

Date: 2nd July 2021

To,
The Manager (DCS)
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai-400001

Scrip Code: 531727

Subject: Submission of 44th Annual Report for the financial year ended March 31, 2021.

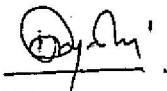
Dear Sir / Madam,

Pursuant to the provisions of regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit herewith a copy of 44th Annual Report for the financial year ended March 31, 2021, along with the Notice of 44th Annual General Meeting of the members of the Company scheduled to be held on Thursday, 29th July, 2021 at 04.00 p.m. (IST) through Video Conferencing ("VC") or other audio visual means ("OAVM"). The deemed venue for the AGM shall be the registered office of the Company.

Kindly take the same on your records.

Thanking you,
Yours faithfully

For Menon Pistons Limited



DEEPAK SURYAVANSHI
Company Secretary & Compliance Officer
ICSI Membership No. A27641



Place: Kolhapur

Encl.: As above



44th Annual Report
2020 - 2021

MENON PISTONS LIMITED

Menon Pistons Ltd.
CIN - L34300MH1977PLC019823
44th Annual Report 2020-2021



Menon Pistons Ltd. main manufacturing facility at Kolhapur.

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The Board of Directors

Mr. Sachin Menon

Chairman & Managing Director

Mr. R. D. Dixit

Non – Executive & Non-Independent Director

Mr. Ajitkumar S. Belur

Independent Director

Mrs. Sadhana Zadbuke

Independent Women Director
(up to 31.10.2020)

Ms. Neha Marathe

Independent Woman Director
(w.e.f. 01.11.2020)

Mr. Subhash Kutte

Independent Director

Mr. Shrikant Sambhoos

Independent Director

KEY MANAGERIAL PERSONNEL:

Mr. S B P Kulkarni - Associate Vice President & CFO

Mr. Deepak Suryavanshi - Company Secretary & Compliance Officer (w.e.f. 29.10.2020)

Mr. Pramod Suryavanshi - Company Secretary & Compliance Officer (Upto 12.08.2020)

STATUTORY AUDITORS:

P G BHAGWAT LLP

Chartered Accountants, Pune

SECRETARIAL AUDITORS:

M/s. DVD & Associates

Company Secretaries, Pune

FINANCIAL INSTITUTIONS & BANKERS:

IDBI Bank Ltd.

Kolhapur

Registered Office

Menon Pistons Limited
182, Shirol, Kolhapur - 416122
Phone: 91-230-2468041/42
Website: www.menonpistons.com
Email: cs@menonpistons.com

Registrar and Share Transfer Agent

Link Intime India Private Limited
Block No.202, Akshay Complex
Near Ganesh Temple, Off Dhole Patil Road
Pune - 411001, Phone - 91-20-26160084/26161629
Email: umesh.sharma@linkintime.co.in

Menon Pistons Limited

Regd. Office: 182, Shirol, Kolhapur – 416 122

CIN: L34300MH1977PLC019823, Email: cs@menonpistons.com, Tel. no - 0230 2468041/42

www.menonpistons.com

Notice of 44th Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of the members of **Menon Pistons Limited** will be held on **Thursday, 29th July, 2021 at 4.00 p.m.** Indian Standard Time (“IST”), through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) Facility to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Standalone Financial Statements for the Financial Year ended 31st March, 2021 together with Reports of Directors' & Auditors' thereon.
- 2) To declare dividend on equity shares for the Financial Year ended 31st March, 2021.
- 3) To appoint a Director in place of Mr. Ramesh Dattatraya Dixit (DIN:00626827) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4) **Approval of Remuneration payable to Cost Auditor:**

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. C S Adawadkar & Co., Cost Accountants, Pune (FRN-100401), the Cost Auditors appointed by the Board of Directors to verify, review cost records and to conduct cost audit of the Company for the financial year ending 31st March, 2022 be paid remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) plus GST as applicable and reimbursement of out of pocket expenses.

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

5) **Appointment of Ms. Neha Avinash Marathe as a Women Independent Director of the Company:**

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

“RESOLVED THAT Ms. Neha Avinash Marathe (DIN: 08926541), who was appointed as an Additional Director (Non-Executive & Independent category) of the Company with effect from 1st November, 2020 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and who holds office as such up to the date of this ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member as required under Section 160 of the Act signifying his intention to

propose the candidature of Ms. Neha Avinash Marathe (DIN: 08926541) for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modifications or re-enactments thereon for the time being in force) to hold office for a period of 3 (three) years i.e. up to 31st October, 2023.”

6) To Approve Related Party Transaction Under Section 188 Of The Companies Act 2013

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as recommended by the Audit Committee and as per the Company's policy on related party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/arrangement(s)/transaction(s) with related party's for following transactions, provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company A contract to sale pistons, piston pins and piston rings to Menon Exports a partnership firm for marketing and export of the same in export markets, for five years on estimated consideration of Rs. 50 Cr. per annum.

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

By Order of the Board
For Menon Pistons Limited

Place : Kolhapur
Date : 10.06.2021

Sachin Menon
Chairman & Managing Director
DIN: 00134488

Notes:

1. A statement under Section 102 of the Companies Act, 2013 and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of special businesses is annexed hereto. The Board of Directors of the Company at its meeting held on 10th June, 2021 considered that the special businesses, be transacted at the 44th Annual General Meeting (“AGM”) of the Company.
2. In view of the outbreak of COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020 and 02/2021 dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January 2021 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”), Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12th May 2020 and 15th January 2021 respectively issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the registered office of the Company.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to devendracs@gmail.com with copies marked to the Company at cs@menonpistons.com and to its RTA at umesh.sharma@linkintime.co.in.
5. Those Members whose email IDs are not registered can get their email ID registered as follows:
 - a. Members holding shares in the physical form - Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration-fill in the details and upload the required documents and submit.
 - b. Members holding shares in Demat form - May please contact the Depository Participant (“DP”) and register the email address and bank account details in the Demat account as per the process followed and advised by the DP.
6. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by Institute of Company Secretaries of India, the Company is pleased to provide e-voting facility to its members to cast their right to vote electronically on the resolutions mentioned in the notice of the 44th AGM. The Company has engaged services of Link Intime India Pvt. Ltd. to provide e-voting facility. Instructions and other information relating to e-voting are given in this notice under **Note No. 31**
7. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this notice under **Note No. 32**
8. The attendance of the members attending the AGM

through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. As the AGM of the Company is holding through Video Conferencing/OAVM, we therefore request the members to submit questions in advance relating to the business specified in this notice of AGM on the email Ds:
cs@menonpistons.com/oad@menonpistons.com.
10. Members desiring information on the financials and operations of the Company are requested to write to the Company at least Seven (7) days before the date of the AGM to enable the Company to furnish the information.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. 29th July, 2021.
12. 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.
13. As per the MCA General Circular 20/2020 dated 05th May, 2020, the Annual Report will be sent through electronic mode only to those members whose email ids are registered with the RTA of the company / Depository participant.
14. Members of the company holding shares either in physical form or in Dematerialized form as on Benpos date i.e. 25th June 2021, will receive Annual Report through electronic mode.
15. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of the notice and holding shares as on the cut-off date i.e. 22nd July, 2021 may obtain the Login Id and password by sending a request at enotices@linkintime.co.in
16. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended to and processed at the office of the RTA i.e. Link Intime India Private Limited, Block No. 202, Akshay Complex, Dhole Patil Road, Near Ganesh Temple, Pune - 411001, Phone No.- 020-26161629/26160084 Email-pune@linkintime.co.in Contact Person -Mr. Umesh Sharma.
17. The requisite information about the Directors seeking appointment/re-appointment is included in the Report on Corporate Governance/Statement annexed to notice as the case may be.
18. Unclaimed dividends for the financial year 2013-14 can be claimed from the Company by completing the requisite formalities. To claim unpaid/unclaimed dividend for the financial year 2013-14, the requisite formalities are required to be completed prior to 1st October, 2021. Thereafter the unclaimed dividend for the said year is liable to be transferred to the Investor Education and Protection Fund established by the Central Government as per Section 125 of the Act. For details on unclaimed dividend(s), members are requested to write to Link Intime India Private Limited, Pune at the above address. The shares on which the Dividend has remained unpaid/unclaimed for a period of consecutive 7 (seven) years or more would be transferred to Investor Education and Protection Fund as per the provisions of the Act. The Company has appointed Mr. SBP Kulkarni as a Nodal officer for IEPF as well as authorized him for the purpose of transferring the shares to IEPF. The details of the unpaid/unclaimed dividend are available on the website of the Company i.e. www.menonpistons.com
19. The Ministry of Corporate Affairs had notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 as amended by Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, effective from 28th February, 2017. The said rules

provide for manner of transfer of shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years to DEMAT Account of the IEPF Authority.

In compliance with said rules, the Company has transferred respective shares to IEPF authority for the financial year 2012-13.

20. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in Demat form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the RTA of the Company.
21. Pursuant to Section 72 of the Act, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in Demat form, the nomination form may be filed with the respective Depository Participant.
22. Members holding shares in physical form are requested to notify immediately any change in their address/details of their bank account to the Company/Registrar and Share Transfer Agent (RTA) quoting their Folio No. along with self-attested documentary proofs. Members holding shares in dematerialized form may update such details with their respective Depository Participant(s).
23. SEBI has made it mandatory to use National Electronic Clearing Service (NECS) facility to deposit the dividend into member's bank account wherever NECS and bank details are available with the depositories and/or Company. Members who wish to avail this facility in future are requested to update their bank account details by submitting the NECS Mandate Form which is available on the website of the Company
i.e. <https://www.menonpistons.com/s/NECSMandat eForm.pdf>
24. Members holding shares in identical order of names in more than one folio are requested to write to the Company's RTA - Link Intime India Pvt. Ltd. enclosing their Share certificate(s) to enable the Company to consolidate their holdings into one folio for better services.
25. The Company encourages members to intimate/update their e-mail addresses to receive the Annual Report and other communication electronically in support of the "Go Green" initiative of the Ministry of Corporate Affairs. Members may intimate/update their e-mail address by sending a mail to pune@linkintime.co.in/umesh.sharma@linkintime.co.in with their name and folio details. Members holding shares in Demat may please update their e-mails with the respective depository participant. The Company will send all communication including the Annual Report via e-mail to the members who have provided their e-mail addresses to the Company/Depositories. A copy of the Annual Report will be available on the Company's website www.menonpistons.com and website of the stock exchange i.e. www.bseindia.com.
26. Members who still hold share certificates in physical form are advised to Dematerialise their shareholding to avail the benefits of Dematerialisation, which include easy liquidity, trading is permitted in Dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
27. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
28. The Board of Directors has appointed Mr. Devendra Deshpande, Company Secretary, Pune, as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
29. The Scrutinizer shall within a period of not exceeding 48 hours from the conclusion of e-voting period unblock the votes in the presence of at least Two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Chairman or any other person

authorized by the Chairman shall declare the result of the voting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company i.e. www.menonpistons.com and on the website of Link Intime India Private Limited (LIPL) <https://instavote.linkintime.co.in>. The Results shall also be immediately forwarded to the BSE Limited where the shares of the Company are listed.

30. Since the AGM will be held through VC/OAVM Facility, the route map is not annexed in this notice

31. The instructions for members voting electronically are as under:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

<p>Type of shareholders Individual Shareholders holding securities in demat mode with NSDL</p>	<ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL:https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected toe-Voting service provider website for casting your vote during the remote e-Votingperiod or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ul style="list-style-type: none"> • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.

	<ul style="list-style-type: none"> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on “Sign Up” under 'SHARE HOLDER' tab and register with your following details: <ol style="list-style-type: none"> User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above <ul style="list-style-type: none"> Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). Click “confirm” (Your password is now generated). Click on 'Login' under 'SHARE HOLDER' tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. E-voting page will appear. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.

- * In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- * Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- * The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event"

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting** manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Other Instructions:

- a. The e-voting period begins on 26th July 2021 (9:00 am) and ends on 28th July 2021 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd July 2021 may cast their votes electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting after 5.00 pm on 28th July 2021
- b. The voting rights of members shall be in proportion to their shares held in the paid up equity share capital of the Company as on the cut-off date i.e. 22nd July 2021. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting during the meeting.

32. Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under::

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

➤ Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.

- Shareholders/ members holding shares in **CDSL Demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL Demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **Physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

➤ Click “**Go to Meeting**” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (**annexure**) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the cs@menonpistons.com
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link [https://www.webex.com / downloads.html/](https://www.webex.com/downloads.html/)

or

- b) if you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

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

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

ITEM NO. 4 - Approval of remuneration to cost auditors for conducting cost audit for financial year 2020-21:

The Board, after considering the recommendation of the Audit Committee, has approved the appointment and remuneration to M/s. C S Adawadkar & Co., Cost Accountants, Pune to conduct verification and review of the cost records of the Company for the financial year ending 31st March, 2022 on a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) plus GST and out of pocket expenses, if any.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be fixed by the members of the Company.

Considering the applicable provisions of the Act and Rules made there under, approval of the members of the Company is being sought by this ordinary resolution as a matter of caution. Appointment of the Cost Auditor was made by the Board, as stated on the basis of recommendations of the Audit Committee.

None of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the notice for approval of the members.

ITEM NO. 5 - Appointment of Ms. Neha Marathe as an Independent Woman Director of the Company:

Ms. Neha Marathe (DIN: 08926541) who has been appointed as an Additional Director (Non-Executive & Independent women category) of the Company for a term of three year with effect from 1st November, 2020, subject to approval of members at the ensuing AGM by way of a Special Resolution. She has done her Graduation Degree In Foreign Trade (BFT) and also completed her Post Graduate Diploma In Foreign Trade from Pune University. She is having experience in the fields of Corporate Laws, Foreign Exchange Laws, Audit Under Company Law and allied laws, Secretarial Audits of listed and unlisted companies under Companies Act 2013.

She has also experience in corporate restructuring. She has registered herself as an Independent Director on the portal of the Indian Institute Of Corporate Affairs

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

Ms. Neha Marathe has given the requisite declaration pursuant to Section 149(7) of the Act, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act. The Company has also received notice from a member as per the provisions of Section 160 of the Act, proposing her candidature for the office of Independent Director. Further she is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as such.

In the opinion of the Board, Ms. Neha Marathe fulfills the conditions specified in the Act, the rules made there under and Listing Regulations for appointment as an Independent Director and she is Independent of the management. The Nomination and Remuneration Committee has also recommended her appointment as Independent Director for a term of 3 (three) years.

Brief resume of Ms. Neha Marathe as stipulated under Regulation 36(3) of Listing Regulations and SS-2 issued by the ICSI forms part of the notice.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail the expertise of Ms. Neha Marathe as an Independent Director.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the notice for approval of the members.

Except Ms. Neha Marathe, being an appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives is/are concerned or interested in the said resolution.

ITEM NO. 6 - To Approve Related Party Transaction Under Section 188 Of The Companies Act 2013

Pursuant to Section 177 of the Companies Act, 2013 ("the Act") every related party transactions required to be approved by the Audit Committee. Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed. Further pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members through ordinary resolution is required for all 'Material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'Material' if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. The transactions to be entered into by the Company, together with transactions already entered into by the Company with Related parties, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual turnover of the Company as

per the audited financial statements of the Company of the year ended 31 March, 2021. The Company has approved the limit of Rs. 40 Cr at the Annual General Meeting held on Saturday, 27 July, 2019. The same is proposed to be increased to Rs. 50 Crs.

S r. No.	Name of Related Party	Name of Director / KMP who is related	Nature of Relationship
1	Menon Export	Mr. Sachin Menon	Mr. Sachin Menon is a Partner

The above transactions are approved by the Audit Committee as well as Board of Directors by way of an approval as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view of the above, it is proposed to seek approval of the members of the company through an ordinary resolution for the above transactions and the related parties are abstained from voting on the resolution as set out at Item No.6.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of the notice for approval of the members.

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

**By order of the Board
For Menon Pistons Limited**

**Place : Kolhapur
Date : 10.06.2021**

**Sachin Menon
Chairman & Managing Director
DIN: 00134488**

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard–2 (SS-2) issued by the ICSI, details of Directors seeking appointment/re-appointment at the ensuing AGM are as follows:

Name of Director	Ms. Neha Avinash Marathe
DIN	08926541
Date of Birth	28/10/1988
Age	32 years
Nationality	Indian
Date of Appointment	01/11/2020
Qualification	Post Graduate Diploma In Foreign Trade, Associate Company Secretary (ICSI).
Experience / Expertise	She is having experience in the fields of Corporate Laws, Foreign Exchange Laws, Audit Under Company Law and allied laws, Secretarial Audits of listed and unlisted companies under Companies Act 2013. She has also experience in corporate restructuring. She has registered herself as an Independent Director on the portal of the Indian Institute Of Corporate Affairs.
No. of Shares held in the Company	Nil
List of Directorship held in other listed companies	Nil
List of Chairmanship and Membership of Various committees in listed companies	Chairmanship: <u>Menon Pistons Ltd</u> Nil Membership: <u>Menon Pistons Ltd</u> - Nomination & Remuneration Committee
Relationship with existing Directors of the Company	Not related

DIRECTORS' REPORT

To,
The Members of Menon Pistons Limited

The Directors' take pleasure in presenting the 44th Annual Report together with the audited financial statements for the year ended 31st March 2021. The Management Discussion and Analysis Report have also been incorporated into this report.

