

Menon Pistons Ltd.
Annual Report 2009-2010



Menon Pistons Ltd. main manufacturing facility at Kolhapur.

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The Board of Directors

Mr. Ram Menon
Chairman

Mr. Sachin Menon
Managing Director

Mr. Nitin Menon
Director

Mr. Ramesh D. Dixit
Director

Mr. Mani Mathew
Executive Director
(up to 31.08.2009)

Mr. G.S.Rao
Executive Director
(up to 31.12.2009)

Mr. Ajitkumar S.Belur
Director

Mr. S. B. P. Kulkarni
Sr. G M - Corporate

Mr. Deepak Kadam
Company Secretary

Auditors :
M/s. P. M. Vardhe & Co.
Chartered Accountants

INSTITUTIONS & BANKERS
IDBI Bank Ltd.

Registered Office :
Shiroli, Kolhapur - 416 122.
Phone : 91-230- 2468041/2468042
Fax : 0230- 2468442
Website : <http://www.menonpistons.com>
E mail : oad@menonpistons.com

Report of the Directors for the Financial Year ended 31st March 2010

Dear Shareholders,

Your Directors have pleasure in presenting to you 33rd Annual Report on the business and operations of the Company together with the audited statements of accounts for the year ended 31st March 2010.

The working results are as under ;

Financial Results		(Rs. in Lakhs)	
Particulars	Current Year	Previous Year	
Gross Turnover	11464.67	10826.88	
Less: Usual working Expenses	10265.29	9723.93	
Gross Profit	1199.38	1102.95	
Less: Depreciation	224.04	228.61	
Profit Before Taxation	975.34	874.34	
Less: Provision for Taxation (Net)	325.27	302.65	
Profit After Tax	650.07	571.69	
Add: Balance of profit as per last year's accounts	1445.69	1112.99	
Add : Deferred Tax Asset	53.42	Nil	
Less : Earlier Year Adjustment	157.19	Nil	
Available surplus	1991.99	1684.68	
Balance Available for appropriation	1991.99	1684.68	
Less :			
Proposed Dividend	178.50	153.00	
Tax on Dividend	30.34	26.00	
Transfer to General Reserves	66.00	60.00	
Balance carried forward to next year	1717.15	1445.68	

General Review

Global slowdown that has battered over the strongest of economies worldwide. Auto component industry, once termed as one of the booming sector in the country was also hard hit. But fortunately, the global economy is slowly showing a trend of improvement and getting its momentum. Recessionary trends over Indian economy have nearly vanished.

Your Company has relentlessly focused on adopting and assimilating new technologies, using modern manufacturing practices and focusing on quality to achieve operational excellence. Our company is committed to sustainable growth.



We are tracking all significant developments in the auto component industry in India and abroad carefully. Market is growing but technology requirements are also changing. With the help of our technology Partners M/s Dong Yang Piston Co.Ltd. South Korea, we hope to remain ahead in the race. We are continuously investing in new technology, manufacturing practices, machineries, equipments, in-house talent development practices and reliable customer relationships.

During the year 2009-10 your Company has achieved the sales turnover of Rs.114.65 crores as compared to Rs.108.27 crores in the previous financial year whereas profit after tax for the year was Rs.6.50 crores as against Rs.5.72 crores for the previous financial year.

Dividend

Considering the Capital requirement for expansion plans, your directors decided to plough back the money. However, your Directors are pleased to recommend a dividend Rs. 3.50/- i.e. @ 35% per equity share for the financial year 2009-2010. Total outgo on dividend would be Rs. 17,850,000/- (One Crore Seventy Eight lacs Fifty Thousand only). The Company has made preparations to transfer Rs. 6,600,000/- (Sixty Six Lakhs) 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 would be distributed to the Shareholders after the Annual General Meeting passed it.

Corporate Governance

As a listed Company necessary measures are taken to comply with provisions of the listing agreement entered with Bombay Stock Exchange. A report on Corporate Governance along with a certificate of compliance from the Auditors, forms part of this 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.

Board of Directors

Shri Sachin Ram Menon has been the Managing Director of the Company since February 1, 2005. The term of office of Shri Sachin Ram Menon, as Managing Director of the Company has expired on January 31, 2010.

The Board of Directors of the Company (The 'Board'), at its meeting held on January 29, 2010 has, subject to the approval of Members, appointed Shri Sachin Ram Menon for a further period of 5 years, on the remuneration determined by the Remuneration Committee of the Board at its meeting held on 26th January, 2010.

Mr. Ram Menon and Mr. Nitin Menon, Directors, would retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

In accordance with clause 49 of the listing agreement, particulars relating to the Directors seeking re-election/reappointment at the ensuing Annual General Meeting are furnished in the Corporate Governance Report.

Industrial Relation

Industrial relations during the year continued to be peaceful and there were no man days lost due to any kind of unrest.

Fixed Deposits

The Company has not accepted any deposits within the meaning of section 58A of the Companies Act 1956 and Rules framed there under.

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;
- 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 at 31st March, 2010 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.

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.

Management Discussion & Analysis and Corporate Governance

A Report on the Management Discussion & Analysis and Corporate Governance forms part of this Report and is annexed as Annexure C to this report. The Certificate of the Statutory Auditors' confirming compliance with Clause 49 of the Listing Agreement relating to Corporate Governance is also annexed.

Particulars of Employees

The relations with the employees continue to remain cordial. The Directors express their appreciation for the support given and the contribution made by the employees at all levels.



The particulars of employee which are required to be given under section 217(2A) (a) of the Companies Act 1956 read with the (Particulars of Employees) Rules 1975 and is given by way of 'Annexure B'.

Auditors

The Auditors' of the Company, M/S. 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.

Auditors Report

The Board has duly reviewed the Statutory Auditors' Report. No qualification remarks listed out by the Auditors' in their report.

Acknowledgments

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

For and On behalf of the Board of Directors

**Place: Kolhapur
Date : 30-05-2010**

**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.

I) Conservation of Energy:

As a continuous improvement process, the several energy saving measures which have been initiated by appropriate modifications and adopting systems and by availing relevant high rebate benefits and by monitoring the energy saving measures periodically and implementing the Energy Management Techniques it has been possible this year also to achieve an saving i.e. energy conservation .

II) Technology Absorption :

Form of disclosure of particulars with respect to absorption of Technology, research and technology.

(i) Specific Areas in which R & D was carried out -

We are continuously investing in new Technology and manufacturing processes with the help of our Technology Partners M/s Dong Yang Piston Co. Ltd. South Korea. As the bar for engine performance, durability and emissions is raised, engine manufacturers and their suppliers are seeking the next level in engine component Technology. We have initiated development work on new generation pistons designs like oil cooled gallery pistons with high strength material, Research for enhanced material properties like hardness, tensile strength with controlled growth phenomenon.

Journey to upgrade design capabilities of the Company has taken pace with the help of Collaborator. With the engine data received from customers and offered complete new piston assembly design. This kind of design activity is becoming common for our company and phase of switching from 'Make to Print' to complete Solution provider is on unveil.

(ii) Benefits derived from a result of the above R & D:

The ability to design piston assemblies as well as manufacture of new generation pistons with high strength material, oil cooled gallery enabled us to keep abreast with the latest technology in the eyes of OE customers. This has resulted into new enquiries coming to us for development of piston assemblies for new generation engines.

(iii) Future plan of Action:

- a. Relationship with Collaborator :
- 1) The relationship between collaborator and company is strengthened with buy back arrangement made between two companies for pistons.
 - 2) One application Gasoline pistons will be supplied to collaborator.
 - 3) Piston design training is imparted to our engineers at collaborator plant in South Korea for the period of one month.



b. Modernization Plan:

- 1) As a part of modernization and capacity enhancement new foundry building construction is commenced over an area of 2000 square meters. The foundry facility will be inline with collaborator layout and methods of manufacturing. This will help company in building confidence in the eyes of prestigious customers about product quality and reliability. The new foundry will be operational by November 2010.
- 2) With the growing demand for the necessity of using gallery cooled pistons into the engines, the infrastructure for making these pistons becomes inevitable. More and more applications are coming with these new technology pistons.
- 3) In view of the same, company decided to get equipped with X ray machine for inspection of gallery for any flaws or cracks present into the gallery area. This equipment will be operational in our plant by end of the year 2010.
- 4) Processes upgradations are planned in our company to manufacture new generation pistons with new technology in line with collaborator process. New machineries are getting added in to machining lines to upgrade these lines.

