

Composition of Audit Committee

Name Of Member	Position
1. Mr. R.D. Dixit Non-Executive & Independent Director	Chairman
2. Mr. Sachin Menon Managing Director	Member
3. Dr. Shivram Baburao Bhoje Non-Executive & Independent Director	Member
4. Mr. Ajitkumar Belur Non-Executive & Independent Director	Member

The minutes of the Audit Committee Meetings are noted by the Board of Directors of the Company at the subsequent Board Meetings.

Meetings and the attendance during the year.

Name Of Member	Attendance of Meetings
1. Mr. R.D. Dixit	4
2. Mr. Sachin Menon	4
3. Dr. Shivram Baburao Bhoje	3
4. Mr. Ajitkumar Belur	3

Remuneration Committee

Composition of Remuneration Committee

The Remuneration Committee of the Board comprises Shri R. D. Dixit, Director of the Company and Mr. Ram Menon Chairman of the company.

Terms of Reference – The Remuneration Committee has been constituted to recommend/review remuneration of the Managing Director and Whole-time Directors, based on their performance and defined assessment criteria.

Remuneration policy, details of remuneration and other terms of appointment of Directors: - The remuneration policy of the company is directed towards rewarding performance, based on review of achievement

III. Share Transfer & Shareholders/Investors Grievance Committee

In compliance with the requirement of the Corporate Governance under the Listing Agreement entered into with the Bombay Stock Exchange where the shares of companies are listed, the Company has constituted a Share Transfer and Shareholders/Investors Grievance Committee to look into issues relating to shareholders including share transfer.

The Share Transfer and shareholders/Investors Grievance Committee consists of 2 members and is headed by Mr. R. D. Dixit.

The Minutes of Transfer and shareholders / Investors Grievance Committee are noted by the Board of Directors of the Company at the Subsequent Board Meetings.

Mr. S.B.P. Kulkarni, Associate Vice President is the Compliance Officer of the Company.

The terms of reference of the above Committee are as follows:

- a. To consider and approve transfer / transmission of shares, consolidation / split of share certificates and issuance of duplicate share certificates; etc.
- b. Redressal of shareholders/'investors' complaints relating to transfer, transmission, transposition, splitting, consolidation, dematerialization of shares, non receipt of annual reports, non receipt of Divident etc.

As per records of the Company all requests processed, which were received from the shareholders upto 31st March 2014.

IV. Subsidiary Company

The Company does not have a material unlisted Indian subsidiary whose turnover or net-worth exceeds 20% of the consolidated turnover or net-worth respectively of the listed holding Company and its subsidiary in the immediately preceding accounting year.

v. General Body Meetings

Particulars of AGM / EGM for the last three years:-

AGM/EGM	Date	Time	Venue	No. of special resolutions Passed.
36th AGM	29/08/2013	4.00 pm	182, Shirol, Kolhapur. 416122	Nil
35th AGM	23/08/2012	4.00 pm	182, Shirol, Kolhapur. 416122	Nil
34th AGM	25/08/2011	4.00 pm	182, Shirol, Kolhapur. 416122	Nil

Materially significant related party transactions:

A full disclosure on related party transaction appears in notes to accounts and hence not reproduced here.

Reconciliation Audit

A qualified practicing Company Secretary carried out a reconciliation audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the number of dematerialized shares held with NSDL & CDSL.

VI. Compliance with capital market regulators

- 1) The Company has complied with the requirements of Regulatory Authorities on capital markets including the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended and no penalties or strictures has been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority on any matter relating to the Capital Markets during the last 3 years.
- 2) As per circular No. SEBI/CFD/DIL/CG/1/2008/08/04 dated April 08, 2008 issued by SEBI and amended clause 49 of listing agreement company makes following disclosure: Mr. Sachin Menon, Managing Director and Mr. Nitin Menon Non-Executive Director of the Company are sons of Mr. Ram Menon, Non-Executive Chairman of the Company and Mr. Sachin Menon and Mr. Nitin Menon are brothers.