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

FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	Current Year 2020-2021	Previous Year 2019-2020
Revenue from Operations (Net)	13710.94	11775.06
Other Income	58.62	42.92
Profit before Depreciation & Amortisation Expenses, Finance Cost and Tax	1752.23	1115.88
Less: Depreciation & Amortisation Expenses	526.80	533.15
Finance Cost	20.25	26.16
Profit Before Tax	1205.18	556.57
Less: Tax Expenses	311.62	117.99
Profit After Tax	893.56	438.58
Other Comprehensive Income	(23.57)	(12.92)
Total Comprehensive income	869.99	425.66
Balance of profit /loss for earlier years	4989.66	5304.57
Less: Transferred to General Reserve	-	-
Less: Dividend on Equity Shares (including Interim Dividend)	-	(612.00)
Less: Dividend Distribution Tax (including Interim Dividend)	-	(125.80)
Less: Net Impact on account of adoption of Ind AS-116 (Net of Tax)	-	(2.77)
Balance Carried Forward	5859.65	4989.66

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

While overall economic condition remains sluggish during the first quarter of the year due to outburst of Covid19 pandemic and lockdown during the entire month of April 2020, affecting the first quarter performance.

The overall economy in the country started picking up from July 2020 onwards. Your company grabbed this opportunity and started increasing turnover and profitability month after month, with the support of our customers in India as well as in global market.

The company recorded steady growth despite our results are only for 11 months due to outburst of Covid19 and frequent lockdowns in the country. In spite of all these pressing adverse conditions the company has achieved a turnover of Rs.137 Crores as against Rs.118 Crores during the corresponding period of last year. Profitability has also increased from Rs.5.56 crores to Rs.12.05 crores during the current year.

The future impact of COVID -19 on the operations and financials of the Company depends on future developments that are uncertain and un-predictable. The company is continuously monitoring the economic conditions and has outlined certain measures to combat the pandemic situation and to minimize the impact on its business.

TRANSFER TO RESERVES:

The Board of Director of your Company has decided not to transfer any amount to the reserves for the year under review.

DIVIDEND:

The Board of Directors of your company after considering the company' performance and financial position recommended a final dividend of Re. 1/- (Rupees One only) per equity share of Re. 1/- each (i.e. 100 %). The total outgo amounts to Rs.5,10,00,000/- (Rupees Five Crore Ten Lacs only).

CHANGE IN NATURE OF BUSINESS, IF ANY:

During the year there was no change in the nature of business of the Company

SHARE CAPITAL OF THE COMPANY:

The paid up equity share capital as on 31st March 2021 was Rs. 510 Lakhs. During the year there was no public issue, rights issue, bonus issue or preferential issue etc. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company has no Subsidiary/Joint Ventures/Associate Companies. The Company also does not have any holding Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

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

CREDIT RATINGS:

The following table provides information of the credit rating of Menon Pistons Limited from "CARE" ratings agency.

Facilities	Amount (In Crores)	Rating
Cash Credit facilities - Fund Based	15	CARE BBB+ (Stable)
Packing Credit facilities - Fund Based	01	CARE A2
Bank Guarantee facilities - Non Fund Based	01	CARE BBB+ (Stable)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has made the necessary disclosures in this Report in terms of Section 134 (3) of the Companies Act, 2013 read with Rules 8 of the Companies (Accounts) Rules, 2014. The Company has always strived to optimize energy consumption. Details of the same are provided in **Annexure - 1**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions which were entered into during the financial year were on an arm's length basis and in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee for their approval and to the Board, as and when required.

The policy on Related Party Transactions as approved by the Board of Directors is uploaded on the Company's website, i.e. www.menonpistons.com. Pursuant to the provisions of Section - 134 (3) (h) of the Companies Act, 2013 the particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 and prescribed in Form AOC-2 of the Companies (Accounts) Rules, 2014, are appended as **Annexure - 2** to this report.

Related Party Transactions during the year have been disclosed as a part of Financial Statements as required under Indian Accounting Standards issued by the Institute of Chartered Accountants of India. The approval of the members is sought by way of an ordinary resolution for the further related party transactions which are at Arms Length and Ordinary Course of business at the 42nd AGM as per provisions of Section 188 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**a) Appointment / Re-appointment**

- Mrs. Sadhana Zadbuke completed her term as an Independent director on 31st October 2020 and Ms. Neha Marathe, was appointed as an Independent Director w.e.f. 01st November, 2020. Considering subject to approval of members of the Company in the 44th Annual General Meeting.
- Further Mr. Ramesh D. Dixit who retires by rotation at ensuing Annual General Meeting and being eligible offers himself for re-appointment.

b) Cessation

During the year one director is ceased from the office of the board of directors. Mrs. Sadhana Zadbuke, an Independent Director completed her tenure on 31st October, 2020.

c) Committees of the Board:

The Board of Directors have constituted committees in order to effectively cater its duties towards diversified role under "the Act" and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Details of the constitution, terms of references of each committee and number of meetings attended by individual director etc. are provided in the Corporate Governance Report.

d) Policy on Director's Appointment and Remuneration:

The Policy of the Company on Director's Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of the directors and other matters provided under Section 178 (3) of the Act and Listing Regulations adopted by the Board and details of the remuneration paid to the Board of Directors are provided in the Corporate Governance Report. We affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

e) Board Performance Evaluation Mechanism:

Pursuant to the provisions of "the Act" and Listing Regulations, the Board has carried out the annual performance evaluation. Details of the evaluation mechanism are provided in the Corporate Governance Report. A meeting of Independent Directors was held on 22nd January 2021 for evaluation of Board performance.

f) Declarations from the Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Listing Regulations.

g) Key Managerial Personnel:

The Key Managerial Personnel of the Company as per Section 2(51) and 203 of the Act are as follows as on 31st March 2021:

Mr. Sachin Menon	Chairman & Managing Director
Mr. S B P Kulkarni	CFO & Associate Vice President
Mr. Deepak Suryavanshi	Company Secretary & Compliance Officer

NUMBER OF MEETINGS OF THE BOARD:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year Five (5) board meetings were convened and held the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under "the Act", Secretarial Standards issued by the ICSI and Listing Regulations.

PARTICULARS OF LOAN, GUARANTEES, INVESTMENTS:

Loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report. (Refer notes 2 and 8 of the financial statements)

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT:

As per Regulation 34(2)(e) of Listing Regulations, the Management Discussion and Analysis Report and the Corporate Governance Report is appended as a part of Annual Report. The Company has obtained a Certificate from the Statutory Auditors confirming compliance with conditions of the Code of Corporate Governance as stipulated in Schedule V (E) of Listing Regulations and the same forms part of this Annual Report.

WEBLINK FOR ANNUAL RETURN:

The copy of annual return will be placed on the website of the company i.e. www.menonpistons.com under Investor Relations segment once the same is filed with Registrar of Companies. The Annual Return for the

year 2019-20 has also been uploaded on the same link.

RISK MANAGEMENT:

Business risk evaluation and management is an ongoing process within the organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the Risk Management Committee on a quarterly basis.

ADEQUACY OF INTERNAL FINANCIAL CONTROL:

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Act. The Board has laid down policies and processes in respect of internal financial controls and such internal financial controls were adequate and were operating effectively. The internal financial controls covered the policies and procedures adopted by your Company for ensuring orderly and efficient conduct of business including adherence to your Company's policies, safeguarding of the assets of your Company, prevention and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy which provides adequate safeguards against victimization of persons who may blow whistle. Protected disclosures can be made by a whistle blower through an email or dedicated telephone line or letter to the Managing Director of the Company or Letter to the Chairman of Audit Committee. Whistle Blower Policy may be accessed on the Company's website at the link: <https://www.menonpistons.com/s/Vigil-mechanism-Whistle-blower-policy-MPL.DOCX>.

We affirm that during the financial year 2020-21, no employee or director was denied access to the Audit Committee.

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

The Company has constituted Internal Complaints Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, comprising of senior executives of the Company during the year 2020-21 there was no complaint received before the committee.

CODE OF CONDUCT COMPLIANCE:

A declaration signed by the Chairman & Managing Director affirming compliance with the Company's Code of Conduct by the Directors and Senior Management for the financial year 2020-21 as required by Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013 the Board of Directors state that:

- a) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2020 and of the profit of the company for that period;

- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES:

The table containing the names and other particulars of employees in accordance with the provisions of Section 197 (12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure-3** which forms part of this Report.

INDUSTRIAL RELATIONS:

During the year Industrial relations at the Company's plants continue to be cordial. The Company has taken initiative for safety of employees and implemented regular safety, imparted machine safety training, wearing protective equipment etc.

AUDITORS:

a) STATUTORY AUDITORS:

The Statutory Auditors M/s. P G BHAGWAT LLP, Chartered Accountants, Pune, (FRN-101118W / W100682) were appointed for the period of 5 consecutive years at the 40th AGM of the Company. The Companies Act, 2013 was amended to remove the provisions related to ratification of the Auditors and therefore there is no requirement of ratification of Auditors of the Company.

No adverse remarks/comments/observations are made by the Statutory Auditors in their report for the year ended 31st March, 2021.

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

b) INTERNAL AUDITOR:

Mr. Abhay Golwalkar, Chartered Accountant, Kolhapur was appointed to conduct the internal audit of the Company for the financial year 2020-21, as required under Section 138 of the Act 2013 and the Companies (Accounts) Rules, 2014.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board and also to the Managing Director. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Recommendations along with corrective actions thereon are presented to the Audit Committee and accordingly implementation

has been carried out by the process owners.

c) SECRETARIAL AUDITORS:

M/s. DVD & Associates, Company Secretaries, Pune was appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21, as required under Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR-3 for financial year 2020-21 is appended which forms part of this Directors Report **Annexure-4**.

The Company has received the Annual Secretarial Compliance Report from M/s. DVD & Associates, Company Secretaries, Pune as per the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended which forms part of this Directors Report as **Annexure -5**.

There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their report.

d) COST AUDITORS:

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. C S Adawadkar & Co., Cost Accountants, Pune to audit the cost accounts of the company for the financial year 2021-22 on a remuneration of Rs.1.50 Lakhs.

As required under the Act the remuneration payable to the cost auditor is required to be placed before the members at a general meeting for their determination. Accordingly, a resolution seeking member's determination for the remuneration payable to M/s. C S Adawadkar & Co., Cost Accountants, Pune is included at Item No.4 of the notice convening the AGM. The Cost Audit Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI). The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

CORPORATE SOCIAL RESPONSIBILITY POLICY AND ITS REPORT:

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee), as per the requirement of the Section 135 of "the Act" read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The said Committee has formulated the CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the frame work of the CSR Policy and recommending the amount to be spent on CSR activities. Additionally, the CSR Policy has been uploaded on the website of the Company at www.menonpistons.com. During the year 2020-21, the Company has contributed Rs. 21,68,311/- towards Corporate Social Responsibility by way of contribution to eligible charitable institutions and Company has spent for promotion of education, health care, poverty upliftment, social welfare, women empowerment. The details as per the provisions of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 are annexed herewith as **Annexure - 6**.

ACKNOWLEDGMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

By Order of the Board
For Menon Pistons Limited

Place : Kolhapur
Date : 10.06.2021

Sachin Menon
Chairman & Managing Director
DIN: 00134488

**ANNEXURE - 1
TO BOARD'S REPORT**

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

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

A	Conservation of Energy :	
	(i) The steps taken or impact on conservation of energy (ii) The steps taken by the company for utilizing alternate sources of energy (iii) The capital investment on energy conservation equipments;	<p>During the year your Company had implemented various steps to control the power cost in foundry, which is a major, contributor for power cost. We have changed the layout of machines and holding furnace to achieve better productivity and reduce power cost.</p> <p>The Company has decided to install solar system in roof top of the plant buildings in order to reduce the energy cost. In this direction, the company has already installed 883 KVA solar system and there is power savings of Rs. 7 lakhs per month. During the next year also, the capacity of Solar system will increase to 200-300 KVA which will reduce power cost of Rs. 12 to 13 lakhs per month.</p>
B	Technology absorption :	
	(i) The efforts made towards technology absorption and R & D.	Updation of technology and R & D is a Continuous process, the Company has successfully absorbed the technology for the manufacture of piston assembly.
	(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.	The Company has been able to successfully develop new products by virtue of technology absorption, adaptation and innovation. Customer's satisfaction and new business opportunities because of cost, quality, productivity, process flow and speed. Existing as well as new customers are approaching for up gradation in their existing engine designs.
	(iii) Expenditure incurred on Research & Development	It is continuous process to develop new products as per requirements of customers.
C	Foreign Exchange Earnings & Outgo:	
	(i) The foreign exchange earned in terms of actual inflows during the year:	Rs.NIL
	(ii) The foreign exchange outflow in terms of actual outflow during the year:	Rs. 3686917.14

By Order of the Board
For Menon Pistons Limited

Place : Kolhapur
Date : 10.06.2021

Sachin Menon
Chairman & Managing Director
DIN: 00134488

ANNEXURE - 2

FORM AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship:
 - (b) Nature of contracts/arrangements/transactions:

Sr. No.	Name of related parties	Nature of relationship	Nature of transaction
1.	Menon Piston Rings Pvt. Ltd.	A private Company in which Mr. Sachin Menon and Mr. R.D. Dixit are directors.	To purchase piston rings from MPR and to sale raw material to them for manufacturing of piston rings.
2.	Menon Engineering Services	A partnership firm in which Mr. Sachin Menon is a partner.	To receive services from MES relating to machining, polishing and finishing required in the manufacture of Pistons.
3..	Menon Exports	A partnership firm in which Mr. Sachin Menon is partner.	Sale of pistons, piston pins and piston rings to Menon Exports.
4.	Mr. Sachin Menon	Promoter & Managing Director of the Company.	Immovable property has given on rent to the Company.
5.	Mrs. Gayatri Menon	Spouse of Mr. Sachin Menon, Managing Director and Promoter of the Company.	Immovable property has given on rent to the Company.
6.	Ms. Sharanya Menon	Daughter of Mr. Sachin Menon, Managing Director and Promoter of the Company	Salary at arms length for the financial year 2020-21
7.	Miss. Devika Menon	Daughter of Mr. Sachin Menon, Managing Director and Promoter of the Company	Salary at arms length for the financial year 2020-21.

- (c) Duration of the contracts/arrangements/transactions: For five years till 31.03.2024. The transaction with Menon Exports has been proposed to be increased at this Annual General Meeting.
- (d) Salient terms of the contracts/arrangements/transactions including the value, if any terms of the

contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices as compared to the prevailing rates in the market better quality products and timely supplies.

(e) Justification for entering into such contracts/arrangements/transactions.

It is ensured that the contract with the Contracting party is advantageous to the Company and its stakeholders. The Company intends to ensure following aspects by dealing with contracting parties:

l) Advantages by dealing with Menon Piston Rings Private Limited & Menon Engineering Services are:

- **Cost reduction:** Greater control on the inputs processing by the contractee party thereby ensuring cost reduction.
- **In-time delivery:** To ensure timely supplies of materials thereby ensure smooth production flow.
- **Flexibility:** To ensure flexibility in production system, thereby maximizing the sales.
- **Locational Advantages:** To ensure that the supplies are located close to the works thereby ensuring faster delivery.

- **Direct access to quality enhancement of input process:** Control on the production and quality system of the contractee parties, thereby ensure better quality inputs for the company.

ii) Advantages by dealing with Menon Exports:

The firm is looking after the export activities. They are having good network of offices and agents overseas. They are very conversant with overseas market. This type of relationship is beneficial to the company and its shareholders.

(f) Date(s) of approval by the Board of Directors: All the quarterly meetings held during the financial year 2020-21

(g) Amount paid as advances, if any: Disclosed in **Note 38c** to the Standalone Financial Statement.

3. The details of all related party transactions as per Indian Accounting Standards have been disclosed in **Note 38** to the Standalone Financial Statement.