III) Foreign Exchange Earning and 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	a) Raw Material	: Rs. 339.53 Lakhs
	b) Machinery, Stores & Spares	: Rs. 35.04 Lakhs
	c) Expenditure of Foreign Travel and Other Expenditure	: Rs. 50.64 Lakhs
	d) Earned Deemed Export	: Rs. 1291.16 Lakhs

ANNEXURE 'B' TO DIRECTORS REPORT

Disclosure as per provisions of S. 217 (2A)(a) of the Companies Act, 1956

Name	Mr. Sachin Ram Menon
Designation	Managing Director
Total Emoluments received	Rs. 3,011,703/-
Sitting Fees	Rs. 1000/- per meeting of the board.
Nature of Employment – (Contractual or otherwise)	Contractual basis. The contract is for a period of five years and the term of five years ends on 31st January 2015
Other terms and conditions	As per managing director's agreement
Nature of duties of employment	Duties as of a managing director
Qualification and experience	B.E. M.B.A. (U.S.A.)
Date of commencement of employment	15th June 1991
Age	48 years
Number and % of equity shares held by employee	284066 equity shares of Rs. 10 each 5.5699%
Last employment before joining this company	Nil
Name of director who is relative.	Shri Ram Menon (Chairman) is father of Mr. Sachin Menon and Mr. Nitin Menon (Director) is his brother.

ANNEXURE 'C' TO DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A) Industry structure and developments

Automotive Industry Overview -

Indian auto sector is expected to witness an overall growth in sales by 10% to 12% during the year 2010-11 with a faster recovery in Passenger and Commercial Vehicle volumes. The trend should fall in line with the improvement in the domestic, economic environment and improved availability of credits. Many International OEM's are coming to India either independently or in collaboration with existing players with the objective to reduce time to market and to take advantage of our established distribution network.

With the above positive outlook domestic auto component industry is also likely to get bigger boost in the year where your Company is also playing important role in the manufacture of critical auto components. In addition to this since there is a stable Government in place at center, it has already outlined major investment in the infrastructure development and agriculture sector. These investments will create more demand for our products.

We are seeing various international players have set up their shops in India to produce small cars for domestic as well as for global market. At the same time imports of auto components are increasing and they are greater than exports. This trend needs to be stemmed if not reversed without sacrificing growth. India has ability to manufacture World class standards. It is necessary to maximize value addition happens within the country through R&D and product development capabilities. This will be an essential requirement to establish scale and competitiveness in the Global markets.

The period ahead in the next 3-4 years looks promising and component manufacturers are likely to be busy catering to the customers' demands across the board. Despite of the above, auto component manufacturers' operating margin will decline due to increase in the raw material cost, non availability of sufficient power and increase in the cost of power etc. To retain the talent in Industry is also a major constraint. The raw material cost would be partially mitigated by increasing prices of OEM's to little extent during the contract renewals and higher capacity utilization. However, increasing competition in export market is increasing threat of cheap imports in the replacement market and will limit component manufacturers' flexibility to fully pass on raw material cost increase to the customers. The competition is intense in the replacement market.

In view of the above it has become necessary to explore different export markets as the rupee depreciation against US Dollar and other currency should also help to remain competitive. Focus is also necessary in product development, increase in R&D expenditure and product specialization. Your Company is giving more emphasize in cost cutting exercise, reengineering and energy saving measures.

It is necessary to remain competitive to maintain global quality and quick response for the new developments with a technological back up and support.

(B) Opportunities

Indian auto component manufacturers have registered an improved financial performance in the past couple of quarters on the back of higher volumes arising from the domestic market. Cost cutting initiatives, improved productivity and better financial management during the meltdown (Q3 FY09 to Q1 FY10) provided additional traction to their financial performance.

Encouraged by the capability and the capacity of Menon Pistons Limited to produce for new generation Engines, and satisfied with the cordial relationship between the two Companies, M/s Dong Yang Pistons have decided to extend the Technical collaboration with Menon Pistons Limited for a further period of four years up to 2014. This would keep Menon Pistons Limited in good stead to keep abreast with latest in Technology and be in readiness for meeting the future challenges.

M/s Kirloskar oil Engine started regular orders for purchase of Pins. Tata Motors has agreed to use Company's Pistons and Rings as per requirement.

(C) Internal control systems and their adequacy

Company has developed adequate internal control systems to ensure safeguarding of assets against loss from unauthorized use or disposition. Such systems have also been developed to ensure adherence to policies and systems and mitigation of the operational risks covering each are under review. Company has also adopted internal rules and guidelines for conducting business transactions. The internal control systems maintained and reviewed regularly by the management.

(D) Human Resources / Industrial Relations

Company has a fully functional human resource department taking care of human force in the Company. Company has taken effort for human resource development. Company has arranged various training programs during the year. Company encourages employees to generate new ideas. Company has a proper team for recruitment of employees and keeps compensation structure in line with the market developments.

(E) Manufacturing devices/upgradation of facilities

- A. Upgradation of the quality assurance facility to carry out inspection under "Temperature controlled environment" has been done as a part of the recommendation/observation made by several customers during their visits from time to time. In the first phase these facilities have been created in the manufacturing line meant for pistons for Cummins application.
- B. New facility for carrying out the Millipore tests with the augmented high pressure cleaning procedure introduced for Cummins pistons as well as other applications. This facility has been created with a view to ensure absolute cleanliness of pistons when received at customer end.
- C. The entire manufacturing staff of the Machine shop was given extensive training in the "8D' problem solving Technique". The recurring problems during the manufacturing of piston for various application were identified and appropriate solution together with mistake proofing facilities were introduced successfully to arrest the occurrence of these problems.
- D. All the manufacturing lines in PMS-1 and lines in PMS-2 have been updated to take care of the above problems. With these facilities, it is seen that the rejection levels at our end has been brought to almost Zero and it is expected that no piston will get dispatched to customer end with any of these known defects.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/s. Menon Pistons Ltd., 182, Shirol, Kolhapur as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

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 enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state 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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - I. In so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and;
 - II. In so far as it relates to the Profit and Loss Account of the profit of the Company for the year ended on that date, and;
 - III. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s. P.M. Vardhe & Co.,
Chartered Accountants

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

Place : Kolhapur
Date : 30.05.2010

Annexure referred to in Para 1 of our Report even date

- (i)
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
 - c. During the year, the company has not disposed off any major part of the plant and machinery.
- (ii)
 - a. The physical verification of inventory has been conducted during the year by the management at reasonable intervals.
 - b. 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. The company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii)
 - a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b. As no loans granted, the question of rate of interest and other terms and conditions, prima facie prejudicial to the interest of the company does not arise.
 - c. Receipt of principal and interest or overdue amount is not applicable.
 - d. The Company had not taken loan from any company covered in the register maintained under section 301 of the Act.
 - e. As no loan is borrowed, the question of rate of interest and other terms and conditions, prima facie prejudicial to the interest of the company does not arise.
- (iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.
- (v)
 - a. 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; and
 - b. Transactions made in pursuance of such contracts or arrangements 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 deposits from the public.
- (vii) The company is a listed company and it has an internal audit system commensurate with the size and nature of its business.
- (viii) On broad review of books of accounts maintained by the Company pursuant to the rules made by Central Government for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the same.
- (ix)
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service-tax, custom duty, excise-duty, cess and other statutory dues applicable to it. In our opinion, there are no arrears of outstanding dues as on the last day of the financial year concerned for a period of more than six months.
 - b) The disputed statutory dues, which have not been deposited with the appropriate authorities are as under :-

Sr. No.	Authority	Item	Amount (Rs. in Lacs)
1.	Dy. Commissioner of Sales Tax (Appeals), Pune	Sales Tax Penalty	5.00
Total			5.00

- (x) The Company has no accumulated losses during the financial year covered by our report or in the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to banks or financial institutions.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Provisions of any special statute applicable to chit fund in respect of nidhi /mutual benefit fund / societies are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. We further report that the company has held the shares, securities, debentures and other investments in its own name.
- (xv) The Company has not given guarantee for loans taken by others from bank.
- (xvi) During the year the Company has not obtained term loans.
- (xvii) The funds raised on short-term basis have not been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not made any public issue of shares during the period covered by our audit report.
- (xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For M/s. P.M. Vardhe & Co.,
Chartered Accountants