VII. Means of Communication

The Board of Directors of the Company approves and takes on record the quarterly unaudited financial

results and announces the said results to the Stock Exchange Mumbai where the shares of the Company are listed. These quarterly unaudited results were also published in The Economic Times (English Edition) and Pudhari (Marathi Edition) news papers in the prescribed format as required by amended clause 41 of Listing Agreement. Management discussion and analysis report is published in annual report and Periodical compliance of company is posted on BSE website. Notices of Board Meetings are published in above said news papers. The Company follows all statutory norms for dissemination of information in given period.

VIII. Status of Compliance with Mandatory Requirements

The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as applicable and in force till on March 31, 2014.

Through out the year management of the Company wasn't denied to any person to access the audit committee with regard to any governance issue, though the Company has not formed whistle blower policy in place.

IX. Shareholder General Information :

a) Forthcoming Annual General Meeting:

Date & Time : **Wednesday, 23rd July 2014 at 9am**
 Venue : 182, Shiroli, Kolhapur – 416 122.
 (The registered office of the Company)

b) Dates of Book Closure : Saturday 19th July, 2014 to Wednesday
 23rd, July, 2014 (both days inclusive)

c) Financial Calendar of the Company relating to future immediate reporting:

The Financial year covers the period from 1st April 2014 to 31st March 2015.

Financial Reporting for:

- Quarter ending 30th June, 2014	Upto 15th August, 2014
- Half Year ending 30th September, 2014	Upto 15th November, 2014
- Quarter ending 31st December, 2014	Upto 15th February, 2015
- Year ending 31st March, 2015	Upto 30th May, 2015.
- Annual General Meeting for the year ended March 31, 2015.	August/September 2015.

d) Face Value of the equity Share: Rs.10 per share.

Dividend will be paid only after approval by shareholders in annual general meeting.

e) Listing on Stock Exchange & Stock Code:

Stock Exchange	Scrip code
Bombay Stock Exchange of India Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	531727

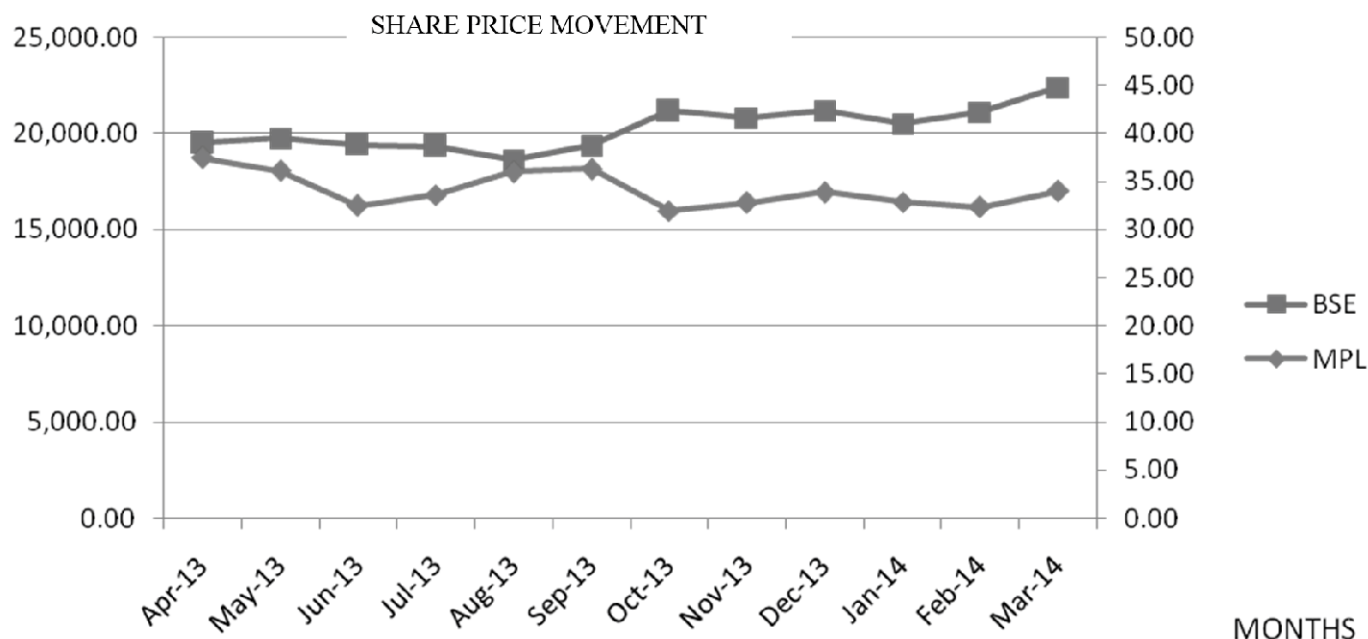
Listing fees were paid for the year to the Bombay Stock Exchange. The ISIN Number of company on both NSDL & CDSL is **INE 650G01011**