By Order of the Board
For Menon Pistons Limited

Sachin Menon
Chairman & Managing Director
DIN: 00134488

Place : Kolhapur
Date : 10.06.2021

ANNEXURE - 3

**PURSUANT TO THE PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT,
2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF
MANAGERIAL PERSONNEL) RULES, 2014**

Median Remuneration of the employees of the company for the financial year is Rs. 2,84,516/-

I)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ending 31 st March, 2021:	
Sr. No	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Sachin Menon	28.96
2	Mr. R. D. Dixit	0.06
3	Mr. Ajitkumar Belur	0.06
4	Mr. Subhash Kutte	0.06
5	Mrs. Sadhana Zadbuke	0.04
6	Mr. Shrikant Sambhoos	0.06
7	Ms Neha Marathe	0.02

II)	The percentage increase in remuneration of each Director, CFO, CS or Manager if any for the financial year ending 31 st March, 2021:	
Sr. No	Name of the Director, CFO, CS or Manager	% Increase over last Financial Year
1	Mr. Sachin Menon	-3.76
2	Mr. R. D. Dixit	240.00
3	Mr. Ajitkumar Belur	240.00
4	Mr. Subhash Kutte	240.00
5	Mrs. Sadhana Zadbuke	140.00
6	Ms Neha Marathe	-
7	Mr. Shrikant Sambhoos	-
8	Mr. S.B.P. Kulkarni - CFO	-5.34
9	Mr. Pramod Suryavanshi - CS (upto 12.08.2020)	0.00
10	Mr. Deepak Suryavanshi – CS	0.00

- III) The percentage increase/decrease in the median remuneration of employees in the financial year ending 31st March, 2021: -7.30 %
- IV) The Number of permanent employees on the rolls of the Company: 368
- V) The average percentage increase in the salaries of employees excluding Key Managerial Personnel was -8.17 % over the previous year. The average increase in the salaries of Key Managerial Personnel was NIL. The increase in KMP remuneration was based on the recommendations of the Nomination & Remuneration Committee to revise the remuneration as per Industry Benchmark.
- VI) There are no employees getting remuneration higher than that of the MD.
- VII) It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees

VIII) Name of the top ten employees in terms of remuneration drawn & the particulars required u/s 197(12) read with rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014										
Sr. No	Name	Designation	Remuneration (Gross Amt.) (Rs in Lakhs)	Nature of employment, whether contractual or otherwise	Qualification & Experience in years	Date of Commencement of employment	Age (in years)	Last employment held before joining the Company	The % of equity shares held by the employee	Whether any such employee is a relative of any director or manager of the Company and if so name of such director or manager
1.	Sachin Menon	Chairman & Managing Director	79.06	Permanent	BE / 36	01-08-1984	57	-	20.98	-
2.	S B P Kulkarni	CFO & Associate Vice President	24.68	Permanent	B.Com / 53	01-09-2004	74	Birla Group	0.0107	-
3.	Amit Arun Deshpande	AVP	31.01	Permanent	BE / 24	23-07-1996	46	-	0.0007	-
4.	MENON SHARANYA SACHIN	ENGINEER	9.22	Permanent	BE/5	01-11-2015	26	-	-	Sachin Menon
5.	HARDIA SHAIENDRA HIRALAL	AGM	11.61	Permanent	B. Com / 28	07-04-2008	50	-	-	-
6.	Vinay Gupta	AGM	11.29	Permanent	B.Com/23	01-04-1998	43	City Wave link	-	-
7.	PATIL SHRIKANT ANANT	Manager	8.16	Permanent	AMIE/26	10-04-1994	58	Jai Hind Eng.	-	-
8.	SARNAIK AKHIL SURESH	Sr. Asst Manager	7.36	Permanent	B.Com/15	01-10-2016	45	In Touch Systems PL	-	-
9.	KUMBHOJE GOPICHAND GUNDAPPA	Dy. Manager	7.42	Permanent	BE/12	01-04-2011	38	Auto Part	-	-
10.	GHOTNE RAMESH RAMAJI	Manager	6.32	Permanent	B. Com / 23	18-09-2012	56	Priyadarshani Polysacks	-	-

For Menon Pistons Limited

Place : Kolhapur
Date : 10.06.2021

Sachin Menon
Chairman & Managing Director
DIN: 00134488

Ajitkumar Belur
Chairman of Nomination
& Remuneration Committee
DIN: 00205336

ANNEXURE - 4
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Menon Pistons Limited,
182 Shirol, Kolhapur 416122

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Menon Pistons Limited** (hereinafter called "the Company")

Secretarial Audit was conducted for the year from 1st April 2020 to 31st March 2021, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021. The following are our observations on the same:

(i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are

no discrepancies observed by us during the period under review. Without disqualifying the report, we state that the Company is in process of filing of form IEPF-1 for filing statement of amount transferred & IEPF-4 for filing statement of shares transferred to the Investor Education and Protection Fund for F.Y. 11-12. All the compliance regarding transfer of amount and shares has been duly complied except filling of forms, which is due to technical error at MCA end.

(ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has satisfactorily complied with The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under.

(iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:**

The Company is a listed public company the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 : **(Not applicable for the period under review)**
- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 : **(Not applicable for the period under review)**
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 : **(Not applicable for the period under review)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable for the period under review)**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; : **(Not applicable for the period under review)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 : (Not applicable for the period under review)
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

- (vi) Other applicable laws:
There are no other laws which are specifically applicable to the Company.
- (vii) The Company has a Compliance Management System installed and which is running effectively and efficiently for the Compliances of General Laws

as specified by the directives issued by the Institute of Company Secretaries of India. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above which are applicable.

We further report that:-

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

There are no major decisions, specific events / actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For DVD & Associates
Company Secretaries**

**Devendra Deshpande
FCS No. 6099
CP No. 6515**

**PR NO: 1164 / 2021
UDIN: F006099C000441930**

**Place : Pune
Date : 10.06.2021**

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

**ANNEXURE A OF SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED ON
31ST MARCH 2021**

To,
The Members,
Menon Pistons Limited,
182, Shirol,
Kolhapur 416122

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For DVD & Associates
Company Secretaries**

**Devendra Deshpande
FCS No. 6099
CP No. 6515**

**PR NO: 1164 / 2021
UDIN: F006099C000441930**

**Place : Pune
Date : 10.06.2021**

ANNEXURE - 5

Annual Secretarial compliance report of Menon Pistons Limited for the year ended 31st March, 2021.

We DVD & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by Menon Pistons Limited ("the listed entity"),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:
 - I. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
 - II. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued there under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [**Not applicable during the review period**]
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [**Not applicable during the review period**]
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [**Not applicable during the review period**]
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [**Not applicable during the review period**]
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; [**Not applicable during the review period**]
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (i) and based on the above examination, I/We hereby report that, during the Review Period: and based on the above examination, I/We hereby report that, during the Review Period:
- (j) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under (within the specified period or within the extended period), except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ (Regulations/ Remarks of the Practicing Company Secretary)
NA	NA	NA	NA

- (a) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued there under in so far as it appears from my examination of those records.
- (b) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/guidelines issued there under:

Sr. No.	Action taken by	Details of Violation	Details of action taken	Observations/remarks of the Practicing Company Secretary, if any.
NA	NA	NA	NA	NA

- (c) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports.	Observations made in the secretarial compliance report for the year ended 31.03.2021 (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity.
NA	NA	NA	NA	NA

**For DVD & Associates
Company Secretaries**

Devendra Deshpande

FCS No. 6099

CP No. 6515

PR NO: 1164 / 2021

UDIN: F006099C000441921

**Place : Pune
Date : 10.06.2021**

ANNEXURE - 6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

1. Brief outline on CSR Policy of the Company.

The policy provides a basic framework for CSR Initiatives, CSR Funding, CSR implementation approaches, Monitoring and Reporting mechanism.

The cumulative objective even though is to comply with provisions of section 135, it is specially clarified that the company may initiate or continue to pursue such other social improvement initiatives over and above the CSR initiatives whether they are listed in the schedule VII or not. Only In such cases the other non-prescribed activities will not be counted towards mandatory CSR Spend, neither they are regulated under this policy.

This document is in keeping with the current maturity of the organization and is expected to evolve with the growth of the organization, dynamic needs of society, the expectations of community in which the company is operating and changes in regulatory environment.

In this context and for bringing clarity, the company now wishes to communicate its position and establish for all the internal and external stakeholders, its philosophy, guiding principles, areas of focus and its implementation approaches under CSR Initiatives.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sachin Menon	Chairman & Managing Director	4	4
2.	Mr. R. D. Dixit	Non-Executive & Non Independent Director	4	4
3.	Mr. Ajitkumar Belur	Independent & Non-Executive Director	4	4
4.	Mr. Shrikant Sambhoos	Non-Executive & Independent Director	4	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Menon Piston CSR Policy link

<https://www.menonpistons.com/s/CSR-Policy-MPL-c.pdf>

Menon Pistons CSR Committee link

<https://www.menonpistons.com/corporate-governance-1>

Menon Pistons CSR Projects Approved link

<https://www.menonpistons.com/s/CSR-Policy-MPL-c.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

- NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

- NA

6. Average net profit of the company as per section 135(5). Rs. 10,46,82,023/-

7. (a) Two percent of average net profit of the company as per section 135(5) – Rs. 20,93,640/-

(b) Surplus arising out of the CSR projects or program or activities of the previous financial years.

- NA

(c) Amount required to be set off for the financial year, if any - INR - Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). INR 20,93,640/-

8. (a) CSR amount spent or unspent for the financial year:

- NA

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
21,68,311.54	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: - NA

1	2	3	4	5	6	7	8	9	10	11
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial	Amount transferred to Unspent CSR Accou	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency CSR Registration number.
1										
2										
		Total								

c) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency.	
				State.	District.			Name	CSR registration number.
1	Support for Educational Entities for Educational Activities	Promotion of Education	Yes	Maharashtra	Kolhapur	427401	Yes		
2	Kasturi Savekar for Everest Mission	Promotion of Sports	Yes	Maharashtra	Kolhapur	25000	Yes		
3	Support for Healthcare Entities for Healthcare facilities/ Instruments	Promotion of Healthcare	Yes	Maharashtra	Kolhapur	1103215.50	Yes		
4	Avani Sanstha and Ramkrishna Charity	Eradicating Poverty	Yes	Maharashtra	Kolhapur	193000	Yes		
5	Udgam Swayam sahayatta Mahila Bachat Gat, Kokrud	Women Empowerment	Yes	Maharashtra	Sangli	374282.72	Yes		
6	Support for Instruction boards and prevention measures for Covid-19	Promotion of Healthcare	Yes	Maharashtra	Kolhapur	45412.32	Yes		
	Total					21,68,311.54			

- (d) Amount spent in Administrative Overheads – Nil
(e) Amount spent on Impact Assessment, if applicable -NA
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – 21,68,311.54
(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	20,93,640.46
(ii)	Total amount spent for the Financial Year	21,68,311.54
(iii)	Excess amount spent for the financial year [(ii)-(i)]	74,671.08
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	74,671.08

9. (a) Details of Unspent CSR amount for the preceding three financial years: **N.A.**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Nil**

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year -NA

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).-N.A.

For Menon Pistons Limited

**Sachin Menon
Chairman & Managing Director
Chairman of CSR Committee
DIN: 00134488**

**Place : Kolhapur
Date : 10.06.2021**



REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY:

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2021. The Company's philosophy is to achieve business excellence and optimize long term values & ethical business conduct for its stakeholders. The Company believes strongly that good corporate governance is intrinsic to the management of the Company affairs; it ensures fairness, transparency and integrity of the management. These values and principles set the context to manage your company's affairs in a fair and transparent manner. In compliance with the disclosure requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details are set out below:

2. BOARD OF DIRECTORS

a) Composition of Board of Directors:

The Board comprises of 6 (Six) Directors as on 31.03.2021, of which 5 (Five) are Non-Executive Directors. The Board comprises of 4 (Four) 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.

As required under Section 149(3) of "the Act", Ms. Neha Marathe, a Woman Director, is on Board designated as Woman Director.

Mr. R. D. Dixit is a Non Independent & Non-Executive Director.

● Composition of the Board and Directorship held during the Year 2020-2021 and meetings Attended:

Name of Director	Category	Attendance of meeting during 2020-2021		As on 31 st March, 2021 (Excluding position in the Company)			Share-holding of Directors
		Board	AGM	No. of Directorship	Committee [§]		
					Chairman	Member	
Mr. Sachin Menon	Promoter, Chairman & Managing Director	5	1	1	-	1	10701660
@ Mr. R. D. Dixit	Non Executive & Non Independent Director	5	1	3	1	3	13980
Mr. Ajitkumar Belur	Non Executive Independent Director	5	1	-	-	-	-
Mr. Subhash Kutte	Non Executive Independent Director	5	1	7	2	1	-
Mrs. Sadhana Zadbuke – upto 31.10.2020	Non Executive Independent Director	4	1	-	-	-	-
Ms Neha Marathe*	Non Executive Independent Director	1	-	-	-	-	-
Mr. Shrikant Sambhoos	Independent Director	5	-	-	-	-	-

[§] Membership/Chairmanship of only Audit committee and Stakeholders' Relationship Committee has been considered.

@ Chairman and Managing Director in Menon Bearings Limited (Listed Company)

* Director w.e.f. 01.11.2020

b) Board meetings held during the year:

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

1) 16.06.2020 2) 12.08.2020 3) 01.10.2020 4) 29.10.2020 5) 22.01.2021

The maximum time gap between any two meetings was not more than one hundred and twenty days.

c) Directors' inter-se relationship:

There is no inter se relation between the Directors of the Companies.

d) Familiarization programe for independent directors:

During the year, the management provided various documents, background notes etc. to have a better insight of the Company. Details of initiatives for the director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his/her role as a director of the Company are available at the website of the Company viz. 'www.menonpistons.com'.

e) Independent Directors:

During the financial year under review, the Independent Directors met on 22nd January 2021. The meeting was held to discuss evaluation of the Board and evaluate content/timelines of information flow to effectively perform their duties. Mr. Ajitkumar Belur, Mr. Subhash Kutte and Ms. Neha Marathe were present at the meeting. As per the disclosures received from the directors, none of the directors serve as members of more than 10 committees nor are they chairman/chairperson of more than 5 committees, as per the requirements of Listing Regulations.

f) Details of directors and/or KMP appointed during the year:

During the year under review Ms. Neha Marathe, has been appointed as an Independent Woman Director of the Company w. e. f. 1st November, 2020 in place of Ms. Sadhana Zadbukewhose tenure completed as on 31st October, 2020 and the said appointment is subject to approval of the shareholders by way of Special Resolution.

Mr. Deepak Suryavanshi was appointed as a Company Secretary & Compliance Officer w.e.f. 29.10.2020 in place of Mr. Pramod Suryavanshi, who was resigned on 12.08.2020.

g) Key Board qualifications, expertise and attributes

The Board of Menon Pistons Ltd comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to the ensuring that the Menon Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key qualification, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board:

Technology	Significant background in technology, resulting in knowledge of how to anticipate technological trends, generates disruptive innovation and extends or create new business model.
Financial	Management of finance functions of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting process or experience in actively supervising accountant, auditor or person performing financial functions.
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Strengths in developing talent, planning succession, and driving change and long-term growth.

Board Services and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.

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

Name of Director	Technology	Financial	Leadership	Board Services and Governance	Sales and Marketing
Mr. Sachin Menon	√	√	√	√	√
Mr. R D Dixit	√	√	√	√	√
Mr. Ajitkumar Belur	√	√	√	√	√
Ms. Neha Marathe*		√	√	√	√
Mr. Subhash Kutte		√	√	√	√
Mr. Shrikant Sambhoos	√	√	√	√	√

* Director w.e.f. 01.11.2020

3. COMMITTEES OF THE BOARD:

As required by “the Act” and listing agreement with Stock Exchange and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee (voluntarily constituted).

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings.

A) AUDIT COMMITTEE:

i) Brief description of terms of reference:

The terms of reference of this committee cover the matters specified for the audit committee under Listing Regulations as well as in Section 177 of “the Act”. The audit committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The quarterly results are reviewed by the audit committee and recommended to the board for its adoption. The Chairman of the committee is an Independent Director having Knowledge in Finance.

ii) Powers of audit committee:

The Audit Committee has an authority to investigate into any matter in relation to the items specified in terms of reference referred to it by the board and for this purpose the Audit Committee has power to obtain professional advice from external sources and have full access to information contained in the

records of the Company.

iii) Role and Objectives:

- o Reviewing with the Management the quarterly/half yearly/annual financial statements and auditor's report thereon before submission to the Board for approval;
- o Recommendation for appointment, remuneration, terms of appointment of auditors of the Company;
- o Review and monitor the auditor's independence and performance and effectiveness of audit process;
- o Reviewing with the Management and Internal and Statutory Auditors, the adequacy of internal control systems;
- o Discussion with the Auditors periodically about internal control system;
- o Any significant findings and follow up thereon and reviewing with the management, the financial statements before submission to the Board.
- o The Audit committee also has a role as defined under Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iv) Composition and Attendance:

Sr. No.	Name	Designation	No. of Meetings	
			Held	Attended
1	Mr. Subhash Kutte (Non-Executive & Independent Director)	Chairman	5	5
2	Mr. R.D. Dixit (Non-Executive & Non Independent Director)	Member	5	5
3	Mr. Ajitkumar Belur (Non-Executive & Independent Director)	Member	5	5
4	Mrs Sadhana Zadbuke (Non-Executive & Independent Director) upto 31.10.2020	Member	3	1
5	Mr. Shrikant Sambhoos (Non-Executive & Independent Director)	Member	5	4

The Company Secretary acts as the Secretary to the committee.

v) Vigil Mechanism / Whistle Blower Policy:

Company has established Vigil Mechanism for Directors and employees to report genuine concerns in such manner as prescribed under rule to "the Act". Under such mechanism adequate safeguards are provided against victimization of persons who has direct access to the chairperson of the Audit committee in appropriate or exceptional cases.

B. NOMINATION AND REMUNERATION COMMITTEE:

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

i) Brief description of terms of reference:

The Committee reviews appointment of Directors and Key Managerial Persons. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a

director.

ii) Roles and Objectives:

- o Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- o Formulation of criteria for evaluation of Independent Directors and the Board.
- o Devising a policy on board diversity.
- o Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- o The Nomination & Remuneration Committee also has a role as defined under Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii) Composition and Attendance:

Sr. No.	Name	Designation	No. of Meetings	
			Held	Attended
1	Mr. Ajitkumar Belur(Non-Executive & Independent Director)	Chairman	4	4
2	Mr. R.D. Dixit (Non-Executive & Non Independent Director)	Member	4	4
3	Mr. Subhash Kutte (Non-Executive & Independent Director)	Member	4	4
4	Mrs Sadhana Zadbuke (Non-Executive & Independent Director) upto 31.10.2020	Member	4	3
5	Ms Neha Marathe (Non-Executive & Independent Director) w.e.f. 01.11.2020	Member	1	1

The Company Secretary acts as the Secretary to the committee.

iv) Remuneration policy:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is consonance with the existing industry practice.

v) Performance evaluation criteria for Independent Directors:

The performance of the Board of Directors has been evaluated from time to time, details of the same has been defined hereunder.

vi) Remuneration to Directors and Senior Management Employees:

- o Details of remuneration/sitting fees paid during the year 2020-21 and number of shares held as on 31st March, 2021 by the directors of the Company are as follows:
- o Details of fix component and performance linked incentives along with performance criteria. – There is no variable pay except commission payable to Mr. Sachin Menon.