Place : Kolhapur
Date : 30.05.2010

P.M. VARDHE
Proprietor
M. No. 031817

BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	SCHEDULES		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
SOURCES OF FUNDS:					
1. Shareholder's Funds					
a. Share Capital	A	51,000,000		51,000,000	
b. Reserves & Surplus	B	320,820,334		287,073,048	
			371,820,334		338,073,048
2. Loan Funds					
a. Secured Loans	C	130,293,340		174,105,046	
b. Unsecured Loans		0		0	
			130,293,340		174,105,046
3. Deferred Tax Liability			13,096,360		18,047,066
Total Rs.			515,210,034		530,225,160
APPLICATION OF FUNDS					
3. FIXED ASSETS	D				
Gross Block		536,498,937		513,357,458	
Less : Depreciation		346,480,983		326,340,352	
Net Block			190,017,954		187,017,106
Capital Work in process			0		462,759
4. INVESTMENTS	E		1,294,890		1,294,890
5. CURRENT ASSETS, LOANS & ADVANCES	F				
Inventories		113,159,811		121,649,638	
Sundry Debtors		281,254,712		298,774,957	
Cash and Bank Balances		127,929,525		65,983,244	
Loans And Advances		29,244,458		27,140,393	
		551,588,506		513,548,232	
Less : Current Liabilities & Provisions	G				
a. Liabilities		108,873,540		72,908,542	
b. Provisions		124,459,332		104,830,841	
		233,332,872		177,739,383	
Net Current Assets			318,255,634		335,808,849
6. MISCELLANEOUS EXPENDITURE	H		5,641,556		5,641,556
TOTAL			515,210,034		530,225,160
Notes on Accounts	P				

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 : 30.05.2010

For and on Behalf of the Board of Directors

Ram Menon
Chairman

Sachin Menon
Managing Director

R.D.Dixit
Director

S.B.P. Kulkarni
Sr GM (Corporate)

Deepak Kadam
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2010

PARTICULARS	SCHEDULES		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
1. INCOME	I				
Sales		1,134,574,205		1,074,888,858	
Other Income		11,893,025		7,799,534	
TOTAL			1,146,467,230		1,082,688,392
2. EXPENDITURE					
Raw Material & Stores Consumed	J	565,511,372		614,059,261	
Manufacturing Expenses	K	123,348,810		111,173,173	
Payments to & Provision For Employees	L	110,411,601		139,014,368	
Administrative & other Expenses	M	172,903,683		27,994,090	
Cost of Finance	N	22,606,836		22,860,574	
Depreciation	D	22,403,811			
		1,017,186,113		1,020,522,443	
Add (Increase) / Decrease in stock of Finished Goods & Work in Process	O	31,746,965		(25,268,538)	
			1,048,933,078		995,253,905
3. PROFIT BEFORE TAXATION			97,534,152		87,434,487
Provision for Income Tax (Current)		32,135,000		28,500,000	
Provision for Income Tax (Deferred)		392,170		865,743	
Provision for FBT (Current)		-	32,527,170	900,000	30,265,743
4. PROFIT AFTER TAXATION			65,006,982		57,168,744
Balance of Profit as per last Balance Sheet		144,567,765		111,299,257	
Add : Deferred Tax Asset		5,342,876		0	
Less : Earlier Year Adjustment		15,718,963		0	
Balance Available For Appropriation			199,198,659		168,468,001
5. APPROPRIATIONS					
Proposed Dividend			17,850,000		15,300,000
Tax on Dividend			3,033,608		2,600,235
General Reserve			6,600,000		6,000,000
Balance of profit carried to Balance sheet			171,715,052		144,567,766
6. EARNING PER SHARE					
Basic and Diluted Earning per Share			12.75		11.21

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 : 30.05.2010

For and on Behalf of the Board of Directors

Ram Menon
Chairman

Sachin Menon
Managing Director

R.D.Dixit
Director

S.B.P. Kulkarni
Sr GM (Corporate)

Deepak Kadam
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

CASH FLOW STATEMENT PARTICULARS	Rs. in Lacs 2009-10		Rs. in Lacs 2008-09	
	Amount	Amount	Amount	Amount
Cash flows from operating activities				
Profit as per Profit & Loss A/c (before tax & dividend)	·	975.34	·	874.34
Adjustments for :				
Depreciation	224.04		228.61	
Interest Received	(69.85)		(43.51)	
Dividend Received	(0.04)		0.00	
Interest Paid	226.06		279.94	
		380.21		465.04
Operating profit before working capital changes		1355.55		1339.38
Adjustments for :				
Inventories	84.90		(71.03)	
Sundry Debtors	175.20		185.60	
Loans and Advances	(180.78)		(207.80)	
Current Liabilities and provisions	558.49		99.43	
Direct Tax Paid	(325.27)		(302.66)	
Increase in deferred tax liability	3.92		8.65	
Tax on Dividend	(30.33)		(26.00)	
		286.13		(313.81)
Net Cash Generated from operations		1641.68		1025.57
Cash flow from investing activities				
Purchase of fixed assets	(267.93)		(354.60)	
Sale of fixed Assets	41.14		8.94	
Fixed assets under installation	0.00		(0.40)	
Purchase of Investments	0.00		0.00	
Sale of Investments	0.00		0.00	
Investment income :				
Interest received	69.85		43.51	
Dividend received	0.04			
Depreciation on assets sold	(22.63)		(5.28)	
		(179.53)		(307.83)
Cash flow from financing activities				
Proceeds from issue of share capital	0.00		0.00	
Proceeds from long term borrowing	0.00		164.21	
Proceeds from short term borrowing	55.14		0.00	
Repayment of long term borrowing	(175.77)		(176.25)	

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010 (continued)

CASH FLOW STATEMENT PARTICULARS	Rs. in Lacs 2009-10		Rs. in Lacs 2008-09	
	Amount	Amount	Amount	Amount
Repayment of short term borrowing	(317.49)		(268.38)	
Dividend paid	(178.50)		(153.00)	
Interest Paid	(226.06)		(279.94)	
Net cash used in financing activities		(842.68)		(713.36)
Net cash increase/(Decrease) in cash and cash equivalents		619.47		4.38
Op. Balance of cash and cash equivalents 1st Apr,09	659.83		655.45	
Closing balance of cash and cash equivalents 31st Mar,10	1279.30		659.83	

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 : 30.05.2010

For and on Behalf of the Board of Directors

Ram Menon

Chairman

Sachin Menon

Managing Director

R.D.Dixit

Director

S.B.P. Kulkarni
Sr GM (Corporate)

Deepak Kadam
Company Secretary

SCHEDULE NOS. 'A' TO 'P' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT & THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2010

SCHEDULE `A' SHARE CAPITAL	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
AUTHORISED 55,00,000 Equity Shares of Rs.10/- each (Previous year 55,00,000 Equity Shares of Rs.10/- each)	55,000,000	55,000,000
TOTAL	55,000,000	55,000,000
ISSUED, SUBSCRIBED AND PAID UP 51,00,000 Equity Shares of Rs.10/- each (Previous year 51,00,000 Equity Shares of Rs.10/-each.) Of the above 38,50,000 Equity Shares of Rs.10/- each are allotted as fully paid Bonus Shares, by capitalisation of General Reserve and Profit of the company.	51,000,000	51,000,000
TOTAL	51,000,000	51,000,000

SCHEDULE `B' RESERVES AND SURPLUS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
CAPITAL RESERVE	5,066,179	5,066,179
GENERAL RESERVE Balance as per last Balance Sheet Add : Transferred from Profit and Loss A/c	56,689,104 6,600,000	50,689,104 6,000,000
TOTAL	63,289,104	56,689,104
SHARE PREMIUM RESERVE	80,750,000	80,750,000
PROFIT AND LOSS ACCOUNT	171,715,052	144,567,765
TOTAL	320,820,334	287,073,048

SCHEDULE `C' SECURED LOANS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
A) IDBI Bank Ltd. 1. Cash Credit 2. Bills Purchase facility 3. Packing Credit Secured by hypothecation of Raw Material, Work in process and finished goods and equitable mortgage of Land and Building situated at 182, Shiroli, Kolhapur and at H-1, MIDC, Kupwad, Sangli.	97,886,125 1,320,893 7,000,000	129,635,125 222,926 4,500,000
B) IDBI Bank Ltd., Term Loan	20,240,392	37,817,729
C) Vehicle Loans	3,845,930	1,929,266
TOTAL	130,293,340	174,105,046

SCHEDULE "D"
FIXED ASSETS SCHEDULE FOR THE YEAR 2009-2010 (in Rs.)