f) Market Price Data:

i) High/Low in each of month of the Financial Year April 2013 to March 2014 on Bombay Stock Exchange, Mumbai

Month	High (₹.)	Low (₹.)	Month	High (₹.)	Low (₹.)
April 2013	73.00	56.00	October 2013	54.05	47.00
May 2013	70.00	56.50	November 2013	57.00	50.55
June 2013	69.10	52.70	December 2013	55.05	51.80
July 2013	70.60	50.60	January 2014	60.90	54.00
August 2013	54.00	46.50	February 2014	59.95	51.05
Sept. 2013	50.00	46.50	March 2014	72.75	54.00

ii) Performance in comparison with BSE Index :



g) Share Transfer System

The applications for transfer of shares and other requests from shareholders holding shares in physical form are processed by M/s Link Intime India Private Limited, Pune. Share Transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) within 15 days. Connectivity with NSDL & CDSL is maintained through M/s. Link Intime India Private Limited, Pune. The Board has delegated the power to approve transfers to the Share Transfer and Investors Grievance Committee.

h) Registrar and Share Transfer Agents:

M/s Link Intime India Private Limited.
 202-A, 2nd Floor, "Akshay Complex", off Dhole Patil Road, Pune – 411 001
 Tel No. : (020) 26161629, Fax No: (020) 26163503
 Email : pune@linkintime.co.in

i) Address for the Correspondence

Registered Office of the Company:
 182, Shirol, Kolhapur – 416 122.
Phone : 91-230- 2468041/2468042, Fax. (0230) 2468442
 E-mail : cs@menonpistons.com,
 Website: http://www.menonpistons.com
 Compliance Officer – Mr. S.B.P. Kulkarni.

j) Plant locations:

Plant I: 182, Shirol, Kolhapur – 416 122.
 Phone : 0230 - 2468041/42
Plant II: H-1, MIDC, Kupwad Block, Sangli - 416 436
 Phone : 0233 - 2645179 / 89

k) Shareholding Pattern as on 31st March 2014

Category	Demated No. of Shares	No. of Share holders	Physical No. of Shares	No. of Share holders	Total Number of shares held	Value	% share holding
Other Bodies Corporate	343299	33	6300	10	349599	3495990	6.8549
Corporate Bodies (Promoter Co)	1563	1	1838775	3	1840338	18403380	36.0851
Clearing Member	908	7	0	0	908	9080	0.0178
Directors	1170804	2	0	0	1170804	11708040	22.9569
Foreign Institutional Investors							
Non Nationalised Banks	0	0	600	1	600	6000	0.0118
Non Resident Indians	4286	8	0	0	4286	42860	0.0840
Non Resident (Non Repatriable)	202	1	0	0	202	2020	0.0040
Office Bearers	0	0	1000	6	1000	10000	0.0196
Public	733409	941	217205	806	950614	9506140	18.6395
Relatives Of Directors	781649	3	0	0	781649	7816490	15.3265
TOTAL:	3036120	996	2063880	826	5100000	51000000	100.00

l) Distribution of Shareholding as on 31st March 2014

Shareholding of Nominal value of shares (₹.)	No. of Share Holders	% To Total Share Holders	Share amount (₹.)	%Age of total
1 - 5000	1785	98.293	377042	7.3930
5001 - 10000	5	0.2753	36394	0.7136
10001 - 20000	8	0.4405	110716	2.1709
20001 - 30000	4	0.2203	99920	1.9592
30001 - 40000	1	0.0551	37372	0.7328
40001 - 50000	1	0.0551	40553	0.7952
50001 - 100000	2	0.1101	154003	3.0197
100001 - Above	10	0.5507	4244000	83.2157

m) Dematerialization of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services Limited (CDSL) by virtue of which, 3035420 equity shares of the Company forming 59.52% of total share capital of the company, have been dematerialized as on 31st March 2014.