Name of the Director	Salary	Contribution to Provident Fund	Pension	Other Perquisites	Bonus	Sitting Fees	Commission	Total	No of Shares Held
Mr. Sachin Menon	Defined in Annexure '4' to the Board Report.								10701660
Mr. R.D. Dixit	-	-	-	-	-	17000	-	17000	13980
Mr. Ajitkumar Belur	-	-	-	-	-	17000	-	17000	-
Mr. Subhash Kutte	-	-	-	-	-	17000	-	17000	-
Mrs. Sadhana Zadbuke	-	-	-	-	-	12000	-	12000	-
Mr. Shrikant Sambhoos	-	-	-	-	-	17000	-	17000	-
Ms Neha* Marathe	-	-	-	-	-	5000	-	5000	-

*Director w.e.f. 01.11.2020

o Remuneration to Managing Director:

At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under "the Act" and subject to approval of the Members of the Company in General Meeting.

o Remuneration to Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board Meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board of Directors of such sum as may be approved by the Board of Directors within overall limits prescribed under "the Act" and the Companies (Managerial Remuneration) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

o Remuneration to Senior Management Employees

- In determining the remuneration of senior management employees (i.e. KMPs and Executive Committee Members) the Nomination and Remuneration Committee shall consider the following:
- The relationship of remuneration and performance benchmark is clear.
- The fixed pay short and long-term performance objectives appropriate to the working of the Company and its goals.
- The component of remuneration includes salaries, perquisites and retirement benefits.
- The remuneration including annual increment and performance incentives is decided based on criticality of the roles and responsibilities, the company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

- The Managing Director will carry out individual performance review based on the standard appraisal matters and after taking into account the appraisal score card and other factors mentioned herein above, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

c. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

i) Brief description of terms of reference:

The Committee reviews the performance of the Company's Registrar and Transfer Agent and also recommends the Board measures for overall improvement for better investor services.

ii) Roles and Objectives:

- o To look into complaints of shareholders and investors pertaining to transfer / transmission of shares, non-receipt of share certificates, non-receipt of dividends, non-receipt of annual reports, issue of duplicate share certificates and other miscellaneous complaints.
- o The Committee is responsible for satisfactory Redressal of Investors' complaints.
- o The Stakeholder' Relationship Committee also has a role as defined under Regulation 20(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii) Composition and Attendance:

Sr. No.	Name	Designation	No. of Meetings	
			Held	Attended
1	Mr. R.D. Dixit (Non-Executive & Non Independent Director)	Chairman	4	4
2	Mr. Sachin Menon (Chairman & Managing Director)	Member	4	4
3	Mr. Ajitkumar Belur (Non-Executive & Independent Director)	Member	4	4

The Company Secretary acts as the Secretary to the committee.

iv) Policy relating to investors:

The Company adopted the policy relating to Investor relation and the same has been properly executed.

- v) Investor complaints/grievances received during the year 2020-21 are 16* and all were resolved to the satisfaction of shareholders – During the year under review no complaints are pending.

*No. of complaints are mainly related to updation of Bank & KYC details.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the requirements of Section 135 of the Act and The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has duly constituted the

Corporate Social Responsibility (CSR) Committee.

i) Brief description of terms of reference:

The Committee monitors the CSR Policy of the Company which covers the causes for which Company may pursue its CSR activities.

ii) Roles and Objectives:

- o Formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the company as specified under Schedule VII;
- o Recommend the amount of expenditure to be incurred on the activities referred in CSR Policy;
- o Monitor the CSR policy of the company from time to time;
- o Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with “the Act” or rules made thereunder or any other statutory laws of India.

iii) Composition and Attendance:

Sr. No.	Name	Designation	No. of Meetings	
			Held	Attended
1	Mr. Sachin Menon (Chairman & Managing Director)	Chairman	4	4
2	Mr. R. D. Dixit (Non-Executive & Non Independent Director)	Member	4	4
3	Mr. Ajitkumar Belur (Non-Executive & Independent Director)	Member	4	4
4	Mr. Ajitkumar Belur (Non-Executive & Independent Director)	Member	4	3

The Company Secretary acts as the Secretary to the committee.

ii) CSR Policy:

The details of projects / activities and corresponding investments and expenditure thereon and monitoring of projects / activities are laid down in the CSR Policy, the extract of the same is available on the website of the Company viz. www.menonpistons.com.

E. RISK MANAGEMENT COMMITTEE: (VOLUNTARY)

The Company has voluntarily constituted Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and mitigation procedures.

i) Brief description of terms of reference:

The Committee is responsible for identifying developments in the environment or in internal operating processes that could materially affect the profile of risks.

ii) Roles and Objectives:

- o The Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

- o The Committee shall review risk trend, exposure and potential impact analysis carried out by management.
- o The Committee shall put in place a mechanism to inform Board Members about risk assessment and minimization procedures.
- o To conduct periodical review to ensure that executive management controls risks by means of properly defined framework.

iii) Composition and Attendance:

Sr. No.	Name	Designation	No. of Meetings	
			Held	Attended
1	Mr. Sachin Menon (Chairman & Managing Director)	Chairman	4	4
2	Mr. R. D. Dixit (Non-Executive & Non Independent Director)	Member	4	4
3	Mr. SBP Kulkarni (CFO & Associate Vice President)	Member	4	4
4	Mr. Amit Deshpande (Associate Vice President)	Member	4	3

The Company Secretary acts as the Secretary to the committee.

iv) Risk Management Policy:

In order to mitigate the Risk the Company has adopted the policy which has been properly executed.

F. INTERNAL COMPLAINT COMMITTEE:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has framed a policy for Prevention of Sexual Harassment of Women at Work place and has adopted the same

i) Roles and Objectives

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

ii) Composition and Attendance:

Sr. No.	Name	Designation	No. of Meetings	
			Held	Attended
1	Miss. Sharanya Menon	Chairperson	4	1
2	Ms. Neha Marathe (Non-Executive & Independent Women Director)	Member	4	1
3	Mr. SBP Kulkarni (CFO & Associate Vice President)	Member	4	4
4	Mr. Sambhaji Shinde (Deputy Manager, HR)	Member	4	4
5	Mr. Ranjit Tondale (Assistant Manager, HR)	Member	4	1

The Company Secretary acts as the Secretary to the committee.

4. GENERAL BODY MEETING:

The Details of Annual and Extra Ordinary General Meetings held during last three financial years are as below:

Year	General Meeting	Day	Date	Time	Location	Special Business Transacted
2019-20	AGM	Wednesday	12 th August 2020	4.00 p.m.	182, Shirol, Kolhapur – 416122	<ol style="list-style-type: none"> 1) Ratification of remuneration of Cost Auditors for the financial year 2020-21. 2) Appointment of Mrs. Sadhana Zadbuke as an Independent Woman Director for second term of 1 year. 3) Appointment of Mr. Shrikant Sambhoos as an Independent Director for period of 3 years. 4) Reappointment of Mr. Sachin Menon as Chairman & Managing Director for a period of 3 years
2018-19	AGM	Saturday	27 th July, 2019	4.30 p.m.	The Residency club, P.O. New Palace, Kolhapur – 416003	<ol style="list-style-type: none"> 1) Ratification of remuneration of Cost Auditors for the financial year 2019-20. 2) Appointment of Mr. Ajitkumar Belur as an Independent Director for second term of 5 years. 3) Appointment of Mr. Subhash Kutte as an Independent Director for period of 3 years. 4) Approval of related party transactions for period of 5 years.
2017-18	AGM	Tuesday	24 th July, 2018	4.00 p.m.	182, Shirol, Kolhapur – 416122	<ol style="list-style-type: none"> 1) Ratification of remuneration of Cost Auditors for the financial year 2018-19.

Note: The Company has not passed any Special Resolution during the year through Postal Ballot.

5. MEANS OF COMMUNICATION:

The Company has published quarterly, half-yearly and yearly financial results in Business Standard and Dainik Pudhari after forwarding the same to the Bombay Stock Exchange Limited (BSE) as per the requirements of Listing Regulations. The results are also uploaded on the Company's website, www.menonpistons.com

6. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting - Day, Date & Time are given below:

AGM-Day, Date & Time	Venue
Thursday, the 29 th July, 2021 at 04.00 PM	Registered office of the company Through Video Conferencing & Other Audio Visual Means

b) Financial Year: 1st April to 31st March .

c) Record Date (Cut off Date): 22nd July, 2021

d) Listing:

Name of the Exchange	Stock Code	ISIN
Bombay Stock Exchange (BSE)	531727	INE650G01029

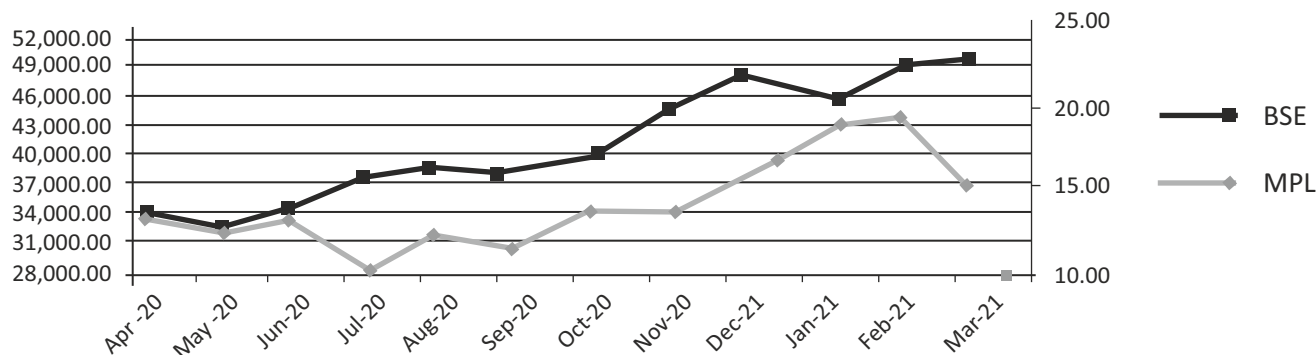
Annual Listing Fee has been paid to the Bombay Stock Exchange Limited (BSE) for the year 2020-21.

e) Market Price Data:

Share Price - High & Low in rupees during each month in the year 2020-21 at BSE:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
Apr.-2020	14.90	10.05	Oct.-2020	14.59	11.30
May.-2020	13.60	10.30	Nov.-2020	14.49	12.76
Jun.-2020	15.50	12.10	Dec.-2020	18.85	13.67
Jul.-2020	14.25	10.00	Jan.-2021	23.20	16.55
Aug.-2020	14.90	10.00	Feb.-2021	23.05	18.00
Sept.-2020	13.39	11.00	Mar.-2021	20.25	16.00

f) Performance in comparison with BSE SENSEX is as below:



Source: Bombay Stock Exchange (BSE) (www.bseindia.com)

g) Registrar & Share Transfer Agents:

The Company has appointed M/s. Link Intime India Private Limited (Formally known as Intime Spectrum Registry Limited) as its Registrar and Share Transfer Agent with effect from 17th March, 2004, to carry out the share transfer work on behalf of the Company.

h) Share Transfer System:

To facilitate the speedy approvals and administrative convenience, the Board has formed a Stakeholders' Relationship Committee, represented by the Board of Directors, to examine the share transfer and related applications. The Committee supervises and ensures efficient transfer of shares and proper and timely attendance of such applications. The committee has been delegated the power of approving transfer, transmission, rematerialisation, dematerialization etc. of shares of the Company.

As of 31st March, 2021, the Stakeholders' Relationship Committee consists of 4 (Four) members. The share transfer requests are processed through M/s Link Intime India Private Limited. The Company obtains a half yearly certificate from a Company Secretary in Practice of compliance of transfer formalities as required under Regulation 40 (10) of the listing Regulations and also from Company Secretary in whole time employment of the Company along with Registrar and Transfer Agent under the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i) Shareholding Pattern as on 31st March, 2021:

Category of Shareholder	No. of Shares held	% age of total Shareholdings
A. Promoter & Promoter Group		
1) Indian		
Indian Individual / Hindu Undivided Family	34270480	67.1970
Indian Body Corporate	3657430	7.1714
Sub Total A1	37927910	74.3685
B. Public Shareholding		
1) Financial Institutions / Banks	0.00	0.00
2) Non- institutions		
Individual share capital upto Rs. 2 Lakh	9999476	19.6068
Individual share capital in excess of Rs. 2 Lakh	1309551	2.5677
Hindu Undivided Family	675709	1.3249
Non Resident Indian (Non Repatriable)	52409	0.1028
Non Resident Indian (Repatriable)	116283	0.2280
Office Bearers	4500	0.0088
Clearing Members	39256	0.0770
Bodies Corporate	661386	1.2968
IEPF Authority	213520	0.4187
Sub-Total = B2	13072090	25.6315
B = B1 + B2	13072090	25.6315
Total Shareholding = A + B	51000000	100.00

j) Distribution of Shareholding as on 31st March 2021:

Shareholding of Shares	Number of Shareholders	% to Total	Total Shares Held	% age of Total Shareholdings
001 - 5000	6817	94.7464	5201777.00	10.1996
5001 - 10000	207	2.8770	1573094.00	3.0845
10001 - 20000	90	1.2509	1294188.00	2.5376
20001 - 30000	36	0.5003	882720.00	1.7308
30001 - 40000	10	0.1390	340585.00	0.6678
40001 - 50000	10	0.1390	451575.00	0.8854
50001 - 100000	5	0.0695	359415.00	0.7047
100001 - Above	20	0.2780	40896646.00	80.1895
	7195	100.00	51000000	100.00

k) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2021, 50274210 equity shares (i.e. 98.58 %) were held in dematerialized form.

l) Plant Locations:

Piston Division

182, Shirol, Kolhapur – 416122
Phone: 0230-2468041 / 42

Pin and Auto Shaft Division

H-1, MIDC, Kupwad Block, Sangli – 416436
Phone: 0233-2645179 / 89

m) Investor Contact Details:

Company :-

Mr. Deepak Suryavanshi
Company Secretary
Secretarial Department
182, Shirol, Kolhapur – 416122
Tel. 0230 2468041 / 2468042
Email: cs@menonpistons.com

Registrar & Transfer Agent:-

M/s. Link Intime India Private Limited
Block No 202, Akshay Complex,
2nd Floor, Near Ganesh Temple,
off Dhole Patil Road, Pune-411001
Tel: +91 20 26160084/ 26161629
Email: pune@linkintime.co.in

n) Unclaimed Dividend:

By virtue of the provision laid down under “the Act”, all unclaimed/unpaid dividend, remaining unclaimed/unpaid dividend for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members, who have not yet encashed their dividend warrants for the financial year 2012-2013 onwards, are requested to make their claims without any delay to the Registrar and Transfer Agents, Link Intime India Private Limited or to the Company.

The information relating to outstanding dividend account/(s) and the dates by which they can be claimed by the shareholders are given below

Year	Date of Declaration	Transfer to Unpaid a/c (30+7) days	Seven years complete (Become Due)	Due Date 7 Years + 30 days (credit the fund within 30 days from become Due)
2013-14	22.07.2014	27.08.2014	26.08.2021	24.09.2021
2014-15	30.07.2015	04.09.2015	03.09.2022	01.10.2022
2015-16	30.03.2016	05.05.2016	04.05.2023	02.06.2023
2016-17	22.07.2017	27.08.2017	26.08.2024	24.09.2024
2017-18	24.07.2018	29.08.2018	28.08.2025	26.09.2025
2018-19	27.07.2019	01.09.2019	31.08.2026	30.09.2026
2019-20	11.03.2020	16.04.2020	15.04.2027	14.05.2027

In compliance with IEPF rules, the Company has transferred respective shares to DEMAT account of IEPF authority formed under the Ministry of Corporate Affairs for the financial year 2012-13. The details of the same have been uploaded on the website of the company <https://www.menonpistons.com/s/Details-of-Shares-transferred-to-IEPF-Authority2012-13.pdf>

o) Details of total fees paid to Statutory Auditors (Rs. in lakhs)

Type of Services	2020-21	2019-20
Audit fees	2.55	2.55
Tax audit fees	0.45	0.45
Other services (Certificate , VAT Audit etc)	1.37	1.44
Expenses reimbursed	0.50	0.52
Total	4.87	4.96

p) Code of Conduct:

The Board of Directors has adopted the code of conduct for Directors and senior management. The said code has been communicated to the Directors and the members of the senior management. They have confirmed compliance with the said code. The code has been uploaded on the Company's website viz. <https://www.menonpistons.com/s/code-of-conduct.pdf>

q) Performance evaluation of the Board, its various Committees and the Directors:

Your Company conducted the annual performance evaluation of the Board, its various Committees and the Directors individually. The performance of the Board was evaluated by the Board after seeking inputs from all the directors and senior management on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

r) CEO / CFO Certification:

A certificate from the Managing Director & CFO on the financial terms of the Company in terms of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 was placed before the Board, who took the same on record.

s) **Management Discussion and Analysis:**

The detailed Management Discussion and Analysis is given as a separate section in this Annual Report.

t) **Reconciliation of Share Capital:**

A qualified Practicing Company Secretary carried out a Reconciliation of Shares Audit on quarterly basis to reconcile the total share capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) along with physical holding and the total issued and listed share capital. The audit confirms that the total issued/paid-up capital is in agreement with total number of shares in physical form and total number of dematerialized shares held with NSDL & CDSL

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

Sr. No.	Particulars	No. of Complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	Nil
3	Complaints pending as on end of the financial year	Nil

7. DISCLOSURES:

- a) Related party transactions during the year have been disclosed as part of financial statements as required under Indian Accounting Standard issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Policy on Related Party Transactions has been uploaded on the website of the Company i.e. <https://www.menonpistons.com/s/Policy-on-materiality-of-RPT-Dealing-with-RPT.pdf>
- b) There were no instances of non-compliance by the company or penalties, strictures imposed on the company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the reporting period of last three years.
- c) The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has whistle blower policy wherein the employees are encouraged to report violation of laws, rules and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company.
- d) During the year, the Company has fully complied with the mandatory requirements of corporate governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company voluntarily formulated Risk Management Committee and it has been complying the respective provisions applicable with it.
- e) To promote ethical conduct and maintain high standards in carrying out business transactions of the company, a Code of Conduct has been laid down for procedures to be followed by Board members and the senior management employees. This code is also posted on the company's website

- f) The Managing Director and CFO have issued a certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the company's affairs. The said certificate is annexed.
- g) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three year.
8. The Company has complied provisions as prescribed in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

DECLARATION
Compliance with Code of Conduct

As provided under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

For Menon Pistons Limited

Sachin Menon
Chairman & Managing Director
DIN: 00134488

CEO / CFO CERTIFICATION

As required by the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we have certified to the Board that for the financial year ended 31st March, 2021 the Company has complied with the requirements as prescribed therein.