Sr. NO.	PARTICULARS OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01-04-2009	ADDITIONS	DEDUCTIONS	AS AT 31-03-2010	AS AT 01.04.2009	FOR THE YEAR	DEDUCTIONS	TOTAL	AS AT 31.03.2010	AS AT 31.03.2009
1	Goodwill	71,000	0	0	71,000	0	0	0	0	71,000	71,000
2	Land Free Hold	375,574	0	0	375,574	0	0	0	0	375,574	375,574
3	Land Leasehold	4,76,130	0	0	476,130	10,912	600	0	11,512	464,618	465,218
4	Land Development	530,879	0	0	530,879	82,039	8,653	0	90,692	440,187	448,839
5	Building	54,593,950	331,754	0	54,925,704	18,231,399	1,827,948	0	20,059,346	34,866,358	36,662,551
6	Plant & Machinery	396,912,721	17,509,231	0	414,421,955	274,036,632	16,303,187	0	290,339,815	124,082,140	122,876,089
7	Computers	7,973,561	2,404,159	1,724,342	8,653,378	4,483,877	1,068,836	1,684,104	3,868,609	4,784,768	3,489,684
8	Plant & Machinery R & D	9,377	0	0	9,377	9,377	0	0	9,377	0	0
9	Electrical Installation	26,421,364	207,500	0	26,628,865	15,598,122	1,404,189	0	17,002,310	9,626,555	10,823,242
10	Furniture & Fixtures	6,929,309	420,347	0	7,349,656	4,726,842	337,807	0	5,064,650	2,285,006	2,202,468
11	Office Equipment	7,279,731	218,887	0	7,498,617	3,926,202	187,862	0	4,114,064	3,384,552	3,353,529
12	Technical Know-how	289,010	0	0	289,010	289,010	0	0	289,010	0	0
13	Vehicle	10,272,205	5,160,384	2,389,705	13,042,883	4,541,671	1,115,100	579,075	5,077,696	7,965,187	5,730,535
14	Material Handling Equipment	1,222,648	1,003,262	0	2,225,910	404,272	149,629	0	553,901	1,672,009	818,375
	TOTAL	513,357,457	27,255,524	4,114,047	536,498,936	326,340,355	22,403,811	2,263,179	346,480,983	190,017,954	187,017,106
	PREVIOUS YEAR	478,792,083	35,459,687	894,313	513,357,457	304,008,044	22,860,575	528,267	326,340,352	187,017,106	174,784,038

SCHEDULE `E` INVESTMENTS (AT COST)	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Non Trade (Unquoted)		
1. 12 Equity Shares of Maharashtra Co-op.Engg. Society Ltd., of Rs.500/- each fully paid	6,000	6,000
2. 7 Year National Saving Certificates	22,500	22,500
3. 10 Shares in Kolhapur Janata Sahakari Bank Ltd., of Rs.10/- each	100	100
4. Investment in Dalmia Resorts	27,500	27,500
5. 3675 Shares in Shri Warna Sahakari Bank Ltd. of Rs.10/- each	36,750	36,750
6. Investment in Raga Airlines	25,000	25,000
7. Prestige Holiday Resorts	140,000	140,000
Trade (Quoted)		
1. 500 Equity Shares of Bank of Maharashtra Rs.10/- each (Market Price as on 31.03.2010 Rs.49.65 per share)	11,500	11,500
2. 562 Equity Shares of Reliance Industries Limited of Rs.10/- each (Market Price as on 31.03.2010 Rs. 1078.95 per share) (Previous Year 4500 Equity Shares of Reliance Petroleum Ltd. of Rs.10 Each)	1,025,540	1,025,540
TOTAL	1,294,890	1,294,890

SCHEDULE 'F' CURRENT ASSETS AND LOANS & ADVANCES		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
A) CURRENT ASSETS				
a) Stock in Trade (At cost or Market Price whichever is lower)				
Raw Material	39,641,880		22,072,771	
Stores and Spares	18,308,760		12,620,730	
Work in Process	29,790,542		43,368,625	
Finished Goods	25,418,629	113,159,811	43,587,511	121,649,637
b) Sundry Debtors (Unsecured Considered Good)				
Exceeding six months	4,875,961		5,345,726	
Other Debts	276,378,751	281,254,712	293,429,231	298,774,957
c) Cash and Bank Balance				
Cash in Hand	219,448		266,368	
Balances with Banks				
a) With scheduled Bank				
1. In Current Accounts	12,112,502		8,242,832	
2. In fixed Deposits	113,752,087		57,183,269	
b) With other Banks				
1) In Current Accounts				
Maximum Balance during the year	1,845,488	127,929,525	290,775	65,983,244
a) Kolhapur Janta Saha. Bank Ltd.	587		587	
b) Warna Saha. Bank Ltd., Shirol	32,817		29,117	
c) Warna Saha. Bank, Herle	0		10,522	
d) Mahalaxmi Co-op Bank Ltd.,	6,142		5,892	
e) Nagri Saha. Bank Ltd., Kodoli	3,135		3,135	
f) Saraswat Co-op. Bank Ltd. Sangli	1,802,807		241,522	
TOTAL		522,344,048		486,407,839

SCHEDULE `F' CURRENT ASSETS AND LOANS & ADVANCES	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
B)LOANS AND ADVANCES Unsecured Considered Good		
1. Advance Tax	10,146,060	10,399,263
2. Advances to Suppliers.	1,956,991	1,383,435
3. Staff Advance	366,132	140,733
4. Deposits	6,474,689	5,734,314
5. Other Advances	1,485,286	1,359,153
6. Accrued Income	7,136,925	6,714,435
7. Other Receivables	922,842	578,255
8. Prepaid Expenses	755,534	830,806
TOTAL	29,244,458	27,140,393
TOTAL (A) + (B)	551,588,506	513,548,232

SCHEDULE `G' CURRENT LIABILITIES AND PROVISIONS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
A) Current Liabilities		
1. Sundry Creditors (Refer Note in Schedule 'P' Item No.II (b) (7) Sundry Creditors - Others	107,473,540	71,473,334
2. Advances from customers	1,400,000	1,435,208
B)Provisions	108,873,540	72,908,542
1. Proposed Dividend	17,850,000	15,300,000
2. Provision for Leave Encashment	3,932,458	3,097,209
3. Provision for Gratuity	16,713,681	1,518,626
4. Other Provisions	85,963,193	84,915,006
TOTAL	233,332,872	177,739,384
DEFERRED TAX LIABILITY	13,096,360	18,047,066

SCHEDULE `H` MISCELLANEOUS EXPENDITURE		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
Preoperative Expenses				
1. Travelling and other project expenses	757,294		757,294	
2. Consultation Fees	3,463,361		3,463,361	
3. Technical Know-how fees/ cess	1,420,901		1,420,901	
TOTAL		5,641,556		5,641,556

SCHEDULE `I` INCOME		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
1) Sales				
1. Piston / Piston Assemblies	926,902,040		908,117,842	
2. Rings	38,736,492		25,003,180	
3. Gudgeon Pins, Circlips	147,699,863		123,993,757	
4. Liners / Variators Sale	4,536,254		2,206,288	
5. Other Sales	16,699,555	1,134,574,205	15,567,791	1,074,888,858
2) Other Receipts				
1. Testing Charges	444,432		661,344	
2. Insurance Claims Received	312,971		804,503	
3. Interest Income	6,985,825		4,669,852	
4. Excess Provision Written Off	1,522,935		289,142	
5. Refund of Sales Tax	1,657,732			
6. Excess Creditors Written Off	311,274			
7. Income from other sources	657,856	11,893,025	1,374,693	7,799,534
TOTAL		1,146,467,230		1,082,688,391

