

Menon Pistons Ltd.
CIN - L34300MH1977PLC019823
Annual Report 2014-2015



Menon Pistons Ltd. main manufacturing facility at Kolhapur.

Contents

Board Of Directors, Company Information, etc.	2
Directors Report	3
Management Discussion and Analysis Report	37
Independent Auditor's Report	40
Financial Statements as at and for the year Ended March 31,2015	44
Auditor's Certificate on Corporate Governance	68
Report on Corporate Governance	69
Notice	85
Attendance Slip and Proxy Form	103

The 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
Independent Director

Dr. Shivram Bhoje
Independent Director

Mrs. Sadhana Zadbuke
Independent Director

REGISTERED OFFICE :

182, Shirol, Kolhapur - 416122, Phone: 91-230- 2468041/2468042

Website: <http://www.menonpistons.com>,

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

CIN - L34300MH1977PLC019823

Mr. S B P Kulkarni, CFO & AVP

Ms. Anuja Mallikar, Company Secretary

AUDITORS :

M/S P.M. Vardhe & Co.

Chartered Accountants

INSTITUTIONS & BANKERS :

IDBI Bank Ltd.

DIRECTOR'S REPORT

For the Financial Year ended 31st March 2015

To,
The Members of Menon Pistons Limited

The Directors take pleasure in presenting the 38th Annual Report together with the audited financial statements for the year ended March, 31, 2015. The Management Discussion and Analysis Report have also been incorporated into this report.

Directors have tried to maintain coherence in disclosures and flow of the information by clubbing required information topic-wise, and thus certain information which is required in directors report is clubbed elsewhere and has to be read as a part of directors' report.

1. Financial summary / Highlights:

(₹. in Lakhs)

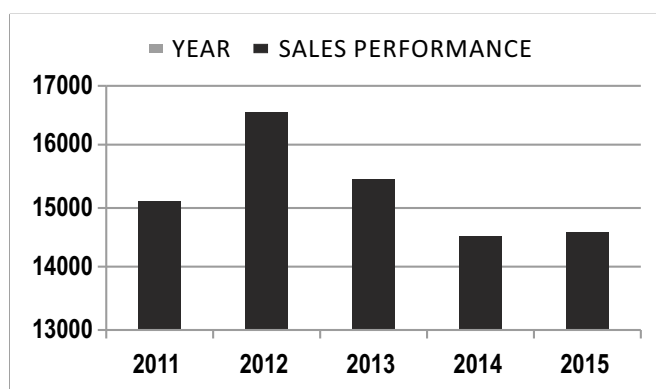
Particulars	Current Year 2014-2015	Previous Year 2013-2014
Revenue from Operations(Net) and other income	14566.42	14,446.52
Less: Usual working Expenses	13299.50	13,728.04
Gross Profit	1266.91	718.48
Less: Depreciation	450.96	406.24
Profit Before Tax (PBT)	815.95	312.24
Less: Provision for Taxation	244.27	129.85
Profit After Tax (PAT)	571.68	182.40
Add:- Balance brought forward from previous year's accounts	3350.20	3,275.30
Less: Depreciation for earlier years	27.42	0.00
Balance Available for appropriation	3894.46	3,457.70
Less: Appropriations		
- Proposed Equity Dividend	204.00	76.50
- Tax on Equity Dividends	34.66	13.00
- General Reserve	60.00	18.00
Balance of Profit carried to the next year's account	3595.80	3,350.20

Financial performance

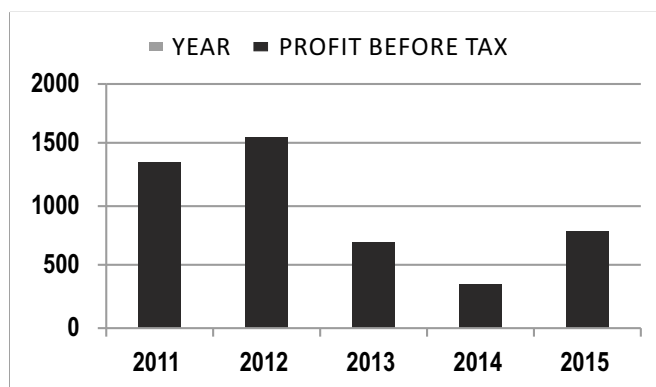
During the year 2014-15 your company has made turnover of Rs 14566.42 Lakhs as compared to Rs. 14446.52 Lakhs during the previous financial year whereas profit after tax for the year is Rs. 571.68/- Lakhs as against Rs. 182.40/- Lakhs in the previous financial year.