For Menon Pistons Limited

Mr. Sachin Menon
Chairman & Managing Director
DIN: 00134488

Mr. SBP Kulkarni
CFO & Associate Vice President

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
**The Members,
Menon Pistons Limited.**

We have examined the compliance of conditions of Corporate Governance by Menon Pistons Limited (the Company) for the year ended on 31st March, 2021, as stipulated under Regulation 15 (2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We further state 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 P G BHAGWAT LLP
Chartered Accountants
FRN: 101118W/W100682

Akshay B. Kotkar
Partner
Membership No.: 140581

Place : Kolhapur
Date : 10th June, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

STRUCTURE OF THE INDUSTRY:

Your Company is in manufacturing of auto components such as Pistons, Gudgeon Pins, Rings, Auto shafts required for commercial vehicles, tractors, passenger cars and heavy duty stationary engines. The market is divided into many segments such as export market, replacement market, OEM market. These are distinct from one another and have distinct advantages and plights.

INDUSTRY OVERVIEW:

There seems to be no end to bad news on the economy front. Manufacturing sector considered to be the backbone of the economy has also witnessed negative growth during this year. Domestic sales of leading auto companies fell to 30 % during this financial year.

The global pandemic caused by the novel corona virus comes at time when both the Indian economy and the automotive industry were hoping for recovery. While the GDP growth forecasts were north of 10%, COVID-19 may result in a negative impact of 9% on the expected growth rates.

Even after we open up, further decline in passenger vehicles demand is expected with discretionary spend taking a backseat. This will be coupled with transition to BS-VI norms that will increase cost of ownership.

DEVELOPMENTS:

The Company has very good opportunities because of long term business relationship with valued customers both in domestic OEM's and replacement market & export and also in time supplies, superior quality products.

The Company continues its drive for sustainable growth in this growing domestic automotive industry. In view of strong support of OEM's and because of establishing good distribution network, Company is poised for good growth.

GOVERNMENT INITIATIVES:

Government has come out with Automotive Mission Plan (AMP) 2016-26 which will help the automotive industry to grow and will benefit Indian economy in the following ways: -

- Contribution of auto industry in the country's GDP will rise to over 12 per cent
- Around 65 million incremental number of direct and indirect jobs will be created
- End of life Policy will be implemented for old vehicles

In November 2020, the Union Cabinet approved the PLI scheme in Auto component and Automobile with an approved financial outlay over a five year period of Rs. 57,042 Crore (US\$ 8.1 billion). Also 100% FDI allowed under automatic route for auto component sector.

ROAD AHEAD:

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

OPPORTUNITIES AND THREATS:

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to US\$ 30 billion by 2021. A cost-effective manufacturing base keeps costs lower relative to operations in other countries. As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US\$ 80 billion by 2026.

The possible transition of the automobile industry towards hybrids and electric vehicles will lead to disruption in the overall automotive market. Nearly

50% of the domestic auto component players are either making engine parts or the transmission drive, which will have no place in an electric car, which runs on batteries.

Further, lack of policy clarity or a road map for implementation of Electric Vehicles is also creating some uncertainty in the industry about the long term prospects. However, the Company is taking several steps to protect its long term interests.

OUTLOOK:

The short term and medium term outlook for automotive sector in India is positive. Revival of economy post demonetization, implementation of Goods & Services Tax and growth in pace of infrastructure development should also contribute to increase in sales across all vehicle segments.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal control system has been designed in order to provide the directors and the audit committee with reasonable assurance that its assets are safeguarded, transactions are properly authorized and recorded, material errors and irregularities are either timely prevented or detected. The internal controls system provides the board an independent, reasonable assurance of the adequacy of effectiveness of the organizations risk management, control and governance process. The board of directors continuously assesses opportunities for improvements in business process, systems, control and also putting in place standard operating practices.

Thus effective internal control structure has been set up in the company to enhance organizational performance and contribute towards accomplishment of its objectives.

RISK & CONCERNS:

Increase in commodity prices and also increasing fuel prices are creating some uncertainty in the mind of consumers, affecting demand. Continuous demand from customers for price reduction along with increase in price of raw materials may affect the margins of the Company. Company is working on

productivity improvement, rejection reduction and cost reduction projects to mitigate the impact of the price reduction.

ENVIRONMENT:

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

HUMAN RELATIONS, WORKERS' WELFARE, INCLUSIVE DEVELOPMENT ACTIVITIES:

At your Company, we assure to provide environment for continuous innovation and improvement by rewarding the employees for the dedicated efforts made by them in achieving Company's goal. We believe whatever we achieved from where we started our journey long back is the result of our team. So, we consistently aim to provide a sustainable environment for learning right from the stage of recruitment to retention.

FINANCIAL STATEMENTS:

The financial statements have been prepared in accordance with the requirements of the Companies Act & Indian Accounting Standards as prescribed by the Government. The Board of Director believes that it has been the objective and prudent in making estimates and judgments relating to the financial statements and confirms that these financial statements are a true and fair presentation of the company's operations of the year.

KEY FINANCIAL RATIOS:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations,

2018 the Company is required to give details of significant changes (changes of 25% or more as compared to immediately previous financial year) in financial ratios are as follows.

Particulars	2020-21	2019-20
Debtors Turnover Ratio	3.99	3.27
Inventory Turnover Ratio	6.67	5.73
Interest Coverage Ratio	60.52	22.28
Current Ratio	2.05	3.35
Debt Equity Ratio	1.46	1.25

The details of return on net worth is as follows

Particulars	2020-21	2019-20
Return on net worth (%)	10.73%	5.88%

STATUTORY COMPLIANCE:

The Chairman & Managing Director and Chief Financial Officer makes a declaration at each Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmations from all the units of the company. The Company ensures compliance with SEBI regulations and provisions of the listing agreement.

CAUTIONARY STATEMENT:

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

SEGEMENTWISE & PRODUCTWISE PERFORMANCE:

The Company has only one segment of activity namely "Automotive Component". Therefore, segment-wise performance is not applicable

DISCUSSION ON FINANCIAL & OPERATION PERFORMANCE:

During the year, Company has made turnover of Rs. 137.11 Crores as compared to Rs. 117.75 Crores during the previous financial year whereas profit after tax for the year is Rs. 8.93 Crores as against Rs. 4.38 Crores in the previous financial year.

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

**Sachin Menon
Chairman & Managing Director
DIN: 00134488**

**Place : Kolhapur
Date : 10.06.2021**

CERTIFICATE

[Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)]

The Members,
Menon Pistons Limited
182, Shirol, Kolhapur - 416122

We have examined the relevant books, papers, minutes books, forms and returns filed, Notices received from the Directors during the last financial Year, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives of (Menon Pistons Limited, CIN: L34300MH1977PLC019823) having its Registered office at 182, Shirol, Kolhapur - 416122 for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 (LODR), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9th, 2018 issued by SEBI.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below who are on the Board of the Company as on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI / Ministry of Corporate Affairs or any such other statutory authority.

Sr.No	DIN	Name of the Director	Designation	Date of Appointment
1	00134488	Mr. Sachin Ram Menon	Managing Director	15/06/1991
2	00205336	Mr. Ajitkumar Srinivasan Belur	Director	28/12/2005
3	00626827	Mr. Ramesh Dattatraya Dixit	Director	10/02/1981
4	08926541	Neha Avinash Marathe	Additional Director	01/11/2020
5	08716109	Shrikant Raghunath Sambhoos	Director	11/03/2020
6	00233322	Subhash Gundappa Kutte	Director	10/05/2019

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For DVD & Associates
Company Secretaries**

Devendra Deshpande
Proprietor
FCS 6099, CP 6515
PR NO 1164 / 2021
UDIN : F006099C000441919

Place: Kolhapur
Date: 10.06.2021

INDEPENDENT AUDITOR'S REPORT
To the Members of Menon Pistons Limited
Report on the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the Ind AS Financial Statements of **Menon Pistons Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following is the Key Audit Matter identified which is of most significance:

* **Trade Receivables:**

The Company has trade receivables of Rs. 4047.22 lakhs at the year-end (refer note 7 to the financial statements) which amount to 33.18% of the total assets of the company. The recoverability of trade receivables and the valuation of the allowances for impairment of trade receivables is a key audit matter due to the management judgement involved.

Principal Audit procedures performed:

* Obtaining an understanding of and assessing the design, implementation and operating effectiveness of



the Company's key internal controls over the expected credit loss (ECL) policy of estimating the loss allowance for trade receivables including adherence to the requirements of the relevant Indian accounting standards.

- * Assessing the company's ECL policy for provisioning towards trade receivables.
- * Understanding the key inputs used in the ECL policy by the company such as repayment history, terms of underlining arrangements, overdue balances, market conditions, expert's opinion etc.
- * Obtaining an understanding and assessing the reasonableness of the key outputs derived from provisioning ECL policy, as well as key judgements and assumptions used by the management.
- * Disclosure requirements as per schedule III of the companies act were verified.
- * Obtaining balance confirmation from debtors on sample basis and matching payable balances in this confirmation with the receivable balances of the company and addressing the reconciliation item.
- * Performed on a sample basis subsequent receipt testing of trade receivable balances post year end.
- * Discussion with management about status and prospects of suits filled for receivables and assessment of requirement for provisioning.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the corporate governance, management analysis and directors report, but does not include the Ind AS Financial Statements, Secretarial Report and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the IND AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the

Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- * Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- * Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going

concern.

- * Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/provided by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to its directors is not in excess of the limit laid down under this section.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no.33 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For P G BHAGWAT LLP
Chartered Accountants
FRN- 101118W/W100682

Akshay B. Kotkar
Partner
Membership No. 140581
UDIN : 21140581AAAADN3659

Place : Kolhapur
Date : 10th June 2021



Annexure A to Independent Auditors' Report
Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements of even date to the Members of Menon Pistons Limited.

- I. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 1 on Property Plant and Equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and 186. However, the company has complied with the provisions of Section 185 and 186 of The Companies Act 2013, in case of investments made by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Service tax, Cess and any other statutory dues applicable to it.
- (b) According to information and explanations provided to us, no disputed amounts payable in respect of Provident Fund, Employees' state insurance, Income Tax, Goods and Service Tax, Duty of Custom, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, as at 31st March 2021 which have not been deposited on account of a dispute, are as follows:.

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Service Tax Act	Disallowed credit on RCM	3.31	2008-09	CCE (Appeals) Pune-II.
Service Tax Act	Disallowed credit on RCM	0.96	2009-10	CCE (Appeals) Pune-II.
The Central Sales Tax Act	Disallowance on non-receipt of forms	5.51	2014-15	Joint Commissioner of State Tax Kol-App-F-001 Kolhapur
The Maharashtra Value Added Tax Act	Disallowance of credit	8.89	2014-15	Joint Commissioner of State Tax Kol-App-F-001 Kolhapur
The Central Sales Tax Act	Excess sales demand	187.36	2015-16	Joint Commissioner of State Tax Kol-App-F-001 Kolhapur
The Maharashtra Value Added Tax Act	Disallowance of credit	49.41	2015-16	Joint Commissioner of State Tax Kol-App-F-001 Kolhapur

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company

For P G BHAGWAT LLP
Chartered Accountants
FRN- 101118W /W100682

Place : Kolhapur
Date : 10th June 2021

Akshay B. Kotkar
Partner
Membership No. 140581
UDIN : 21140581AAAADN3659

Annexure - B to the Auditor's Report

(Referred to in paragraph 2(f) of our Report on Other Legal and Regulatory Requirements of even date to the Members of Menon Pistons Limited)

Report on the Internal Financial Controls with reference to Standalone Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Ind AS Financial Statements of **Menon Pistons Limited** (“the Company”) as of 31st March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P G BHAGWAT LLP
Chartered Accountants
FRN- 101118W/W100682

Akshay B. Kotkar
Partner
Membership No. 140581
UDIN : 21140581AAAADN3659

Place : Kolhapur
Date : 10th June 2021

Balance Sheet

As at March 31, 2021

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
I. Non-current assets		4,562.30	3,718.39
(a) Property, plant and equipment	1	3,414.89	3,136.37
(b) Capital work-in-progress		-	-
(c) Investment properties		-	-
(d) Other intangible assets	1	12.73	18.76
(e) Right of use assets	1	32.72	7.36
(f) Intangible assets under development		-	
(g) Financial assets			
(i) Investments	2	0.37	0.37
(ii) Trade receivables		-	-
(iii) Loans	3	167.28	159.49
(iv) Other financial assets	4	28.00	-
(h) Deferred tax assets (net)		-	-
(i) Other non-current assets	5	906.31	396.04
II. Current assets		7,635.13	5,577.70
(a) Inventories	6	2,054.50	2,053.87
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	7	4,047.22	2,826.34
(iii) Cash and cash equivalents	8a	1,266.64	240.10
(iv) Bank balance other than (iii) above	8b	31.09	198.62
(v) Loans	9	8.99	11.57
(vi) Other financial assets	10	10.30	12.75
(c) Other current assets	11	216.39	234.45
Total Assets		12,197.42	9,296.09
EQUITY AND LIABILITIES			
Equity		8,326.70	7,456.71
(a) Equity Share Capital	12	510.00	510.00
(b) Other Equity			
Capital Reserve	13	-	-
General Reserve	13	1,149.55	1,149.55
Securities Premium	13	807.50	807.50
Retained Earnings	13	5,859.65	4,989.66

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
LIABILITIES			
I. Non-current liabilities		141.63	175.81
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(III) Other Financial Liabilities	14	11.68	-
(b) Long-term provisions	15	70.43	64.00
(c) Deferred tax liabilities (net)	16	59.52	111.81
(d) Other non-current liabilities		-	-
II. Current liabilities		3,729.08	1,663.57
(a) Financial liabilities			
(i) Borrowings	17	1,073.66	402.84
(ii) Trade and other payables			
(a) Total outstanding dues of micro and small enterprises	18	445.80	228.89
(b) Total outstanding dues other than (ii) (a) above	18	1,228.42	503.72
(iii) Other financial liabilities	19	849.76	490.34
(b) Contract liabilities			
(c) Other current liabilities	20	104.59	27.84
(d) Short-term provisions	21	9.28	9.94
(e) Current Tax Liability (Net)	30	17.57	-
Total Equity and Liabilities		12,197.42	9,296.09
Corporate Information	31		
Significant accounting policies	32		
The accompanying notes are an integral part of the financial statements. (31-46)			

As per our report of even date
P G BHAGWAT LLP
Chartered Accountants
FRN: 101118W/W100682

For and on behalf of the Board of Directors of
Menon Pistons Limited

Mr. Akshay B. Kotkar
Partner
Membership No.140581
UDIN : 21140581AAAADN3659

Mr. Sachin Menon
Chairman & Managing Director
DIN:00134488

Mr. R. D. Dixit
Director
DIN:00626827

Place : Kolhapur
Date : June 10, 2021

Mr. S.B.P. Kulkarni
CFO & Associate Vice President

Mr. Deepak Suryavanshi
Company Secretary

Statement of Profit and Loss

For the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	22	13,710.94	11,775.06
Other income	23	58.62	42.92
Total Income		13,769.56	11,817.98
Expenses			
Cost of Raw Materials and Components Consumed	24	5,537.98	4,932.77
Purchase of traded goods		-	-
Changes in inventories of finished goods, Work in - Progress and traded goods	25	303.23	(476.41)
Employee benefit expenses	26	1,639.35	1,799.45
Finance costs	27	20.25	26.16
Depreciation and amortisation expense	28	526.80	533.15
Other expenses	29	4,536.77	4,446.29
Total expenses		12,564.38	11,261.41
Profit/ (loss) before exceptional items and tax		1,205.18	556.57
Exceptional items [Income / (Expense)]		-	-
Profit before tax		1,205.18	556.57
Tax expense	30	311.62	117.99
Current tax		373.00	170.00
Taxes related to earlier years		(17.01)	-
Deferred tax		(44.36)	(52.01)
Profit for the year		893.56	438.58
Other comprehensive income			
Items not to be reclassified to Profit or Loss (net of tax)			
in subsequent periods :		(23.57)	(12.92)
Re-measurements of Post Employment obligations		(31.50)	(17.26)
Income tax effect on above		7.93	4.34
Total comprehensive income for the year, net of tax		869.99	425.66

(Rs. in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Earnings per equity share	36		
Nominal value per share Re.1/- (March 31, 2021 : Re.1/-)			
Basic		1.75	0.86
Diluted		1.75	0.86
Corporate Information	31		
Significant accounting policies	32		
The accompanying notes are an integral part of the financial statements. (31-46)			

As per our report of even date
P G BHAGWAT LLP
Chartered Accountants
FRN:101118W/W100682

For and on behalf of the Board of Directors of
Menon Pistons Limited

Mr. Akshay B. Kotkar
Partner
Membership No.140581
UDIN : 21140581AAAADN3659

Mr. Sachin Menon
Chairman & Managing Director
DIN:00134488

Mr. R. D. Dixit
Director
DIN:00626827

Place : Kolhapur
Date : June 10, 2021

Mr. S.B.P. Kulkarni
CFO & Associate Vice President

Mr. Deepak Suryavanshi
Company Secretary

Cash Flow Statement

For the year ended on March 31, 2021

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A	Cash flows from operating activities		
	NET PROFIT BEFORE TAXES	1,205.18	556.57
	Adjustments for :-		
	Depreciation	526.80	533.15
	Debit Balances Written off	20.47	-
	Assets written off	-	-
	Interest income	(35.52)	(15.81)
	Interest expenses	18.16	24.46
	Interest on lease liability	2.09	1.70
	Dividend received	-	(0.04)
	Credit Balances Written back	-	(5.63)
	Profit on Sale of Assets	(0.74)	(0.23)
	Operating profits before working capital changes	1,736.44	1,094.17
	Adjustments for :-		
	(Increase)/decrease in trade and other receivables	(1,274.88)	1,499.38
	(Increase)/decrease in Inventories	(0.63)	(383.12)
	Increase/(decrease) in trade and other payables	1,087.44	(612.58)
	Cash generated from operations	1,548.37	1,597.85
	Income tax paid	(255.19)	(213.37)
	Net cash from operating activities	1,293.18	1,384.48
B	Cash flows from investing activities		
	Payments for PPE and Intangible assets	(1,078.32)	(530.32)
	Proceeds from sale of PPE	0.94	0.23
	(Increase)decrease in fixed deposits	136.81	(145.34)
	Investment in right of use asset	(21.24)	(18.48)
	Interest received	37.97	11.74
	Dividend received	-	0.04
	Net cash from investing activities	(923.84)	(682.13)
C	Cash flows from financing activities		
	Proceeds from long term borrowings	-	-
	Repayment of long term borrowings	-	-
	Increase/(Decrease) in Short term Borrowings	670.82	158.01
	Interest paid	(13.62)	(25.50)
	Dividend and dividend distribution tax	-	(732.43)
	Net cash from financing activities	657.20	(599.92)
	Net increase in cash and cash equivalents	1,026.54	102.43
	Cash and cash equivalents at beginning of period	240.10	137.67
	(refer note 7a)		
	Cash and cash equivalents at the end of period	1,266.64	240.10
	(refer note 7a)		

Notes to Cash Flow Statement

- 1 Cash Flow Statement has been prepared under indirect method set out in Ind AS-7 Statement of Cash Flows.
- 2 For Net-debt Reconciliation Statement refer note-17
- 3 For Company's Policy on Cash and Cash equivalents refer note 32.6 of Significant Accounting Policies.