SCHEDULE `J` EXPENDITURE		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
COST OF RAW MATERIAL & STORES CONSUMED				
1. Raw Material				
Opening Stock	22,072,771		34,810,868	
Add: Purchases During the Year	486,237,129		495,815,566	
	508,309,900		529,626,434	
Less: Closing Stock	39,641,880	468,668,020	22,072,771	507,553,663
2. Stores and Spares				
Opening Stock	12,620,730		18,047,950	
Add: Purchases During the Year	102,531,382		101,078,379	
	115,152,112		119,126,329	
Less: Closing Stock	18,308,760	96,843,352	12,620,730	106,505,599
TOTAL		565,511,372		614,059,261

SCHEDULE `K` MANUFACTURING EXPENSES		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
Power and Fuel	53,396,299		47,707,567	
Water Charges	983,852		828,239	
Machining Charges	68,968,659		62,637,366	
TOTAL		123,348,810		111,173,172

SCHEDULE `L` PAYMENTS TO & PROVISIONS FOR EMPLOYEES		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
Wages, Bonus and Allowance To Workers	53,989,591		59,370,726	
Contribution To PF.Etc.. For Workers	3,934,498		3,514,900	
Workers Welfare Expenses	2,934,659		2,225,247	
Salary, Bonus and Allowance To Staff	34,093,883		29,789,896	
Directors Remuneration	4,763,985		5,111,146	
Contribution To PF, Etc.. For Staff	4,597,541		2,938,719	
Contribution To Group Gratuity	4,665,449		922,836	
Staff Welfare Expenses	918,524		1,080,441	
Provision for leave encashment	513,471		467,067	
TOTAL		110,411,601		105,420,978

SCHEDULE `M` ADMINISTRATIVE AND OTHER EXPENSES		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
Sitting Fees	24,000		22,000	
Insurance Charges	1,359,627		990,713	
Repairs to Building	1,509,477		3,406,884	
General Repairs and Maintenance	7,404,017		955,569	
Repairs Maintenance to vehicles	992,914		1,051,318	
Rent Rates and Taxes	1,188,912		966,004	
Conveyance Expenses	479,878		847,872	
Printing and Stationery	1,738,146		1,766,437	
Postage and Telephone Expenses	1,475,402		2,175,709	
Travelling Expenses	2,646,440		2,396,204	
Selling and Distribution Expenses	146,849,031		117,806,679	
Audit Fees	111,000		111,000	
License Fees	43,000		51,360	
Legal and Consultation charges	2,342,401		1,734,069	

Professional and other taxes	34,967		11,880	
Loss on sale of Assets.	921,570		74,600	
Donation	102,501		296,050	
Filing Fees	8,922		19,450	
Subscription and Contribution	718,888		578,878	
Sundry Expenses	2,908,967		3,712,113	
Books and Periodicals	43,624		39,579	
TOTAL		172,903,683		139,014,368

SCHEDULE `N` COST OF FINANCE		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
Interest on Working Capital & Term Loans	21,272,013		26,398,258	
Bank Charges	1,180,823		1,441,832	
Interest to Others	154,000		154,000	
TOTAL		22,606,836		27,994,090

SCHEDULE `O` (INCREASE) / DECREASE IN STOCK OF FINISHED GOODS AND WORK IN PROCESS		CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)
Opening Stock				
Finished Goods	43,587,511		21,569,337	
Work in Process	43,368,625	86,956,136	44,758,186	61,687,598
Less : Closing Stock				
Finished Goods	25,418,629		20,521,910	
Work in Process	29,790,542	55,209,171	41,165,688	86,956,136
TOTAL		31,746,965		(25,268,538)

SCHEDULE 'P'

Schedule of Notes annexed to and forming part of the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date.

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 recognized 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:

During the previous year Company has not availed the Term Loan for acquisition/construction of qualifying Asset. Hence question of capitalization of borrowing costs does not arise. 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 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. One of the Partners of the firm is Director 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 receives goods from M/s. Menon Pistons Ltd. and other outside parties for the purpose of Machining work. One of the Partners of the firm is Director of Menon Pistons Ltd. The balance amount receivable from the firm is considered as good.

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 2009-10 is as under:

(Amount in Rs.)

Party Name	Purchase value	Machining Charges	Sales Value	Closing Balance
Menon Piston Rings Pvt. Ltd.	5,31,72,567	0	65,30,462	3,16,49,710(Dr)
M/s. Menon Exports	0	0	11,85,10,162	3,75,89,327(Dr)
M/s. Menon Engineering Services	1,54,57,569	1,113,050	4,01,703	2,78,92,774(Cr)

- 4) Directors: Mr. Sachin Menon, Managing Director, Mr.G.S.Rao – Whole Time Director, Mr. Mani Mathew - Executive Director. Salary paid and perquisites provided to these Directors are disclosed under note "6" as "Managerial Remuneration". Apart from these Directors, 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 significant transactions.

Note: There are no write off/write backs of any amount for any of the above Parties during the Year 2009-2010

- 6) Other Parties: Apart from the above-mentioned parties, following parties are also related parties of the Company. However, no significant transactions have taken place with these parties in the year 2009-10.

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 2009-10.

- n) Lease accounting as per Accounting Standard 19 is not applicable to the Company since no Lease transaction during the year 2009-10.

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. 6,50,06,982
Basic /Weighted Average No of Equity Shares	: 51,00,000
Outstanding during the year	
Basic Earnings Per Share	: Rs. 12.75
Diluted Earnings Per Share	: Rs. 12.75

- 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 Rs.)

Sr.No.	Deferred tax asset / (liability)	As at 1 st April, 2009	During the year	As at 31 st March, 2010
1	Difference in Book and Tax Depreciation	(18,268,339)	(659,546)	(18,927,885)
2	Bonus Disallowed	79,454	71,092	150,546
3	Group Gratuity	141,820	196,285	338,105
4	Sub Total	(18,047,065)	(392,170)	(18,439,235)
5	Group Gratuity (Earlier Year Adjustment	0.00	5,342,876	5,342,876
6	Total	(18,047,065)	4,950,706	(13,096,359)

II] Notes on Accounts Forming Part of Accounts

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

1) **Guarantees :** I D B I Bank Ltd. have issued Guarantees on behalf of the Company for Rs 44.47 lacs (previous year Rs. 36.88 Lacs) and Letters of Credit for Rs. 377.35 Lacs (previous year Rs. 280.09 lacs).

2) **The Income Tax Assessments :** are completed up to the Assessment year 2007-08 (Relevant to Accounting year ended 31.03.2007). Tax demand of Rs. 1.90 lacs was raised. These dues are paid. However, the Company has preferred appeal against the same. 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 :** Sales Tax & C.S.T. assessments are completed up to the accounting year 2004-2005. MVAT Audit Report for the year 2008-2009 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.

b) Other Notes

1. Previous year figures are regrouped wherever necessary.

2. Paises are rounded off to the nearest rupee.

3. Auditors remuneration :

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	111,000	111,000
Other services	24,000	31,000
Service Tax	13,905	16,667
Total :	148,905	158,667

4) Sundry Debtors :

	<u>Current Year</u>	<u>Previous Year</u>
	Rs.	Rs.
a) Debtors considered good in respect of which the company is fully secured.	Nil	Nil
b) Debtors considered good for which the Company holds no security.	281,254,712	298,774,957
c) Debtors considered bad or doubtful.	Nil	Nil
d) Debts due by Private Company in which Director is Director or Member.	31,649,710	26,764,466
e) Debts due by firm in which Director is Partner	37,589,327	29,285,770

5) 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 26.18 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.

6) Managerial Remuneration

Details of payments and provisions on account of remuneration to Directors included in Profit and Loss Account.

Remuneration to Directors	Current Year (Rs)	Previous Year (Rs)
Salary	6,669,567	6,348,874
Contribution to P.F. & Gratuity	242,532	471,922
Other Allowances & Incentives	669,439	704,287
Total	7,581,538	7,525,083
Less: Recovered	2,817,553	2,413,937
Amount Debited to Profit & Loss A/c.	4,763,985	5,111,146

7) Sundry Creditors

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.