The company has not adopted any non mandatory disclosures on corporate governance except that related to Remuneration committee.

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

Date : 11.05.2014

Place : Kolhapur

Sachin Menon
Managing Director

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO)/MANAGING DIRECTOR

To
The Board of Directors
MENON PISTONS LIMITED.

I, the undersigned, in my capacity as the Managing Director of MENON PISTONS LIMITED (the company), to the best of my knowledge and belief certify that:

- a) I have reviewed the financial statements and the cash flow statement for the year ended on 31st March 2014 and based on my knowledge and belief, I state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) I further state to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated, based on my recent evaluation, wherever, applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in the internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements;
 - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal control system over the financial reporting.

For and On Behalf of the **Board of Directors**

Date – 11.05.2014
Place – Kolhapur.

Sachin Menon
Managing Director

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of Listing Agreement with the Stock Exchanges, I, Sachin Menon, Managing Director of the Company, hereby, declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended March 31, 2014.

For MENON PISTONS LIMITED.

Date: - 11.05.2014
Place: - Kolhapur.

Sachin Menon
Managing Director

MENON PISTONS LIMITED

182, Shirol, Kolhapur 416122

NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Members of 'Menon Pistons Limited' will be held on Wednesday 23rd July, 2014 at 4.00 p.m. at 182, MIDC Shirol, Kolhapur – 416 122, to transact the following business as:

ORDINARY BUSINESS :

Adoption of Financial Statements

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon with such annexures, attachments and inclusions as may be applicable.

Declaration of Dividend

2. To transfer the profits to reserves & to declare dividend at Rs. 1.50/- per share of Rs. 10/- each.

Reappointment of retiring director

3. To appoint Director in place of Mr. Nitin Ram Menon, who retires by rotation, and being eligible, offers himself for re-appointment.

Reappointment of retiring director

4. To appoint Director in place of Shri Ram Menon, who retires by rotation, and being eligible, offers himself for re-appointment.

Appointment of Auditors

5. To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the second consecutive AGM and to fix their remuneration and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution

“RESOLVED THAT, pursuant to to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s P.M. Vardhe & Co. Chartered Accountants, Kolhapur (ICAI Registration Number 111274W), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the second consecutive AGM , subject to ratification of the appointment by the members at next AGM held after this AGM, and that the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all



such acts, matters and things as may be necessary to give effect to the above resolution.

SPECIAL BUSINESS

Appointment of Independent Director

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary Resolution:

“RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, read with clause 49 II B 3 of the listing agreement with Bombay Stock Exchange Limited, Dr. Shivram Baburao Bhoje, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29th August 2013 and who holds office until the date of the ensuing AGM, in terms of section 260 of the Companies Act, 1956 read with Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Shivram Baburao Bhoje as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company up to March, 2019, not liable to retire by rotation, on such fees to be paid as sitting fees as may be finalized and fixed by the board of directors.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.

Proposed shareholders mandate for recurrent related party transactions :

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special Resolution:

“RESOLVED THAT Pursuant to prior approval of audit committee through their meeting held on 11th May, 2014 11.00 a.m. at and as per the board's approval through its meeting held on 11th May, 2014 11.30 a.m., pursuant to provisions of section 188(1) and rule 15 (3) (ii) (a) (i) of the Companies (Meetings of Board and its powers) Rules, 2014 Clause 49(VII) in Part-B of the new listing agreement with BSE, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors entering into :

- a. A contract to Purchase Piston Rings from **Menon Piston Rings Pvt. Ltd.** and to sale raw material to **Menon Piston Rings Pvt. Ltd** required for manufacturing of piston rings, with effect from date of general meetings approval for five years on estimated consideration of Rs. 55 Cr. – 2014-15, Rs. 60 Cr. – 2015 -16, Rs. 65 Cr. – 2016 – 17, Rs. 70 Cr. – 2017 – 18 & Rs. 75 Cr. - 2018 – 19.
- b. A contract to Purchase services relating to machining, polishing, and finishing required in the manufacture of Pistons Rings and piston assembly from **Menon Engineering services a partnership firm** having modern manufacturing facility and state of art technology, with effect from date of general meetings approval for five years on estimated consideration of Rs. 25 Cr. – 2014-15, Rs. 30 Cr. – 2015 -16, Rs. 35 Cr. – 2016 – 17, Rs. 40 Cr. – 2017 – 18 & Rs. 45 Cr. - 2018 – 19.