As per our report of even date
P G BHAGWAT LLP
Chartered Accountants
FRN:101118W/W100682

For and on behalf of the Board of Directors of
Menon Pistons Limited

Mr. Akshay B. Kotkar
Partner
Membership No.140581
UDIN : 21140581AAAADN3659

Mr. Sachin Menon
Chairman & Managing Director
DIN:00134488

Mr. R. D. Dixit
Director
DIN:00626827

Place : Kolhapur
Date : June 10, 2021

Mr. S.B.P. Kulkarni
CFO & Associate Vice President

Mr. Deepak Suryavanshi
Company Secretary

Statement of changes in Equity for the year ended March 31, 2021

A. Equity Share Capital ((Refer Note 12)

(Rs. in Lakhs)

Equity Shares issued, subscribed and fully paid	No. of Shares	Amount
As at April 1, 2019	5,10,00,000	510.00
Issue/Reduction, if any during the year	-	-
As at March 31, 2020	5,10,00,000	510.00
Issue/Reduction, if any during the year	-	-
As at March 31, 2021	5,10,00,000	510.00

B. Other Equity ((Refer Note 13)

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Total equity
	Capital Reserve	General Reserve	Securities Premium	Retained Earnings	
As at April 1, 2019	50.66	1,098.89	807.50	5,304.57	7,261.62
Profit for the Year	-	-	-	438.57	438.57
Other Comprehensive income for the year	-	-	-	(12.92)	(12.92)
Total Comprehensive Income for the Year	-	-	-	425.65	425.65
Transfer to General Reserve	(50.66)	50.66	-	-	-
Net Impact on account of adoption of Ind AS 116 (Net of Tax)	-	-	-	(2.77)	(2.77)
Final Dividend for the year ended March 31, 2019	-	-	-	(382.50)	(382.50)
Tax on final dividend for the year ended March 31, 2019	-	-	-	(78.62)	(78.62)
Final Dividend for year ended March 31, 2020	-	-	-	(229.50)	(229.50)
Tax on final dividend for the year ended March 31, 2020	-	-	-	(47.17)	(47.17)
As at March 31, 2020	0.00	1,149.55	807.50	4,989.66	6,946.71
Profit for the Year	-	-	-	893.56	893.56
Other Comprehensive income for the year	-	-	-	(23.57)	(23.57)
Total Comprehensive income for the year	-	-	-	869.99	869.99
Transfer to General Reserve	-	-	-	-	-
Net Impact on account of adoption of Ind AS 116 (Net of Tax)	-	-	-	-	-
Final Dividend for year ended March 31, 2020	-	-	-	-	-
Tax on final dividend for the year ended March 31, 2020	-	-	-	-	-
Interim Dividend for year ended March 31, 2021	-	-	-	-	-
Tax on Interim dividend for the year ended March 31, 2021	-	-	-	-	-
As at March 31, 2021	0.00	1,149.55	807.50	5,859.65	7,816.70

The accompanying notes are an integral part of the financial statements.

As per our report of even date

P G BHAGWAT LLP

Chartered Accountants
FRN:101118W/W100682

Mr. Akshay B. Kotkar
Partner
Membership No.140581
UDIN : 21140581AAAADN3659

Place : Kolhapur
Date : June 10, 2021

For and on behalf of the Board of Directors of
Menon Pistons Limited

Mr. Sachin Menon
Chairman & Managing Director
DIN:00134488

Mr. S.B.P. Kulkarni
CFO & Associate Vice President

Mr. R. D. Dixit
Director
DIN:00626827

Mr. Deepak Suryavanshi
Company Secretary



Notes to Financial Statements

Note 1: Property, Plant and Equipments, Intangible Assets and Right of use Assets

(Rs. in Lakhs)

Particulars	Tangible Assets (Owned)										Leased Asset		Intangible Asset		Grand Total
	Land Free hold	Building	Plant & Equipm-ent	Compu-ter	Electrical Install-ation	Furnitu-re & Fixtures	Office Equipm-ents	Vehicles	Total	Land Lease hold	Right of Use asset (Building)	Softwa-res			
Gross Block	3.76	1,310.03	7,617.10	135.73	648.30	207.15	137.18	98.50	10,157.74	4.76	-	72.72	10,235.22		
As at April 1, 2019															
Reclassified on account on adoption of Ind AS 116															
Additions	-	-	404.73	12.88	1.64	62.57	18.89	20.66	533.16	-	22.08	-	22.08		
Disposals	-	11.79	-	-	-	-	-	4.20	4.20	-	-	13.31	546.47		
Impairment of asset	-	-	-	-	-	-	-	-	-	-	-	-	4.20		
As at March 31, 2020	3.76	1,321.82	8,021.83	148.61	649.93	269.72	156.07	114.96	10,686.70	4.76	22.08	86.04	10,777.50		
Additions	118.30	14.00	506.97	5.55	63.02	60.82	9.06	-	777.71	-	43.62	3.52	824.85		
Disposals	-	-	-	0.31	-	-	-	4.20	4.51	-	-	-	4.51		
Impairment of asset	-	-	-	-	-	-	-	-	-	-	-	-	-		
As at March 31, 2021	122.06	1,335.81	8,528.79	153.85	712.95	330.55	165.13	110.76	11,459.90	4.76	65.70	89.55	11,597.84		
Depreciation/Amortisation															
As at April 1, 2019	-	544.18	5,619.43	118.44	503.44	111.12	95.07	59.50	7,051.17	0.17	-	56.78	7,108.12		
Charge for the year	-	40.19	388.36	8.27	37.47	15.30	9.73	8.62	507.94	0.01	14.72	10.49	533.15		
Depreciation on disposal	-	-	-	-	-	-	-	4.20	4.20	-	-	-	4.20		
As at March 31, 2020	-	584.37	6,007.79	126.72	540.91	126.41	104.80	63.92	7,554.92	0.18	14.72	67.27	7,637.08		
Charge for the year	-	36.51	377.82	7.92	37.31	19.05	11.96	8.41	498.98	0.01	18.26	9.55	526.80		
Depreciation on disposal	-	-	-	0.11	-	-	-	4.20	4.31	-	-	-	4.31		
As at March 31, 2021	-	620.88	6,385.60	134.54	578.22	145.47	116.76	68.13	8,049.59	0.18	32.98	76.82	8,159.58		
Net block															
At March 31, 2021	122.06	714.93	2,143.19	19.31	134.73	185.08	48.37	42.64	3,410.31	4.58	32.72	12.73	3,460.34		
At March 31, 2020	3.76	737.44	2,014.04	21.89	109.02	143.31	51.28	51.04	3,131.79	4.59	7.36	18.76	3,162.49		

Notes:

1) Contractual obligations :

Refer note no 34 for estimated amount of contract remaining to be executed on capital account.

2) Impairment loss :

No Provision for Impairment loss is made during the year.

3) PPE pledged as security :

Company has hypothecated Property, Plant and Equipments (excluding vehicles) & Land and Building situated at 182, Shirol, Kolhapur & at H-1, MIDC, Kupwad, Sangli, against the Borrowings from IDBI Bank.

4) Capital work in progress / Intangible asset under development: Nil; Previous year - Nil

5) For depreciation and amortisation refer accounting policy (Note 32.7).

Notes to the Financial Statements

(Rs. in Lakhs)

Note 2 : Non-current investments	Par / Face Value Per Unit Rs.	As at March 31, 2021		As at March 31, 2020	
		Numbers	Rs. in Lakhs	Numbers	Rs. in Lakhs
At Fair value through Other Comprehensive Income (FVTOCI)					
Investment In Unquoted Equity Instruments					
Shree Warna Sahakari Bank Ltd	10.00	3,675	0.37	3,675	0.37
Total			0.37		0.37
Aggregate amount of quoted Investments			-		-
Aggregate amount of unquoted Investments			0.37		0.37
Aggregate amount of impairment loss			-		-

1. Refer Note-40 for Financial assets at fair value through other comprehensive income- unquoted equity instruments.
2. Refer Note 40A on risk management objectives and policies for financial instruments.

(Rs. in Lakhs)

Note 3 : Loans (Non current)	As at March 31, 2021	As at March 31, 2020
Security Deposits	167.28	159.49
Break-up for security details :	167.28	159.49
Secured, Considered good	-	-
Unsecured, Considered good	167.28	159.49
Significant Increase in credit risk	-	-
Credit Impaired	-	-
Less : Loss Allowance	-	-
TOTAL	167.28	159.49

Deposits are measured at amortised cost.

(Rs. in Lakhs)

Note 4 : Other financial assets (Non Current)	As at March 31, 2021	As at March 31, 2020
Non Current :		
Others :		
Fixed Deposit with Maturity of more than 12 months	28.00	-
TOTAL	28.00	-

1. Other financial assets are measured at amortised cost.
2. Refer Note 40 A on risk management objectives and policies for financial instruments.

Notes to the Financial Statements

(Rs. in Lakhs)

Note 5 : Other non-current assets	As at March 31, 2021	As at March 31, 2020
Capital Advance	687.46	108.82
To Related Parties	52.18	81.15
To Others	631.68	27.67
To MSME	3.60	-
Sales Tax /VAT (paid under protest)	14.88	-
Tax paid in advance (Net of Provision)	201.95	285.18
Other Non Current assets	2.03	2.03
TOTAL	906.31	396.04
Advance to Directors or to firm / Private company where Director is interested	52.18	81.15

(Rs. in Lakhs)

Note 6 : Inventories	As at March 31, 2021	As at March 31, 2020
Raw Materials and Components	561.30	249.96
Work in Progress	464.82	301.91
Finished Goods	645.37	1,111.51
Finished goods	572.62	1,058.25
Finished goods in transit	72.75	53.26
Stores and Spares	383.01	390.49
TOTAL	2,054.50	2,053.87

(Rs. in Lakhs)

Note 7 : Trade receivables	As at March 31, 2021	As at March 31, 2020
Trade Receivables	4,047.22	2,826.34
From Related Parties (Refer to note 38b)	1,632.40	745.44
From others	2,414.82	2,080.90
Break-up for security details :	4,047.22	2,826.34
Secured, Considered good	-	-
Unsecured, Considered good	4,047.22	2,826.34
TOTAL	4,047.22	2,826.34
Debts due from firms or private companies in which any director is a partner, a director or a member	1,632.40	745.44

Notes to the Financial Statements

- Trade receivables are measured at amortised cost.
- No Trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days.
- Refer Note 40A & 40B on credit risk of trade receivable, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

(Rs. in Lakhs)

Note 8a : Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	3.89	4.23
Balance with Bank		
Current accounts	549.87	170.95
Cheques in Hand	-	52.54
Deposits with original maturity of less than 3 months	712.88	12.38
TOTAL	1,266.64	240.10

(Rs. in Lakhs)

Note 8b : Other bank balances	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts	17.90	20.62
Deposits with original maturity of more than three months but less than 12 months	13.19	178.00
TOTAL	31.09	198.62

Refer Note 40A on risk management objectives and policies for financial instruments.

(Rs. in Lakhs)

Note 9 : Loans (Current)	As at March 31, 2021	As at March 31, 2020
Security Deposits	8.99	11.57
Break-up for security details :	8.99	11.57
Secured, Considered good	-	-
Unsecured, Considered good	-	11.57
TOTAL	8.99	11.57

- Deposits are measured at amortised cost.

(Rs. in Lakhs)

Note 10: Other financial assets (Current)	As at March 31, 2021	As at March 31, 2020
Current :		
Others:		
Interest receivable on Deposits	10.30	12.75
TOTAL	10.30	12.75

Notes to the Financial Statements

1. Other financial assets are measured at amortised cost.
2. Refer Note 40 A on risk management objectives and policies for financial instruments.

(Rs. in Lakhs)

Note 11 : Other current assets	As at March 31, 2021	As at March 31, 2020
Advances to Suppliers & others Unsecured, Considered Good	80.20	33.44
Related Parties	5.81	5.81
Others	74.39	27.63
MSME	-	
Claims receivable	15.72	15.72
Sales tax / VAT / service tax receivable (net)	15.72	15.72
Prepaid Expenses	76.81	71.32
Advances to Staff	5.65	10.17
Employee Benefit Obligation- Gratuity (Refer Note 37)	2.72	48.48
GST Receivable	17.51	34.85
Other Current Asset	17.78	20.46
TOTAL	216.39	234.45

Note 12 : Share capital	No. of shares	Rs in Lakhs
Authorised share capital		
As at April 1, 2019	5,50,00,000	550.00
Increase/(decrease) during the year	-	-
As at March 31, 2020	5,50,00,000	550.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	5,50,00,000	550.00
Issued share capital		
As at April 1, 2019	5,10,00,000	510.00
Increase/(decrease) during the year	-	-
As at March 31, 2020	5,10,00,000	510.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	5,10,00,000	510.00
Subscribed and fully paid up		
As at April 1, 2019	5,10,00,000	510.00
Increase/(decrease) during the year	-	-
As at March 31, 2020	5,10,00,000	510.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	5,10,00,000	510.00

Notes to the Financial Statements

1. Terms/Rights attached to the equity shares

- a. The Company has only one class of equity shares having a par value of Re.1/-each. Each equity shareholder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders. The Company declares and pays dividend in Indian Rupees.

2. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Share holding %	No. of shares	Share holding %
Sachin Ram Menon	10,701,660	20.98%	10,701,660	20.98%
Gayatri Sachin Menon	7,242,832	14.20%	7,242,832	14.20%
Radhamani Ram Menon	3,700,000	7.25%	3,700,000	7.25%
Devika Sachin Menon	4,208,664	8.25%	4,208,664	8.25%
Sharanya Sachin Menon	4,208,664	8.25%	4,208,664	8.25%
Nivedita Sachin Menon	4,208,660	8.25%	4,208,660	8.25%
Menon Metals & Alloys LLP	3,657,430	7.17%	3,657,430	7.17%

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

3. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

- (a) The Company has not issued any shares without payment being received in cash.
(b) The Company has not issued any bonus shares.
(c) The Company has not undertaken any buyback of shares.

Notes to the Financial Statements

(Rs. in Lakhs)

Note 13: Other Equity	As at March 31, 2021	As at March 31, 2020
Capital Reserve	-	-
Opening Balance	-	50.66
Less: Transferred to General reserve	-	(50.66)
Securities Premium	807.50	807.50
General Reserve	1,149.55	1,149.55
Opening balance	1,149.55	1,098.89
Add: Transferred from Capital Reserve	-	50.66
Retained Earnings	5,859.65	4,989.66
Opening Balance	4,989.66	5,304.56
Add : Profit for the year	893.56	438.57
Add : Other Comprehensive income/(loss)	(23.57)	(12.91)
Add : Impact on account adoption of Ind AS 116 (transitional effect)	-	(3.70)
Less: Tax thereon	-	0.93
Less : Appropriations		
Dividend Paid	-	(612.00)
Tax on Dividend	-	(125.80)
TOTAL	7,816.70	6,946.71

1. Dividend distribution made and proposed.

Particulars	2020-2021	2019-2020
Cash dividends on Equity shares declared and paid		
Final dividend for the year ended March 31, 2020:		
Rs. Nil Per share (March 31, 2019 : Rs. 0.75 Per share)	-	382.50
Dividend distribution tax on final dividend	-	78.62
Interim Dividend for the year ended March 31, 2021;		
Rs. Nil Per share (March 31, 2020 : Re. 0.45 Per Share)	-	229.50
Dividend distribution tax on interim dividend	-	47.17
	-	737.80
Proposed dividends on Equity shares		
Final cash dividend proposed for the year ended March 31,2021	510.00	-
Re 1 per share (March 31, 2020: Rs Nil per share)	-	-
	510.00	-

Notes to the Financial Statements

Proposed dividend on equity shares are subject to approval of the shareholders of the Company at the annual general meeting and are not recognised as a liability (including taxes thereon) as at March 31, 2021 and March 31, 2020. As per the Finance Act 2020, dividend distribution tax under both the Section 115-O & 115BBDA of the Income Tax Act 1961, has been abolished

2. Nature and purpose of other reserves

A. General reserve:

General reserve is created by setting aside amount from the Retained Earnings of the Company for general purposes which is freely available for distribution.