8) Consumption of Raw Material, Stores, Spares and Consumable

A. Raw Material

Sr. No.	Item	Unit	Current Year Quantity	Value Rs.	Previous Year Quantity	Value Rs.
1	Aluminium/ Aluminium Alloy	Kgs	2625293	306596175	2713154	336833075
2	Nickel	Kgs	29772	25357989	41020	30297480
3	Copper	Kgs	19847	6001869	21654	6669732
4	Pig Iron	Kgs	14500	309053	17200	408169
5	Steel Scrap	Kgs	111695	2433499	122643	3272532
6	Silicon	Kgs	3050	292660	4697	493120
7	Steel Bar	Kgs	1376181	76333086	1167978	71405236
8	Magnesium	Kgs	8819	1377866	6698	1465002
9	Gudgeon Pins / Criclips/ Rings.		0	49965823	0	56709316
	Sub - Total (1 to 9)			468668020		507553662

B. Consumables, Stores, Spares

No.	Item	Current Year Rs.	Previous Year Rs.
1	Consumables	31,993,612	41,044,101
2	Packing Material	17,781,978	14,400,574
3	Electrical Material	6,362,787	4,212,601
4	Oils & Lubricants	2,493,535	29,372,180
5	Tools & Implements	13,211,440	17,476,142
	Total	96,843,352	106,505,599

9) Value of Imports Calculated on CIF Basis:

Particulars	Current Year Rs.	Previous Year Rs.
Capital Goods	3,080,658	16,185,052
Raw Materials	33,953,598	
Stores & Spares	423,352	2,375,320
Total	37,457,608	18,560,372

10) Expenditure in Foreign Currency on Account of:

Particulars	Current Year Rs.	Previous Year Rs.
Travelling Expenses and Other Exps.	993,131	662,816
Royalty.	4,070,420	4,792,727
Total	5,063,551	5,455,543

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

Particulars	Current Year Rs.	%	Previous Year Rs.	%
Raw materials, stores, spares and components consumed.				
Imported	34,376,950	6.08	2,375,320	0.39
Indigenous	531,134,422	93.92	611,683,941	99.61
TOTAL	565,511,372	100.00	614,059,261	100.00

12) 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.

I Actuarial Assumptions

(a) Mortality Rate	LIC (1994-96) ultimate
(b) Withdrawal Rate	1% to 3% depending on age
(c) Discount Rate	8%
(d) Salary Escalation	3%/7%

III Recommended Contribution Rate

(a) Fund Value As On Renewal Date	13,292,391
(b) Additional Contribution For Existing Fund	15,718,963
(c) Current Service Cost	1,423,438

II Results Of Valuation

(a) PV Of Past Service Benefit	29,011,354
(b) Current Service Cost	1,423,438
(c) Total Service Gratuity	82,899,202
(d) Accrued Gratuity	43,471,907
(e) LCSA	39,427,295
(f) LIC Premium	154,349
(g) Service Tax @ 10.30%	15,898

IV Actual (Gain) / Loss On Obligation/

Total Amount charged To P & L (I (f) + I (g) + II (b) + II (c))	17,312,648
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13) Particulars in respect of each class of goods manufactured by the company

Particulars	Units	Piston/ Piston Assly.		Piston Rings		Gudgeon Pins	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Registered Capacity	Nos.	2,400,000	2,400,000	6,000,000	6,000,000	1,000,000	1,000,000
2. Installed Capacity	Nos.	2,400,000	2,400,000	6,000,000	6,000,000	1,000,000	1,000,000
3. Actual Production	Nos.	1,753,410	1,655,092	704,370	547,763	1,432,189	1,128,046
4. Opening Stock - Qty	Nos.	104,334	73,706	48,053	20,331	89,756	107,783
5. Value	Rs.	27,098,020	12,777,953	6,043,725	1,425,057	2,720,410	5,560,210
6. Closing Stock - Qty	Nos.	23,837	104,334	19,514	48,053	140,370	89,756
7. Value	Rs.	10,175,851	27,098,020	4,035,860	6,043,725	8,605,742	2,720,410
8. Turnover - Qty	Nos.	18,33,907	1,624,464	732,909	520,041	1,381,575	1,146,073
9. Value	Rs.	926,902,040	908,117,842	38,736,492	25,003,180	147,699,863	123,993,757

(Note: i) Piston, Piston Rings and Gudgeon Pins Include Bought out quantities
ii) Actual Production of Gudgeon Pins is excess than Registered Capacity and Installed Capacity)

PART - IV
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1) Registration details

Registration No	19823	State code	25
Balance Sheet date	31.03.2010		

II) Capital raised during the year (Amount in Rs. thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III) Position of mobilisation and development of funds (Amount in Rs. thousand)

Total Liabilities	515,210	Total Assets	515,210
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Sources of funds

Paid - up Capital	51,000	Reserves & Surplus	320,820
Secured Loans	130,294	Unsecured Loans	NIL
Deferred Tax Liability	13,096		

Application of funds

Net fixed Assets	190,018	Investments	1,295
Net current Assets	318,256	Misc. Expenditure	5,641
		Accumulated Losses	NIL

IV) Performance of Company (Amount in Rs. thousand)

Turnover	1,146,467	Total Expenditure	1,048,933
Profit Before Tax	97,534	Profit After Tax	65,007
Earning Per Share Rs.	12.75	Dividend	35%

V) Generic name of three principal products of the Company - Not applicable

Item code No. (ITC Code No.)	840991
Production description	Pistons
Item code No. (ITC Code No.)	840991
Production description	Pistons Rings
Item code No. (ITC Code No.)	840991
Production description	Gudgeon Pins

As per our report of even date attached

For and on Behalf of the Board of Directors

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

Chartered Accountants

Ram Menon
Chairman

Sachin Menon
Managing Director

R.D.Dixit
Director

P. M. Vardhe,

Proprietor

M.No.031817

Place : Kolhapur

Date : 30.05.2010

S.B.P. Kulkarni
Sr GM (Corporate)

Deepak Kadam
Company Secretary

**Auditors' Certificate on
Compliance of Conditions of Corporate Governance**

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

To,

The Members of
Menon Pistons Ltd.,
182, Shirol
Kolhapur 416 122

We have examined the compliance of conditions of Corporate Governance by Menon Pistons Ltd., for the year ended on 31st March 2010, 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 above-mentioned Listing Agreement, except the norms prescribed for the appointment of independent directors.

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 : 30th May, 2010

P.M. Vardhe
Proprietor
M. NO. 031817



CORPORATE GOVERNANCE REPORT

Company philosophy on code of governance:

Corporate Governance safeguards and adds value to the interest of its stakeholder's viz. investors, creditors, customers, employees and Government etc. in the long run. The company pursues the process of Corporate Governance in compliance with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange where company's shares are listed and submits a report on the matters mentioned in the said clause and practices followed by company. The Company remains committed to the core aspects of Corporate Governance, viz. fairness, transparency, accountability and responsibility.

I Board of Directors

The Board comprises of 5 (Five) Directors, of which 4 (four) are non-executive Directors. The Chairman is the Non- Executive Chairman. The Board comprises of 2 (two) 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. However the composition of independent directors is not fulfilled one independent director's post is vacant.

Composition of the Board and directorship held during the year 2009-2010.

Name of Director	Category	Attendance of meeting during 2009-2010		No. of other Directorship	No of Memberships Chairmanships, Board Committees of Other Companies	
		Board Meetings	Last AGM		As Chairman	As Member
Mr. Ram Menon	Chairman / N.E.D.*	4	Yes	6	-	-
Mr. Sachin Menon	Managing Director	4	Yes	3	1	-
Mr. Nitin Menon	N.E.D.*	3	No	4	-	1
Mr. R. D. Dixit	N.E.D.(I)*	4	No	2	-	-
Mr. Mani Mathew #	Executive Director	2	Yes	1	-	-
Mr. G. S. Rao	Executive Director	3	Yes	1	-	1
Mr. Ajitkumar Belur	N.E.D.(I)*	4	No	1	1	1

N.E.D. - Non Executive Director, I - Independent Director

Mr. Mani Mathew ceased to be the Executive Director effective from 31 August 2009. Mr. G.S. Rao ceased to be the Executive Director effective from 31 December 2009.

* 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) Sunday, 24 May 2009 | 2) Saturday, 30 July, 2009 |
| 3) Thursday, 29 Oct., 2009 | 4) Friday, 29 Jan., 2010 |

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 General Meeting

1) Sachin Ram Menon

Sachin Menon appointed as Managing director for the period upto 31/01/2015. He has played crucial role for the development of the Company.