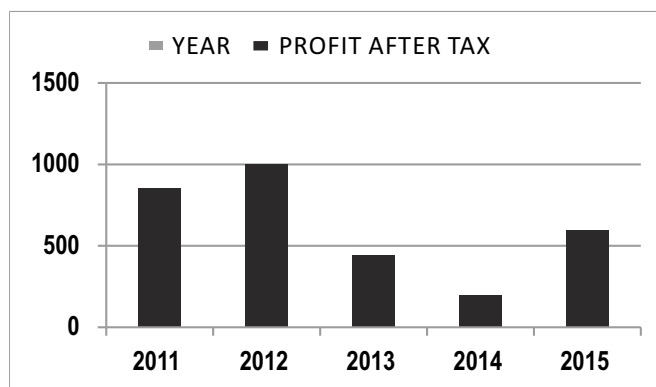
Year	Sales performance (Rs. Lacs)
2011	15066.90
2012	16705.90
2013	15441.70
2014	14446.50
2015	14566.40



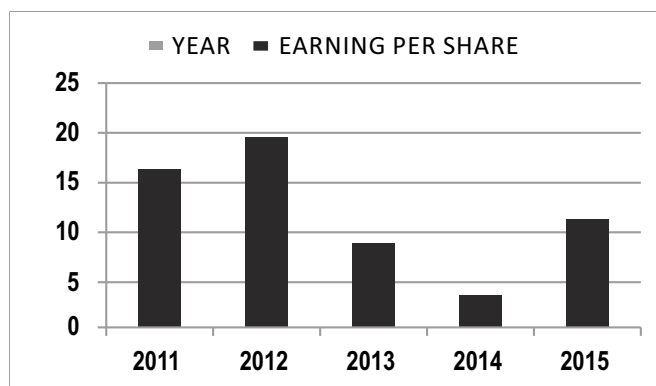
Year	PBT (Rs. Lacs)
2011	1301.50
2012	1518.49
2013	662.40
2014	312.24
2015	815.95



Year	PAT (Rs. Lacs)
2011	877.23
2012	1001.55
2013	456.60
2014	182.40
2015	571.68



Year	EPS (Rs. Lacs)
2011	17.20
2012	19.64
2013	8.95
2014	3.58
2015	11.21



2. DIVIDEND

Your Directors are pleased to recommend a final dividend of Rs. 4/- (Rupees Four only) per equity share of Rs. 10/- each. The total outgo for the current year amounts to Rs. 2,04,00,000/- (Rupees Two Crores Four Lakhs only) and dividend distribution tax of Rs. 34,66,980/- (Rupees Thirty four Lakhs Sixty Six Thousand Nine Hundred and Eighty only) as against dividend Rs. 76,50,000/- (Rupees Seventy Six Lakhs fifty thousand only) and dividend distribution tax of Rs. 13,00,118/- (Thirteen Lakhs One Hundred and eighteen only) in the previous year.

The unclaimed dividend pertaining for the year ended March, 2007 was transferred to the Investor Education & Protection Fund after giving due notice to the Members. Company has complied with all the necessary compliances including filing of e-form 5INV with MCA. The Company proposes to transfer an amount of Rs. 60,00,000/- (Rupees Sixty lakhs only) to the General Reserves.

3. DIRECTORS AND KMP:

The details of Appointment, reappointment and retiring by rotation of Directors and Key Managerial Persons (KMP) are included in Corporate Governance Report, and forms part of the directors report as 'annexure D'.

4. SEGMENT WISE AND PRODUCT-WISE OPERATIONAL PERFORMANCE

The details are given under Notes to Accounts of financial statements.

5. PARTICULARS OF LOAN, GUARANTEES, INVESTMENTS

The details of loans, guarantee or investment under Section 186 of the Companies Act, 2013 are given under Notes to Accounts of financial statements.

6. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2015 and of the profit of the Company for the year ended on that date;
- c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. That the annual financial statements have been prepared on a going concern basis;
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. That the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

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

8. CORPORATE GOVERNANCE

As a listed Company necessary measures are taken to comply with provisions of the listing agreement entered with Bombay Stock Exchange and SEBI. The Report on Corporate Governance along with a certificate as stipulated confirming compliance with the conditions of Corporate Governance, the Managing Director's declaration as stipulated under the aforesaid Clause 49 and Management Discussion and Analysis Report forms part of the Annual Report.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREX EARNING AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure A".