B. Securities Premium:

Securities premium is a premium collected above face value on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

(Rs. in Lakhs)

Note 14 : Other Financial Liabilities (Non Current)	As at March 31, 2021	As at March 31, 2020
(i) Lease liabilities	11.68	-
TOTAL	11.68	-

(Rs. in Lakhs)

Note 15 : Long-term provisions	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits Provision for leave encashment (Refer note no. 45)	70.43	64.00
TOTAL	70.43	64.00

(Rs. in Lakhs)

Note 16: Deferred tax liability (net)	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability	123.19	181.27
Property, Plant & Equipments & Intangible Assets	122.50	169.07
Provision for Gratuity	0.69	12.20
Less : Deferred Tax Assets	(63.67)	(69.46)
Disallowances u/s 43 B of Income Tax Act.	(55.24)	(66.27)
Others	(8.42)	(3.19)
TOTAL	59.52	111.81

Notes to the Financial Statements

1. Reconciliation of deferred tax (assets) / liabilities, net

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as of April 1, 2020	111.81	169.10
Tax (income)/expense during the year recognised in profit or loss	(44.36)	(52.01)
Tax (income)/expense during the year recognised in OCI	(7.93)	(4.34)
Tax (income)/expense during the year recognised in Reserves & Surplus	-	(0.93)
Closing balance as at March 31, 2021	59.52	111.81

2. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

3. Applicable tax rate for current year is 25.168% (compared to the previous year 31st March 2020 : 25.168%)

(Rs. in Lakhs)

Note 17 : Borrowings	Interest Rate	As at March 31, 2021	As at March 31, 2020
Secured Loans repayable on demand From Banks			
Cash credit	RLLR (Y) +0.40 %	1,079.57	404.22
Less: Interest accrued but not due (Note - 19)		(5.91)	(1.38)
TOTAL		1,073.66	402.84
Aggregate secured borrowings		1,073.66	402.84
Aggregate unsecured borrowings		-	-

1. Borrowings are measured at amortised cost.

2. The cash credit is secured by first charge by way of hypothecation of current assets including inventories and trade receivables. Further, it is collaterally secured by way of equitable mortgage of Land & Building situated at 182, shiroli, Kolhapur and at H-1, M.I.D.C. Kupwad Sangli & hypothecation of movable assets (Plant & Machinery and other assets excluding vehicles) of the Company.

3. The Company does not have any continuing defaults in repayment of loans and interest during the year and at reporting date.

4. The loan has been secured by the personal guarantee of Chairman and Managing Director - Mr. Sachin Menon

4. Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31,

Notes to the Financial Statements

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents	1,266.64	240.10
Non-Current Borrowings	-	-
Current Borrowings	(1,073.66)	(402.84)
TOTAL	192.98	(162.74)

(Rs. in Lakhs)

Particulars	Cash & Cash Equivalents	Borrowings	Total
Net Debt As on April 1, 2019	137.67	(244.83)	(107.16)
Cash Flows	102.43	(157.35)	(54.92)
Foreign Exchange Adjustment	-	-	-
Interest paid	-	25.50	25.50
Interest Expense	-	(24.46)	(24.46)
Net Debt As on March 31, 2020	240.10	(402.84)	(162.74)
Cash Flows	1,026.54	(666.29)	360.25
Foreign Exchange Adjustment	-	-	-
Interest paid	-	13.62	13.62
Interest Expense	-	(18.16)	(18.16)
Net Debt As on March 31, 2021	1,266.64	(1,073.66)	192.98

(Rs. in Lakhs)

Note 18: Trade and other payables	As at March 31, 2021	As at March 31, 2020
Due to Micro and Small enterprises	445.80	228.89
Others	445.80	228.89
Due to other than micro and small enterprises	1,228.42	503.72
Acceptances	106.63	109.40
Related parties (Refer note 38b)	186.15	72.40
Others	935.64	321.92
TOTAL	1,674.22	732.61

- Trade and other payables are measured at amortised cost.
- For explanations on the Company's Foreign currency risk and liquidity risk management processes, refer to Note 40A.
- The Company has compiled this information based on the current information in its possession as at March 31, 2021, no supplier has intimated the Company about its status as Micro and Small Enterprises or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006 except as disclosed below.

Notes to the Financial Statements

Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows :

(Rs. in Lakhs)

Dues to Micro and Small Enterprises	As at March 31, 2021	As at March 31, 2020
Total amount dues to micro and small enterprises as on Balance Sheet date		
Principal amount due	445.80	228.89
Interest on principal amount due	-	0.15
Total delayed payments micro and small enterprises during the year		
Principal amount	-	-
Interest on principal amount	-	-
Total amount of interest paid to micro and small enterprises during the year	-	-
Total interest accrued and remaining unpaid at the end of the year under MSMED Act	-	0.15
The amount of further interest remaining due and payable even in the succeeding years	-	0.15

(Rs. in Lakhs)

Note 19: Other financial liabilities (Current)	As at March 31, 2021	As at March 31, 2020
(i) Current maturities of long term borrowings	-	-
(ii) Interest accrued but not due on borrowings	5.91	1.38
(iii) Liability towards Investor Education and Protection Fund (under section 125 of Companies Act, 2013 not due)		
a. Unpaid Dividends	17.90	20.62
(iv) Payable for capital purchases	289.60	8.06
(v) Employee benefits payable	290.62	290.14
(vi) Lease liabilities	21.79	8.99
(vi) Other financial liabilities (Outstanding expenses payable, marketing expenses payable, etc)	223.95	161.15
TOTAL	849.76	490.34

1. Other financial liabilities are measured at amortised cost.
2. For explanations on the Company's interest risk, Foreign currency risk and liquidity risk management processes, refer to Note 40A

Notes to the Financial Statements

(Rs. in Lakhs)

Note 20: Other Current liabilities	As at March 31, 2021	As at March 31, 2020
Advance from customers	20.71	4.94
Statutory Dues		
i) Statutory dues including provident fund and tax	73.38	17.11
ii) Tax deducted at source	10.50	5.78
TOTAL	104.59	27.84

(Rs. in Lakhs)

Note 21 : Short-term provisions	As at March 31, 2021	As at March 31, 2020
Provision for employee benefit		
Provision for leave encashment (Refer note 45)	9.28	9.94
TOTAL	9.28	9.94

Employee Benefit Obligations

a. Compensated absence

The leave obligation covers the Company's liability for earned leaves and sick leaves.

(Rs. in Lakhs)

Note 22 : Revenue from Contracts with Customers	2020-2021	2019-2020
Sale of products	13,474.84	11,590.62
Sale of services	-	-
Total sales and services	13,474.84	11,590.62
Other operating revenues	236.10	184.44
Sale of Disposables	100.42	119.62
Other Sales	4.26	1.96
Developmental Charges	131.42	62.86
TOTAL	13,710.94	11,775.06

Disaggregation of Revenue

Set out below is the disaggregation of the company's revenue from contract with it's customers:

Business	2020-2021	2019-2020
Sale of Pistons	6,742.41	5,457.16
Sale of Pistons Assemblies	4,675.51	4,467.55
Sale of Pins	1,321.76	644.30
Sale of Rings	691.71	983.38
Other Sales	279.54	222.66
TOTAL	13,710.94	11,775.06

Notes to the Financial Statements

(Rs. in Lakhs)

Note 23 : Other income	2020-2021	2019-2020
Interest	35.52	15.81
On Other Deposits	35.52	15.81
Dividend income	-	0.04
Gain on disposal of property, plant and equipment	0.74	0.23
Unclaimed credit balances written back	-	5.63
Miscellaneous income	22.36	21.21
TOTAL	58.62	42.92
Note 24 : Cost of raw materials and components consumed	2020-2021	2019-2020
Opening stock of raw material	249.96	331.99
Add: Purchases	5,849.32	4,850.73
Less: Closing stock of raw material	561.30	249.96
TOTAL	5,537.98	4,932.77
Note 25: Changes in inventories of finished goods, work-in-progress and traded goods	2020-2021	2019-2020
Opening inventory	1,413.42	937.01
Work-in-process	301.91	211.44
Finished goods	1,111.51	725.57
Closing Inventory	1,110.19	1,413.42
Work-in-process	464.82	301.91
Finished goods	645.37	1,111.51
TOTAL	303.23	(476.41)
Note 26: Employee benefits expense	2020-2021	2019-2020
Salaries, wages, bonus, commission, etc.	1,489.19	1,616.04
Gratuity (Refer Note 37)	29.68	30.62
Contribution to provident and other funds (Refer Note 37)	96.82	113.97
Welfare and training expenses	23.65	38.83
TOTAL	1,639.35	1,799.45
Note 27 : Finance costs	2020-2021	2019-2020
Interest expense - (On working capital & Bill discounting charges)	18.76	20.92
Interest expense on lease liabilities	2.09	1.70
Other Bank charges	2.72	9.01
Net interest expense/(Income) on defined benefit obligation (Refer Note 37)	(3.32)	(5.47)
TOTAL	20.25	26.16

Notes to the Financial Statements

(Rs. in Lakhs)

Note 28: Depreciation and amortization expense	2020-2021	2019-2020
Depreciation expense on Property, Plant & Equipments	498.99	507.95
Amortization expense on Intangible assets	9.55	10.49
Amortization Expense on Right of use asset	18.26	14.72
TOTAL	526.80	533.15

(Rs. in Lakhs)

Note 29: Other expenses	2020-2021	2019-2020
Manufacturing expenses	3,795.33	3,390.61
Stores consumed	1,113.92	933.58
Power and fuel	1,321.60	1,332.21
Machining charges	1,287.66	1,049.42
Repairs to machinery	46.91	51.01
Other manufacturing expenses	25.24	24.39
Selling expenses	380.53	654.85
Selling and distribution expenses	251.05	520.62
Freight and forwarding	129.48	134.23
Administration expenses	360.91	400.83
Rent Rates and taxes	9.38	37.47
Insurance	75.90	76.04
Repairs to building	61.23	37.93
Other repairs and maintenance	46.82	62.62
Travelling and conveyance	16.43	46.49
Printing and stationery	10.59	12.57
Postage and telephone expenses	4.61	8.32
Legal and consultancy charges	48.86	42.15
Auditor's remuneration (Refer Note 35)	4.87	4.96
License fees	0.37	2.50
Donations	0.05	0.42
Expenditure in CSR (Refer Note - 39)	21.68	25.74
Non executive directors' fees / commission	1.02	0.25
Unrecoverable O/s-Bad Debts	20.47	-
Miscellaneous expenses	38.62	43.37
TOTAL	4,536.77	4,446.29

Notes to the Financial Statements

I.) Tax Expense

(Rs. in Lakhs)

Note 30: Income tax	2020-2021	2019-2020
Current tax	355.99	170.00
Current income tax	373.00	170.00
(Excess)/short provision related to earlier years	(17.01)	-
Deferred tax	(44.36)	(52.01)
Relating to origination and reversal or temporary difference	(44.36)	(52.01)
Income tax expense reported in the statement of profit and loss	311.62	117.99

II.) Current Tax Liability (Net)

(Rs. in Lakhs)

Particulars	2020-2021	2019-2020
Current tax liability	17.57	-
Current income tax liability Net of advance tax & TDS	17.57	-
Net Current Income Tax Liability	17.57	-

III.) Other Comprehensive Income (OCI)

(Rs. in Lakhs)

Particulars	2020-2021	2019-2020
Deferred tax related to items recognised in OCI during the year	7.93	4.34
Net (loss)/gain on actuarial gains and losses		
Deferred tax charged to OCI	7.93	4.34

IV.) Tax Reconciliation

(Rs. in Lakhs)

Particulars	2020-2021	2019-2020
Accounting Profit before income tax expense	1,205.18	556.57
Tax @ 25.168% (March 31, 2020 : 29.12%)	303.32	140.08
Tax effect of adjustments in calculating taxable income :	8.30	(22.09)
Corporate Social Responsibility expense/Donations (net)	5.46	6.48
Other Disallowances/ (allowances)	2.84	(23.64)
Tax Benefits under various Income Tax Sections		0.59
Remeasurement Gain /(Loss) allowed as expense		(4.34)
Current Tax Expense	311.62	117.99

During the year, section 115BAA has been newly introduced by the CBDT. As per this section, option is given to all existing companies to either pay Income tax as per existing rates (i.e. 25% or 30% plus applicable surcharge and cess) or as per concessional rate of 22% plus applicable surcharge and cess. This new rate is available only if company forgoes certain exemptions and deductions. Since this new rate is beneficial, company has adopted the new tax rate of 25.168% (i.e. 22% plus surcharge and cess) for computing income tax & deferred tax for year ended 31st March, 2021 (the rate for 31st March 2020 was 25.168%).

Notes to Accounts

31. Corporate information

Menon Pistons Limited (“the company”), a public limited company established in 1977 under the provisions of the Companies Act 1956, having its registered office at 182, Shirol, Kolhapur - 416122.

The Company is manufacturing Pistons & Pins for Diesel Engines, Cars, LCVs / HCVs. Company's equity shares are listed on BSE Limited.

32. Significant accounting policies

32.1. Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as issued under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date)

The financial statements were authorized for issue by the Board of Directors as on 10th June, 2021.

32.2. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following items which are measured on alternative basis on each reporting date.

Item	Measurement Basis
Defined Benefit Obligation	Fair Value
Certain Financial Instruments	Fair Value

32.3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All financial information is presented in INR rounded to the nearest Lakhs except share and per share data, unless otherwise stated.

32.4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

1. **Estimation of defined benefit obligation – Refer note 37**
 The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
 The most sensitive parameter is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.
 The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
 Further details about gratuity obligations are given in Note 37.
2. Deferred tax assets are recognized for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
3. Lease term - The company has applied provisions of Ind AS 116 effective 01st April, 2019. The said standard provides for certain recognition exemptions for short term leases as well as provides for certain criteria when the lease contracts are non-enforceable. The determination of lease term for the purpose of availing such exemptions and evaluation of such criteria for non-enforceability of a contract involves significant judgment.
4. Revenue Recognition - The company recognises revenue for each performance obligation either at a point in time or over a time. In case performance obligation is satisfied over a time, the output method is used to determine the revenue since it is faithfully depicting the company's performance towards complete satisfaction of performance obligation. Practical expedient of “right to consideration” is also considered while recognizing revenue in the amount to which the entity has right to invoice. In case performance obligation is satisfied at a point in time, the company generally recognises revenue when the control is transferred i.e. in case of goods either on shipment or upon delivery in domestic & on date of billing in case of export. In case of services, the revenue is recognized based on completion of distinct performance obligation. Refer significant accounting policy note 32.10 on revenue recognition for information about methods, input and assumptions w.r.t transaction price & variable consideration.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least

twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

32.5. Inventories

- Raw materials, components, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes all cost of purchase and incidental expenses incurred in bringing the inventories to their present location and condition. Cost is ascertained using weighted average method.
- Work-in-process and finished goods are valued at cost or net realisable value whichever is lower. Cost includes direct materials, labour costs and a proportion of manufacturing overheads based on the normal operating capacity.
- Materials-in-transit are valued at actual cost incurred up to the date of balance sheet.
- Unserviceable, damaged and obsolete inventory is valued at cost or net realisable value whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

32.6. Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

30.7. Property, plant and equipment

● Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, except for "Non-factory building (Roads)" where useful life is 6 years, as assessed by the Management of the Company based on technical evaluation.

32.8. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised to asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using straight-line method over their estimated useful lives.

32.9. Intangible assets and amortization

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

32.10. Revenue recognition

- **Sale of goods**

Company recognises revenue when it transfers control over a good or service to a customer i.e. when it has fulfilled all 5 steps as given by Ind AS 115.

Revenue is measured at transaction price i.e. Consideration to which a company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component.

For contracts with multiple performance obligations, transaction price is allocated to different obligations based on their standalone selling price. In such case, revenue recognition criteria are applied for each separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognised separately for each obligation as and when the recognition criteria for the component is fulfilled.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

- **Other income**

Other income comprises of interest income, dividend income, foreign currency gain on financial assets and liabilities.

Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method. Dividend income is recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

32.11. Finance costs



Finance costs comprises of interest expense on borrowings, and foreign currency loss (to the extent those are regarded as an adjustment to the finance costs) on financial assets and liabilities. Interest expenditure is recognised as it accrues in the statement of profit and loss, using the effective interest method.

32.12. Foreign currencies transactions

The financial statements are presented in INR, which is also the company's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

32.13. Employee Benefits

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services, cost of bonus and short-term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-Employment Benefits

Defined Contribution Plans

The Company's state governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The employee's gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the

market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and the return on plan assets) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Long Term Employee Benefit

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned above.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.

32.14. Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

32.15. Provisions

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case of:

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) present obligation arising from past events, when no reliable estimate is possible.
- c) a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent assets are disclosed where inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

32.16. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio. However, when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty the Company considers

that lease to be no longer of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, the lessee is not required to recognize right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

Right-of-use assets:

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease Liability:

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. .