- c. A contract to Sale pistons, piston pins and piston rings to **Menon Exports**, a **partnership firm**, for marketing and export of the same in export markets, with effect from date of general meetings approval for five years on estimated consideration of Rs. 50 Cr. – 2014-15, Rs. 55 Cr. – 2015 -16, Rs. 60 Cr. – 2016 – 17, Rs. 65 Cr. – 2017 – 18 & Rs. 70 Cr. - 2018 – 19.

On such proposed terms and conditions, the draft of which is detailed through explanatory statement, as may be agreed upon between the board of directors and the contracting parties.

“Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.

Ratification of the remuneration of the Cost Auditors for the financial year 2014-15:

8. To and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 , including any statutory modification(s) or re- enactment thereof, for the time being in force, the Cost Auditors appointed by the Board of Directors of the company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the explanatory Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company and also managing director individually be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Ram Menon
Chairman

Place : Kolhapur.

Date : 11.05.2014

Registered office : 182, MIDC Shirol, Kolhapur- 416 122.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. The proxy form is enclosed to the report.

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. While attending the meeting the members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to the special business under item no. 6 and 7 is annexed hereto.
3. The Register of Members and Share Transfer Register will remain closed from Saturday, 19th July, 2014 to Wednesday, 23rd July, 2014 (both days inclusive) for the purpose of Annual General Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The dividend on Equity Shares, if approved at the Meeting, will be submitted into a dividend account within 5 days of the AGM and within 30 days from the opening of such a dividend account the dividend warrants would be dispatched to the shareholders thus the dispatching of dividend warrants would be complete from company's side latest by Saturday, 26th July, 2014 in any case. The dividend is paid to those members, whose names appear on the Register of Members of the Company on Saturday, 19th July, 2014.
6. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.
7. Copies of the Annual Report 2014 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.

You are requested to send your e mail ID if you want the annual report to be sent on e-mail. If you choose to receive the annual report on your e-mail then no separate annual report would be sent to you by post.

It would be your responsibility to report any changes in the e-mail ID that you have registered with us or

your decision to receive the annual report by post instead. Any member may insist for physical copies of the annual report and the same would be sent to him free of cost.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents **M/s Link Intime India Private Limited, 202-A, 2nd Floor, “Akshay Complex” off Dhole Patil Road, Pune – 411 001.**
11. Additional information pursuant to Clause 49 IV (G) of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is also furnished through the explanatory statement and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
13. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
14. E-voting facility

Pursuant to provisions of section 108 read with rule 20 of Companies (Management and Administrative) Rules 2014, all the members have option to transact the business and cast their votes in respect of the business through electronic voting system. This facility of e-voting is not in derogation of but in addition to attending the meeting personally / through proxy/ through authorized representative.

The Company is pleased to provide members such e-voting facility to exercise their right to vote at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL) :

Process for e-voting:

The Company has signed an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Shareholders to cast their vote electronically. Each voter may follow the following steps while e-voting:

(A) In case of members receiving e-mail:

i) Log on to the e-voting website www.evotingindia.com during the voting period.

ii) Click on “Shareholders” tab.



iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

viii) After entering these details appropriately, click on “SUBMIT” tab.

ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they

are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN (140623006) for Menon Pistons Limited on which you choose to vote.

xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(II) In case of members receiving the physical copy :

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above, to cast vote.

(B) The voting period begins on Wednesday, 16th July, 2014 (9.00 A.M.) and ends on Friday, 18th, July,



2014 (6.00 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) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

(D) Voting, can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person.

(E) A member need not use all his/her votes.