Companies in which Shri Sachin Menon holds directorship and committee membership

Sr. No.	Name of the Company	Nature of Interest
1.	Menon Bearings Ltd.	Director, Chairman
2.	Menon Piston Rings Pvt. Ltd.	Director, Chairman
3.	Menon Metals & Alloys Pvt. Ltd.	Director, Chairman

Shareholding in Menon Pistons Limited

Shri Sachin Menon holds 284066 equity shares

2) 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 in 2000. Presently he is the non-executive chairman of the Company. He has vast industrial experience.

Companies in which Shri Ram Menon holds directorship and committee membership

Sr. No.	Name of the Company	Nature of Interest
1.	Menon Bearings Ltd.	Director, Chairman
2.	Menon Piston Rings Pvt. Ltd.	Director, Chairman
3.	Menon & Menon Ltd.	Director, Chairman
4.	Mani Agriculture & Research Co. Pvt. Ltd.	Director, Chairman
5.	Karveer United Leisure Pvt. Ltd.	Director, Chairman
6.	Menon Metals & Alloys Pvt. Ltd.	Director, Chairman

Shareholding in Menon Pistons Limited
Shri Ram Menon holds 113438 equity Shares.

3) Nitin Ram Menon

Shri Nitin Menon is the non-executive director of the Company. He contributed for development of the Company.

Companies in which Shri 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 Pvt. Ltd	Director
3.	Mani Agriculture & Research Co. Pvt. Ltd.	Director
4.	Karveer United Leisure Pvt. Ltd.	Director

Shareholding in Menon Pistons Limited
Shri Nitin Menon holds 24037 equity shares

Code of Conduct

i) Code of Conduct for Directors 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, 2010.

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 have been disclosed in the Notes to Accounts.

Risk Mitigation Plan

The Company has laid down the procedure for risk assessment and minimization which has been reviewed by the Board of Directors and the Board of Directors shall continue to periodically review this procedure.

Remuneration to Directors

Details of remuneration paid to Directors during the year 2009-2010:

(Figures in Rs.)

Name of Director	Salaries and Perquisites	Commission	Sitting Fees	Total
Mr. Sachin Menon	2,917,703	90,000	4,000	3,011,703
Mr. Mani Mathew	602,485	Nil	2,000	604,485
Mr. G.S. Rao	1,153,797	Nil	3,000	1,156,797

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

II Audit Committee

Composition of Audit Committee

The Audit Committee comprises of Three Directors out of which two are Non-Executive Directors as at March, 31, 2010.

Name	Position
1. Mr. R.D. Dixit Non-Executive & Independent Director	Chairman
2. Mr. Mani Mathew Executive Director. Up to 31.08.2009	Member
3. Mr. Ajitkumar Belur Non-Executive & Independent Director	Member
4. Mr. Sachin Menon, Managing Director Since 01.09.2009	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. Mani Mathew #	2
3. Mr. Ajitkumar Belur	2
4. Mr. Sachin Menon	2

Mr. Mani Mathew ceased to be the member of the Audit Committee and Mr. Sachin Menon is appointed towards the composition of 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:

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

Remuneration Committee

Composition of Remuneration Committee

The Remuneration Committee of the Board comprises Shri R. D. Dixit, independent 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.

Meeting – One meeting was held on 26/01/2010 for fixing remuneration of Shri Sachin Menon, Managing Director of the Company.

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. 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.

IV. Share Transfer & Shareholders' 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 Transfer and Shareholders/Investors Grievance Committee to look into issues relating to shareholders including share transfer.

The Share Transfer & 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, Sr. General Manager - Corporate 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 etc.

As on 31st March 10, there were one pending requests for transfer of shares as per company's records.

v) General Body Meetings

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

AGM/EGM	Date	Time	Venue	No. of Special Resolutions Passed
32nd AGM	14/08/2009	4.00 pm	182, Shirol, Kolhapur. 416122	Nil
31st AGM	23/08/2008	4.00 pm	182, Shirol, Kolhapur. 416122	Nil
30th AGM	23/08/2007	4.00 pm	182, Shirol, Kolhapur. 416122	Nil

Materially significant related party transactions:

A full disclosure appears in notes to accounts and hence not reproduced here.

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 have 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. There are small non compliances in nature of composition of Board of Directors, which are explained elsewhere.
- 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. Ram Menon, Non-Executive Chairman is a father of Mr. Sachin Menon, Managing Director of the Company and Mr. Nitin Menon Non-Executive Director of the Company, is his brother.

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 Economics Times (English Edition) and Lokmat (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. Notice of Board Meetings are published in local 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, 2010.

Through out the year no person is denied access to the audit committee regarding any governance issue, though the Company has not formed whistle blower policy in place.

Shareholder General Information:

a) Forthcoming Annual General Meeting:

Date & Time	:	Thursday, 26th August 2010 at 4.00 p.m.
Venue	:	182, Shirol, Kolhapur – 416 122. (The registered office of the Company)

b) Dates of Book Closure	:	from Saturday 21st, August, 2010 to Thursday 26th, August, 2010 (both days inclusive)
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c) Financial Calendar of the Company relating to future immediate reporting:

The Financial year covers the period from 1st April 2010 to 31st March 2011. Financial Reporting for:

- Quarter ending 30th June, 10	Upto August 15th, 2010
- Half Year ending 30th September, 10	Upto November 15th, 2010
- Quarter ending 31st December, 10	Upto February 15th, 2011
- Year ending 31st March, 11	Upto May 30th, 2011
- Annual General Meeting for the year ended March 31, 2011.	August/September 2011.

d) Face Value of the equity Share

Rs.10 per share.

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

f) Listing on Stock Exchange & Stock Code:

Stock Exchange	Stock code
Bombay Stock Exchange of India Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	531727

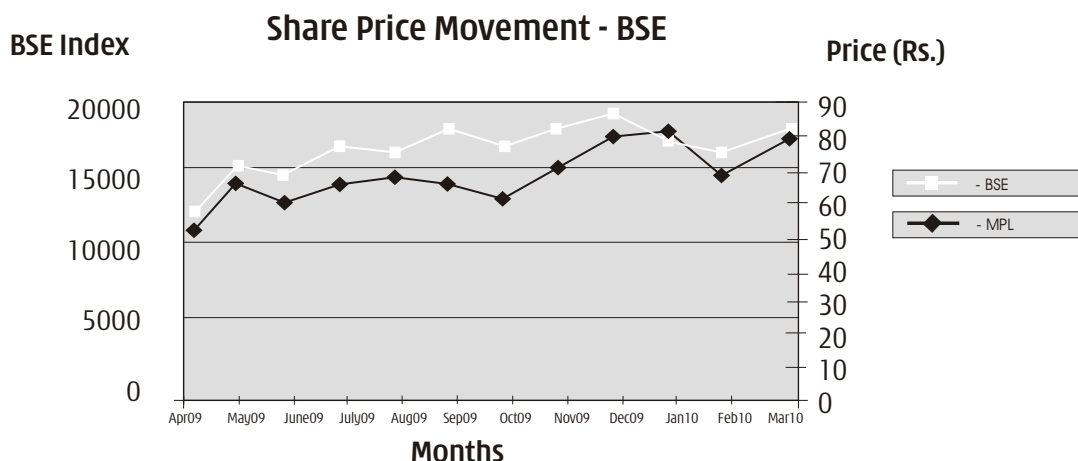
Listing fees were paid for the year to the Bombay Stock Exchange. The ISIN Number of company on both NSDL & CDSL is INE 6501011

g) Market Price Data:

i) High/Low in each of month of the Financial Year April 2009 to March 2010 on Bombay Stock Exchange, Mumbai

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2009	52.00	43.00	October 2009	64.00	58.30
May 2009	65.40	49.00	November 2009	72.00	57.05
June 2009	65.65	56.40	December 2009	79.80	57.00
July 2009	63.70	56.80	January 2010	86.95	72.00
August 2009	65.00	55.25	February 2010	78.15	62.55
Sept. 2009	64.00	58.00	March 2010	88.00	65.15

ii) Performance in comparison with BSE Index :-



h) 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 Mumbai. 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 Mumbai. The Board has delegated the power to approve transfers to the Share Transfer, and Investors Grievance Committee.