10. COMPENSATION AND DISCLOSURE ANALYSIS

The Companies Act, listing agreement through various provisions require disclosure and analysis on executive, director's, KMP's and other employees' compensation. A separate disclosure containing all the information at one place is grouped under "Corporate Governance Report" and the said information forms part of director's report.

11. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Pursuant to the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility has also been formulated. As part of its initiatives under CSR, during the year, Company has given donation to "Prime Ministers National Relief Fund" and other eligible

charitable institutions.

The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 are annexed herewith as "Annexure 'C'.

12. EXTRACT OF ANNUAL RETURN IN FORM MGT-9

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure 'B'.

13. RELATED PARTY TRANSACTIONS

Related party disclosures pursuant to sub-section (1) of section 188 of the Companies Act, 2013 are forming part of the Board report and is annexed herewith as annexure 'E'.

14. COST AUDITORS

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. Chandrashekhar S. Adawadkar, Cost Accountant, Pune as Cost Auditors of the Company to conduct audit of cost records for the financial year 2015-16.

15. STATUTORY AUDITORS

The Company's Auditors, M/s P.M. Vardhe & CO., Chartered Accountants, Kolhapur were appointed in AGM 2014 for a period of two audit periods and their appointment needs to be ratified in general meeting.

16. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs Milind Kulkarni & Associates, Pune, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. Secretarial Audit Report is annexed herewith as "Annexure 'F'. in **FORM MR-3**

17. COMMENTS ON OBSERVATIONS ON SECRETARIAL AUDIT REPORT

- i) The Company is in process of identifying an “independent Director” to fulfill the requirements of listing agreement.
- ii) The Company’s is revamping its existing website and will disclose all statutory disclosures and also useful information for stakeholders.

For Menon Pistons Limited

Place : Kolhapur
Date : 24.05.2015

Ram Menon
Chairman
DIN: 00111469

ANNEXURE 'A'

TO BOARD'S REPORT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

1. (A) Conservation of Energy :	
<p>(i) The steps taken or impact on : conservation of energy</p> <p>(ii) The steps taken by the company for utilizing alternate sources of energy</p> <p>(iii) The capital investment on energy conservation equipments;</p>	During the year Your Company had taken various steps to Control the power cost in foundry, which is a major, contributor for power cost. We have reduced the holding furnaces and also reduced the time for tapping metal from holding furnaces, which has resulted in nearly Rs. 7 – 8 Lakhs power saving p.m.
2. (B) Technology absorption :	
(i) The efforts made towards technology absorption and R & D Company had been.	Updation of Technology and R & D is a Continuous process and absorption implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products.
(ii) The benefits derived from technology absorption and R & D like product improvement, cost reduction, product development .	<p>The Company has been able to develop successfully new products by virtue of technology absorption, adaptation and innovation was achieved.</p> <p>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.</p>
3. Foreign Exchange Earnings & Outgo:	
A) Activities relating to exports initiative taken for exports, development of new export markets for products and services.	Nil
B) Total Foreign exchange used	
1 Raw Material	Rs. Nil
2 Capital Equipment(Including Advance)	Rs. Nil
3 Stores & Spares	Rs.1.03 Lakhs
4 Foreign travel & other expenditure	Rs. 8.94 Lakhs
5 Royalty & Consultancy fees	Rs. 27.23 Lakhs
6 Earned Deemed Export	Rs. 4561.60 Lakhs

ANNEXURE 'B'
FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2015

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L34300MH1977PLC019823
2.	Registration Date	25.08.1977
3.	Name of the Company	MENON PISTONS LIMITED
4.	Category/Sub-Category of the Company	Public Company limited by shares
5.	Whether listed Company (Yes/No):-	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited, 202-A, 2nd Floor, "Akshay Complex", off Dhole Patil Road, Pune – 411 001. Telephone:-020,26161629 Fax Number:- 020, 26163503 Email: pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Piston Assemblies	840991	82.14
2.	Gudgeon Pins, Circlips	840991	14.28
2.	Rings	840991	03.58

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – The company does not have any holding, subsidiary, associate, joint venture company of its own.

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	N.A.				