(F) The Company has appointed M/s. Milind Kulkarni & Associates, Company Secretaries as the Scrutinizer for conducting the e-voting process in fair and transparent manner who would submit his report within three working days from conclusion of e-voting to the chairman of the meeting.

(G) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting.

(H) A copy of this notice has been placed on the website of the Company and the website of CDSL.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013,

The following Explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying notice:

ITEM NO. 6

The Board, at its meeting held on Thursday 29th August, 2013, appointed **Dr. Shivram Baburao Bhoje** as an Additional Director of the Company with effect from Thursday 29th August, 2013, pursuant to Section 260 of the Companies Act, 1956, read with Article 131 of the Articles of Association of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 which were in effect at the time of his appointment and Section 161 of the Companies Act, 2013, **Dr. Shivram Baburao Bhoje** will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of requisite amount proposing the candidature of **Dr. Shivram Baburao Bhoje** for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. He has given the requisite declarations pursuant to section 149 (7) of the Companies Act, 2013. He is not liable to retire by rotation.

In the opinion of the board Dr. Shivram Baburao Bhoje fulfills the conditions for the appointment as Independent director. Copy of letter of appointment of Dr. Shivram Baburo Bhoje setting out terms and

conditions is made available for inspection of members at the registered office of the company.

No director, key managerial personnel or their relatives, except **Dr. Shivram Baburao Bhoje**, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution

This resolution may be passed as an ordinary resolution.

This statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Achievements of Dr. Bhoje

Dr. Shivram Baburao Bhoje worked as a Distinguished Scientist in the Department of Atomic Energy and worked for forty years for the design, construction, operation, and Research and Development of Fast Breeder Reactors (FBR). Considering India's large energy requirements and limited resources, FBRs are required to be developed at the earliest possible time.

He received Vasvik Award for research in Mechanical Sciences for the year 1992. He was elected Fellow of the Indian National Academy of Engineering in 1995. Dr. Bhoje was decorated with Padmashri by the Government of India in January, 2003. He received Sir Visvesvaraya Memorial Award from Engineers Foundation in April, 2004 & Life Time Achievement award from Engineers Forum, Nagpur in 2005.

He received "Doctor of Science" honorary degree from DY Patil University, Kolhapur, in March, 2013.

Dr. Bhoje is a director in DM Precifab Private Limited

He is also audit committee member

Dr. Bhoje does not hold any shares in the company.

Dr. Bhoje draws no remuneration from the company and is entitled to sitting fees only.

Explanatory statement to item no. 7

Being an auto component industry, the company as a compulsion, has developed high quality standards for its products and services. To achieve and maintain the quality at competitive prices, it outsources certain production / activity components on recurrent basis to companies under common control of directors.

All the firms / companies under common control are situated in and around Kolhapur city. It enables the company to achieve

- Greater control on the inputs processing,
- Cost reduction.
- Smooth Raw Material flow and production flow.
- Flexibility in production system,
- Faster delivery as supplies are located close to the company



- Access to good network of offices and agents overseas.

These firms /companies are related parties as per section 2(76) of the Companies Act, 2013 and rules thereunder and clause 49 of Listing Agreement and the transactions require approval of members by a special resolution with a special quorum i.e. interested shareholders cannot participate in approval process.

The particulars of transactions as per Rule 15 (3) of Companies (Meeting of Board and its Powers) Rules, 2014 :

Name of Related Party	Menon Exports	Menon Engineering Services	Menon Piston Rings Pvt. Ltd.
Name of Director / KMP and nature of relationship	Mr. Ram Menon - Partner Mr. Sachin Menon - Partner	Mr. Sachin Menon - Partner	Mr. Ram Menon - Director Mr. Sachin Menon - Director Mr. Ramesh Dixit - Director
Monetary value (estimated) Year wise	FY 2014-15 - Rs. 55 Cr. FY 2015-16 - Rs. 60 Cr. FY 2016-17 - Rs. 65 Cr. FY 2017-18 - Rs. 70 Cr. FY 2018-19 - Rs. 75 Cr.	FY 2014-15 - Rs. 25 Cr. FY 2015-16 - Rs. 30 Cr. FY 2016-17 - Rs. 35 Cr. FY 2017-18 - Rs. 40 Cr. FY 2018-19 - Rs. 45 Cr.	FY 2014-15 – Rs. 50 Cr. FY 2015-16 – Rs. 55 Cr. FY 2016-17 – Rs. 60 Cr. FY 2017-18 – Rs. 65 Cr. FY 2018-19 – Rs. 70 Cr.
Period	5 (five) years	5 (five) years	5 (five) years