i) Registrar and Share Transfer Agents:

M/s Link Intime India Private Limited Mumbai.
C-13, Pannalal Silk Mills Compound, Mumbai – 400 078
Tel No. : (022) 25963838 Ext: 2297 | Fax No: 25946969
Email : rahul.talla@linkintime.co.in

j) Address for the Correspondence

Registered Office of the Company:
182, Shiroli,
Kolhapur – 416 122.
Phone : 91-230- 2468041/2468042, Fax. (020) 25465328
E-mail : cs@menonpistons.com
Website: <http://www.menonpistons.com>
Compliance Officer – Mr. S.B.P. Kulkarni.

k) Plant locations:

Plant I:

182, Shiroli, Kolhapur – 416 122.
Phone : 0230 - 2468041/42

Plant II:

H-1, MIDC, Kupwad Block
Sangli - 416 436
Phone : 0233 - 2345179 / 89

l) Shareholding Pattern as on 31st March 2010

Shareholders	Number of shares held	% Shareholding
OTHER BODIES CORPORATE	546260	10.7110
CORPORATE BODIES (PROMOTER CO)	2313638	45.3655
CLEARING MEMBER	17143	0.3361
DIRECTORS	397504	7.7942
NON NATIONALISED BANKS	600	0.0118
NON RESIDENT INDIANS	2974	0.0583
NON RESIDENT (NON REPATRIABLE)	1000	0.0196
OFFICE BEARERS	1450	0.0284
PUBLIC	737282	14.4565
RELATIVES OF DIRECTORS	82149	21.2186
TOTAL:	5100000	100.00

m) Distribution of Shareholding as on 31st March 2010

Range of Shares held	No. of Share Holders	% of Total Share Holders	No. of Shares Held	% to Capital
1 - 500	1916	91.0210	266864	5.2330
501 - 1000	86	4.0860	66901	1.3120
1001 - 2000	49	2.3280	71900	1.4100
2001 - 3000	17	0.8080	42810	0.8390
3001 - 4000	4	0.1900	15350	0.3010
4001 - 5000	1	0.0480	5000	0.0980
5001 - 10000	6	0.2850	43297	0.8490
10001 Above	26	1.2350	4587878	89.9580
TOTAL:	2105	100.00	5100000	100.00

n) 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, 2995720 equity shares of the Company forming 58.74% of total share capital of the company, have been dematerialized as on 31st March 2010.

For and on Behalf of the Board of Directors

Date : 30.05.2010

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 2010 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 – 30th May, 2010
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, 2010.

For MENON PISTONS LIMITED.

Date: - 30th May, 2010
Place: - Kolhapur.

Sachin Menon
Managing Director

MENON PISTONS LIMITED
182, Shirol, Kolhapur 416122

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of 'Menon Pistons Limited' will be held on Thursday 26th August, 2010 at 4.00 p.m. at 182, Shirol, Kolhapur – 416 122, to transact the following business :

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint Director in place of Mr. Ram Menon, who retires by rotation, and being eligible offers himself for re appointment.
4. To appoint Director in place of Mr. Nitin Menon, who retires by rotation, and being eligible offers himself for re appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution :

'RESOVLED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s P.M. Vardhe & Co. Chartered Accountants, Kolhapur, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.

SPECIAL BUSINESS

6. To appoint Shri Sachin Ram Menon as Managing Director 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 in accordance with the provisions of sections 198, 269, 309 and 317 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Shri Sachin Ram Menon, as Managing Director of the Company, for the period of 5 (Five) years with effect from February 1st, 2010, on the terms and conditions including remuneration as per the agreement entered between the Company and Shri Sachin Menon, with liberty to the Board of Directors, (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration Directors.



RESOLVED FURTHER THAT subject to the approvals if any as may be required from the Central Government, remuneration as set out in the said agreement including benefits, amenities and perquisites, shall be paid and allowed to Shri Sachin Menon.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

By Order of the Board of Directors,

**Place : Kolhapur.
Date : 30th May 2010**

**Ram Menon
Chairman.**

Registered office : 182, 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.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 which sets out details relating to the special business under item no. 6 is annexed hereto.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. The Register of Members and Share Transfer Register will remain closed from Saturday 21st, August, 2010 to Thursday 26th, August, 2010 (both days inclusive) for the purpose of Annual General Meeting.
5. 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.
6. 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.
7. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after the date of the 26th August, 2010 to those members whose names appear on the Register of Members of the Company on 21st August, 2010
8. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company will transfer the unpaid or unclaimed dividends for the financial year 2002-2003 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

ITEM NO. 6

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

Shri Sachin Ram Menon has been the Managing Director of the Company since February 1, 2005. The term of office of Shri Sachin Ram Menon, as Managing Director of the Company is expired on January 31, 2010.

The present proposal is to seek the members' approval for the appointment of and remuneration payable to Shri Sachin Ram Menon as Managing Director in terms of the applicable provisions of the Companies Act, 1956.

Subject to the approval of Member the Board of Directors of the Company (The 'Board'), at its meeting held on January 29, 2010 has appointed Shri Sachin Ram Menon as a Managing Director of the Company for a further period of 5 years on the remuneration determined by the Remuneration Committee of the Board at its meeting held on 26th January, 2010

Broad particulars of the terms of appointment of and remuneration payable to Shri Sachin Ram Menon are as under:

1) SALARY

Rs. 300,000/- (Rupees Three Lacs only) per month

Bonus or Ex- gratia on the same scale as may be applicable to other Senior Executive of the Company.

Commission @ 1% of the net profits of the Company subject to ceiling of 50% of salary excluding the commission.

2) PERQUISITES: In addition to the aforesaid salary, the Managing Director shall be entitled to the following perquisites:

Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities shall be borne by the Company.

- 1) Reimbursement of all medical expenses incurred for self and family.
- 2) Leave travel assistance for self and family as per Company rules.
- 3) Fees of clubs, which will include admission and life membership fees.
- 4) Education allowance for the education of his children not exceeding Rs. 12000/- per annum per child
- 5) Servant allowance Rs. 3000/- per month
- 6) Special Allowance Rs. 1000/- per month
- 7) Personal accident insurance, premium.
- 8) A Company maintained car with driver.
- 9) Telephone and fax facilities at residence.



- 10) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- 11) Gratuity at the rate not exceeding half a months salary for each completed year of service, and
- 12) Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed.

The perquisites shall be restricted to an amount equal to annual salary or Rs. 1827300/-

Family for the above purpose family means wife, dependent children and dependent parents of the Managing Director.

3) RETIRING BENEFITS

Provident Fund – Company’s contribution towards provident fund, subject to ceiling of 12% of Salary.

Company’s Contribution to Superannuation funds: As usually extended to other Senior Executives of the Company, without condition regarding minimum services.

Deferred Annuity for the minimum period of 10 years or from the date of his ceasing to be in services to the Company, subject to ceiling of half month’s remuneration for each year of completed service on the basis of last drawn remuneration.

The Company’s contribution in respect of above retiring benefits shall not exceed 25% of the monthly salary as laid down under Income Tax Rules, 1961.

Central Government’s approval for aforesaid appointment :

Company has made application to Central Government for the appointment of Shri Sachin Menon as Managing Director of the Company with remuneration which will exceed ceilings in part II of schedule XIII to the Companies Act, 1956. Mr. Ram Menon and Mr. Nitin Menon would be interested in the said appointment as a relative of Shri Sachin Menon besides Mr. Sachin Menon himself.

Place : Kolhapur.

Date : 30th May 2010

By Order of the Board of Directors,

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 Third Annual General Meeting of "Menon Pistons Limited 182, Shirol, Kolhapur – 416122 on Thursday 26th day of August 2010

Signature of the Member or Proxy	Shares Held

*Applications to investors holding shares in electronic form.

MENON PISTONS LIMITED

Registered Office: 182, Shirol, Kolhapur-416122.

PROXY FORM

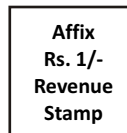
I / We of in the district of being a Member / Members of Menon Pistons Limited, hereby appoint Mr./Mrs. of in the District of or failing him of in the District of as my / our proxy to vote for me / us on my / our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company, to be held on Friday the 14th August, 2010 and at any adjournment thereof.

Signed this

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 Tuesday, 24th August, 2010 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.