Any other information relevant or important for the members to make a decision on the proposed transaction:

The provisions of section 297 of the Companies Act, 1956 required a company to get previous approval for such transactions with related parties from Central Government. As the company does recurrent transactions with these companies, approached accordingly from time to time the Regional Directors, Ministry of Corporate Affairs, Western Region, Mumbai, and got approved the related party transactions, the recent and current one through letter NO.RD/ 297/644 (3 cases)/3/ 2012/ 730 dated 10th May, 2012. The period of approval covering the transaction is till March, 2015.

Any further transactions beyond the monetary ceilings above would be done only through the process of prior approval of shareholders in general meeting as per the provisions of section 188 of Companies Act, 2013 and rules thereunder and clause 49 of Listing Agreement.

Except Mr. Ram Menon, Mr. Sachin Menon, Mr. Ramesh Dixit or their relatives, persons covered under related parties to whom the resolution relates, No other person, director, key managerial personnel or their

relatives, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no 7 for the approval of the members as a special resolution with disinterested quorum.

Explanatory statement to Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 as per the following details:

Mr. Chandrasekhar S. Adwadkar Rs. 1.50/- Lakhs.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

By Order of the Board of Directors,

Place : Kolhapur.

Date : 11.05.2014

Registered office : 182, Shirol, Kolhapur- 416 122.

Ram Menon

Chairman





MENON PISTONS LIMITED
Registered Office: 182, Shirol, Kolhapur-416122.

ATTENDANCE SLIP

Please bring this Attendance Slip and hand it over at the entrance of registered office 182, Shirol, Kolhapur-416122.

Name & Address of the shareholder: _____

Folio No.: _____

*DP ID.: _____

*Client ID.: _____

I hereby record my presence at the Thirty Seventh Annual General Meeting at "Menon Pistons Limited 182, Shirol, Kolhapur – 416122 on Wednesday 23rd day of July, 2014.

Signature of the Member or Proxy	Shares Held

*Applicable to investors holding shares in electronic form.



MENON PISTONS LIMITED
Registered Office: 182, Shirol, Kolhapur-416122.

PROXY FORM

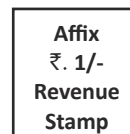
I / We of in the district of
being a Member / Members of Menon Pistons Limited, hereby appoint Mr./Mrs.
..... of or falling him
.....ofin the District ofas my / our proxy to vote for me / us on my / our
behalf at the THIRTY SEVENTH ANNUAL GENERAL MEETING of the Company, to be held on Wednesday the 23rd day of July,
2014, and at any adjournment thereof.

Signed this day of 2014

Folio No.

DP. ID.

Client ID



Signature

NOTE :

1. The Proxy in order to be valid should be deposited at the Principal / Registered Office of the Company not later than Monday, 21st July, 2014 at 4.00 p.m.
2. The Proxy should be executed on One Rupee Revenue Stamp.
3. The shareholder may choose to vote differently for his entire holding and may vote against or for the resolutions in the notice.



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FORM A

As per clause 31a of the Listing Agreement with the Bombay Stock Exchange Limited

(Covering letter of annual audit report to be filed with the stock exchange)

1	Name of Company	Menon Pistons Limited
2	Annual Financial Statements for the year ended	31 st March 2014
3	Type of Audit observation	Unqualified
4	Frequency of Observation	Not Applicable
5	Signatures	
	For Menon Pistons Limited	For Menon Pistons Limited
	 Mr. Sachin Menon Managing Director	 Mr. R.D. Dixit Audit Committee Chairman
	For Menon Pistons Limited	For M/s P.M. Vardhe & Co Chartered Accountants
	 Mr. SBP Kulkarni Associate Vice President	 CA P. M. Vardhe ICAI Registration Number 111274W