32.17. Impairment of non-financial assets



The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as impairment loss and recognized in profit and loss account. If at any subsequent balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

32.18. Fair value measurement

The Company measures financial instruments such as Investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- OR
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.

32.19. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and
- b. All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Financial liabilities

Initial recognition and measurement

The company initially recognises loans and advances and deposits on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

32.20. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period

attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

32.21. Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

32.22. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are the assets that necessarily take a substantial period of time to get ready for their intended use or sale.

32.23. Standards issued but not effective

The amendments are proposed to be effective for annual reporting periods beginning on or after 1 April 2021.

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III (Division I, II and III) of the Companies Act, 2013. The amendment is applicable from 1 April 2021 and it specifies additional disclosures in the financial statements.

Key amendments in Division II applicable to the Company include:

- Lease Liability be separately disclosed under the heading “Financial liabilities”.
- Disclosures for prior period errors in the statement of changes in equity
- Disclosure of shareholdings of promoters
- Disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- Disclosure of deviation from stated purpose in use of borrowings from banks and financial

institutions

- Disclosures under 'additional regulatory requirements' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable properties not held in the name of the company, loans and advances to promoters, directors, key managerial personnel and related parties, details of benami property held etc.
- Disclosures relating to amount of expenditure on CSR, crypto or virtual currency, undisclosed income etc.

The amendments are extensive and the Company is in the process of evaluating the same to give effect to the same as required by law.

The Company is in the process of evaluating the impact of these amendments on financial statements.

- 1. Amendment to Ind AS 116, “Leases” - Covid-19-Related Rent Concessions beyond 30 June 2021:**
On 24 July 2020, the MCA issued the Companies (Indian Accounting Standard) Amendment Rules, 2020 which amended Ind AS 116 to provide relief for lessees in accounting for eligible rent concessions upto 31 July 2021 that are a direct consequence of COVID-19. The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to extend the relief for lessees in accounting for eligible rent concessions upto 31 July 2022.
- 2. Amendment to Ind AS 116, “Leases” - Interest Rate Benchmark Reform Phase 2:**
The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to include a practical expedient in respect of all lease modifications that change the basis for determining future lease payments as a result of interest rate benchmark reform.
- 3. Amendments to Ind AS 37, “Provisions, Contingent Liabilities and Contingent Assets” – Onerous Contracts:**
The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.
- 4. Amendments to Ind AS 16, “Property, Plant and Equipment” – Proceeds before Intended Use:**
The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.
- 5. Amendments to Ind AS 103, “Business Combinations” – Reference to the Conceptual Framework:**
The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes amendments to change out updated reference to “Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards” and update it with reference to “Conceptual Framework for Financial Reporting under Indian Accounting Standards”. It also proposes certain consequential amendments.
- 6. Amendments to 101, “First-time Adoption of Indian Accounting Standards” – Subsidiary as a First-time Adopter:**
The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

- 7. Amendments to 41, “Agriculture” – Taxation in Fair Value Measurements:**
The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.
- 8. Amendments to Ind AS 109, “Financial Instruments” and Ind AS 107, “Financial Instruments: Disclosures” - Interest Rate Benchmark Reform: Phase 2:**
The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of Ind AS's when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate.
- 9. New Indian Accounting Standard (Ind AS) 117, Insurance Contracts:**
The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.
- 10. Amendments in schedule III to the Companies Act 2013:**
The Ministry of Corporate Affairs, Government of India issued notification dated 24th March 2021 to amend schedule III to the Companies Act 2013 to enhance the discloser required to be made by the Company in it's financial statements. The main purpose is to bring more transparency in the financial reporting. However the said amendment is effective from financial year beginning from 1st April 2021.

The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2021 as at the date of approval of these financial statements.

Additional notes to the Financial Statements

(Rs. in Lakhs)

33. Contingent liabilities	2020-2021	2019-2020
(a) Claims against the company not acknowledged as debt	-	-
(b) Other money for which the company is contingently liable		
i) Disputed Service Tax Liability 2007-09 (Matter Subjudice) The company has filed Appeal in CCE (Appeals) Pune-II.	3.31	3.31
ii) Disputed Service Tax Liability 2009-10 (Matter Subjudice) The company has filed Appeal in CCE (Appeals) Pune-II.	0.96	0.96
iii) Disputed Central Sales Tax Liability (Matter Subjudice) Against these demands related to year 2014-15, an amount of Rs. 4.02 Lakhs (Previous year Rs. Nil) has been paid under protest. The company has filed 1st Appeal in Kolhapur.	9.53	-
iv) Disputed Maharashtra Value Added Tax Liability (Matter Subjudice) Against these demands related to year 2014-15, an amount of Rs. 0.40 lakhs (Previous year Rs. Nil) has been paid under protest. The company has filed 1st Appeal in Kolhapur.	9.29	-
v) Disputed Central Sales Tax Liability (Matter Subjudice) Against these demands related to year 2015-16, an amount of Rs. 7.79 Lakhs (Previous year Rs. Nil) has been paid under protest. The company has filed 1st Appeal in Kolhapur.	195.15	-
vi) Disputed Maharashtra Value Added Tax Liability (Matter Subjudice) Against these demands related to year 2015-16, an amount of Rs. 2.66 lakhs (Previous year Rs. Nil) has been paid under protest. The company has filed 1st Appeal in Kolhapur.	52.07	-
TOTAL	270.31	4.27

(Rs. in Lakhs)

34. Commitments	2020-2021	2019-2020
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	630.57	8.13

(Rs. in Lakhs)

35. Remuneration to Auditors	2020-2021	2019-2020
Statutory Auditors :		
a) Audit Fees	2.55	2.55
b) Tax Audit Fees	0.45	0.45
c) Other services (Certification, GST Audit, etc)	1.37	1.44
d) Expenses reimbursed	0.50	0.52
TOTAL	4.87	4.96

(Rs. in Lakhs)

36. Earnings per Share (Basic and diluted)	2020-2021	2019-2020
a) Profit for the year before tax	1,205.18	556.57
Less : Attributable tax thereto	311.62	117.99
Profit after tax	893.56	438.58
b) Weighted average number of equity shares used as denominator	51,000,000	51,000,000
c) Basic and diluted earning per share of nominal value of Re 1/- each in Rs.	1.75	0.86

37. Employee Benefits :**i) Defined Contribution Plans:**

Amount of Rs. 96.82 Lakhs (Previous Year Rs. 113.97 Lakhs) is recognised as an expense and included in "Employees benefits expense" (Note-26) in the Statement of Profit and Loss.

ii) Defined Benefit Plans:**a) The amounts recognised in Balance Sheet are as follows:**

(Rs. in Lakhs)

Particulars	As at 31 st March 2021 Gratuity Plan (Funded)	As at 31 st March 2020 Gratuity Plan (Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	(895.63)	(861.82)
Less: Fair Value of Plan Assets	898.35	910.30
Amount to be recognised as (liability) or asset	2.72	48.48
B. Amounts reflected in the Balance Sheet		
Liabilities	-	-
Assets	2.72	48.48
Net (Liability)/Assets	2.72	48.48

b) The amounts recognised in the Profit and Loss Statement are as follows:

(Rs. in Lakhs)

Particulars	2020- 2021 Gratuity Plan (Funded)	2019 - 2020 Gratuity Plan (Funded)
1 Current Service Cost	29.68	30.62
2 Acquisition (Gain)/loss	-	-
3 Past Service Cost	-	-
4 Net Interest (income)/expenses	(3.32)	(5.47)
5 Curtailment (Gain)/ loss	-	-
6 Settlement (Gain)/loss	-	-
Net periodic benefit cost recognised in the statement of profit & loss-(Employee benefit expenses -Note -26 & Finance Cost - Note - 27)	26.37	25.15

c) The amounts recognised in the statement of other comprehensive income (OCI)

(Rs. in Lakhs)

Particulars	2020 - 2021 Gratuity Plan (Funded)	2019 - 2020 Gratuity Plan (Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-
2 Remeasurements for the year - Obligation (Gain)/loss	32.49	(39.07)
3 Remeasurement for the year - Plan assets (Gain)/ Loss	(0.99)	56.33
4 Remeasurement arising because of change in effect of asset ceiling	-	-
5 Total Remeasurements Cost / (Credit) for the year recognised in OCI	31.50	17.26
6 Less: Accumulated balances transferred to retained earnings	31.50	17.26
7 Closing balances (remeasurement (gain)/loss recognised OCI	-	-

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: (Rs. in Lakhs)

Particulars	As at 31 March 2021 Gratuity Plan (Funded)	As at 31 March 2020 Gratuity Plan (Funded)
1 Balance of the present value of obligation as at beginning of the period	861.82	881.04
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	-
4 Interest expenses	58.95	66.72
5 Past Service Cost	-	-
6 Current Service Cost	29.68	30.62
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	(87.30)	(77.49)
10 Employer Contribution	-	-
11 Actuarial (Gains)/Losses on obligations - due to Change in demographic assumptions	-	-
12 Actuarial (Gains)/Losses on obligations - due to Change in Financial assumptions.	22.06	(35.88)
13 Actuarial (Gains)/Losses on obligations - due to experience	10.42	(3.19)
Present value of obligation as at the end of the period	895.63	861.82

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: (Rs. in Lakhs)

Particulars	As at 31 March 2021 Gratuity Plan (Funded)	As at 31 March 2020 Gratuity Plan (Funded)
1 Fair value of the plan assets as at beginning of the period	910.30	953.85
2 Acquisition adjustment	-	-
3 Transfer in/(out)	-	-
4 Interest income	62.26	72.19
5 Contributions	12.10	18.09
6 Benefits paid	(87.30)	(77.49)
7 Amount paid on settlement	-	-
8 Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.99	(56.33)
9 Fair value of plan assets as at the end of the period	898.35	910.30

f) Major Categories of plan assets (as percentage to total plan assets) (Rs. in Lakhs)

Particulars	As at 31 March 2021 Gratuity Plan	As at 31 March 2020 Gratuity Plan
1 Government of India Securities	-	-
2 High Quality Corporate Bonds	-	-
3 Special Deposit Schemes	-	-
4 Funds Managed by Insurer	100.00%	100.00%
Total	100.00%	100.00%

g) Net interest (Income) /expenses

(Rs. in Lakhs)

Particulars	As at 31 March 2021 Gratuity Plan (Funded)	As at 31 March 2020 Gratuity Plan (Funded)
1 Interest (Income) / Expense – Obligation	58.95	66.72
2 Interest (Income) / Expense – Plan assets	(62.26)	(72.19)
3 Net Interest (Income) / Expense for the year	(3.32)	(6.27)

h) Principal actuarial assumptions at the balance sheet date.

- Discount rate as at 31-03-2021 - 6.86% (Previous year - 6.84%)
- Salary growth rate : For Gratuity Scheme - Ranging 3%-5% p.a (Previous year - 0% to 5% p.a.)
- Attrition rate: For gratuity scheme the attrition rate is taken at 2%
- The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

i) The amounts pertaining to defined benefit plans are as follows:

(Rs. in Lakhs)

Particulars	As at 31 March 2021 Gratuity Plan (Funded)	As at 31 March 2020 Gratuity Plan (Funded)
Defined Benefit Obligation	(895.63)	(861.82)
Plan Assets	898.35	910.30
(Surplus) / Deficit	(2.72)	(48.48)

j) General descriptions of defined plans:

Gratuity Plan:

The company has defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to separately administered fund. The fund is managed by trust which is governed by Board of Trustees. The Board of Trustees are responsible for the administration of plan assets and for the definition of the investment strategy.

k) Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation(PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

(Rs. in Lakhs)

Change in Assumption	Effect on gratuity obligation	Effect on gratuity obligation
	As at 31 st March 2021	As at 31 st March 2020
1 Discount rate		
Delta Effect of 1% Increase in Rate of Discounting	(45.82)	(45.64)
Delta Effect of 1% Decrease in Rate of Discounting	50.62	50.54
2 Salary increase rate		
Delta Effect of 1% Increase in Rate of Salary Increase	49.94	50.38
Delta Effect of 1% Decrease in Rate of Salary Increase	(46.02)	(32.74)
3 Withdrawal rate		
Delta Effect of 1% Increase in Rate of Employee Turnover	5.53	6.48
Delta Effect of 1% Decrease in Rate of Employee Turnover	(6.02)	(6.97)

I) Other Details

(Rs. in Lakhs)

Particulars	As at 31 March 2021 Gratuity Plan (Funded)	As at 31 March 2020 Gratuity Plan (Funded)
Expected Contribution for next year (12 months)	15.19	13.93
Expected Future Benefit Obligation	895.63	861.82
Weighted average duration of the Expected Future Benefit Obligation	7.00	7.00

38. Related Party Disclosures

(A) Names of the related party and nature of relationship and transactions entered in to :

Sr. No.	Name of the Related Party	Relationship
1	Menon Piston Rings Private Limited	CMD and close members of CMD having Joint control over Entity
2	Menon Exports	CMD and Spouse of CMD are Partners
3	Menon Engineering Services	CMD and Spouse of CMD are Partners
4	Menon Metals and Alloys LLP	CMD and Spouse of CMD are Partners

(B) Names of Key Managerial Personnel & Relatives

Sr. No.	Name of the Related Party	Relationship
1	Mr. Sachin R. Menon	Chairman & Managing Director (CMD)
2	Mr. Ramesh D. Dixit	Non Executive Director
3	Mr. Ajitkumar S. Belur	Independent Director
4	Mr. Subhash G. Kutte	Independent Director
5	Mrs. Sadhana S. Zadbuke	Independent Director-up to 31.10.2020
6	Mr. Shrikant Sambhoos	Independent Director (w.e.f - 11th March, 2020)
7	Ms. Neha Marathe	Independent Director (w.e.f - 01st November, 2020)
8	Mrs. Gayatri S.Menon	Spouse of CMD
9	Ms. Sharanya S.Menon	Daughter of CMD
10	Ms. Nivedita S. Menon	Daughter of CMD
11	Ms. Devika S. Menon	Daughter of CMD
12	Smt. Radhamani Ram Menon	Mother of CMD

C) Disclosure of related parties transactions

(Rs. in Lakhs)

Sr. No.	Nature of transaction/ relationship/parties	Relationship	2020-2021		2019-2020	
			Amount	Amount	Amount	Amount
1	Purchase of goods, Services		783.03		697.09	
	Menon Piston Rings Pvt Ltd.	CMD and close members of CMD having joint control over entity		669.25		629.46
	Menon Engineering Services	CMD and Spouse of CMD are partners		113.79		67.64
2	Sale of goods/Contract revenue and Services		3,711.38		2510.86	
	Menon Piston Rings Pvt Ltd	CMD and close members of CMD having joint control over entity		98.35		109.21
	Menon Exports	CMD and Spouse of CMD are partners		3,601.44		2392.91
	Menon Engineering Services	CMD and Spouse of CMD are partners		11.59		8.74
3	Sale of Fixed Assets		-		4.20	
	Menon Engineering Services	CMD and Spouse of CMD are partners		-		4.20
4	Rent		21.24		18.48	
	Mr. Sachin R. Menon	CMD		18.78		16.56
	Mrs. Gayatri S. Menon	Spouse of CMD		2.46		1.92
5	Remuneration, Commission and Salary		91.16		94.58	
	Mr. Sachin R. Menon	CMD		82.39		85.60
	Ms. Sharanya S. Menon	Daughter of CMD		8.09		8.98
	Ms. Devika S. Menon	Daughter of CMD		0.68		-
6	Sitting Fees		1.02		0.25	
	Mr. Sachin R. Menon	CMD		0.17		0.05
	Mr. Ramesh D. Dixit	Non Executive Director		0.17		0.05
	Mr. Ajitkumar S. Belur	Independent Director		0.17		0.05
	Mr. Subhash G. Kutte	Independent Director		0.17		0.05
	Mrs. Sadhana S. Zadbuke	Independent Director (upto 31st March, 2020)		0.12		0.05
	Mr. Shrikant Sambhoos	Independent Director		0.17		0.00
	Miss. Neha Marathe	Independent Director		0.05		0.00

C) Disclosure of related parties transactions

(Rs. in Lakhs)

Sr. No.	Nature of transaction/ relationship/parties	Relationship	2020-2021		2019-2020	
			Amount	Amount	Amount	Amount
7	Interest Received Menon Piston Rings Pvt Ltd	CMD and close members of CMD having joint control over entity	-	-	19.45	19.45
8	Dividend Paid Mr. Sachin R. Menon Mrs. Gayatri S. Menon Ms. Sharanya S. Menon Ms. Nivedita S. Menon Ms. Devika S. Menon Late Mr. Ram Menon Smt. Radhamani Menon Mr. Ramesh D. Dixit Menon Metals and Alloys LLP	CMD Spouse of CMD Daughter of CMD Daughter of CMD Daughter of CMD Father of CMD Mother of CMD Non Executive Director CMD and Spouse of CMD are partners	-	-	455.30	
						128.42
						86.91
						50.50
						50.50
						50.50
						8.51
						35.89
						0.17
						43.89
9	Reimbursement Of Expenses Menon Exports	CMD and Spouse of CMD are partners	-	-	2.13	2.13

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

D) Amount due to/from related parties

(Rs. in Lakhs)

Sr. No.	Nature of transaction/ relationship/parties	Relationship	2020-2021		2019-2020	
			Amount	Amount	Amount	Amount
1	Trade Receivable Menon Exports Menon Piston Rings Pvt. Ltd.	CMD and Spouse of CMD are partners CMD and close members of CMD having joint control over Entity	1,632.40	-	745.44	
				1,632.40		617.44
				-		128.00

D) Amount due to/from related parties

(Rs. in Lakhs)

Sr. No.	Nature of transaction/ relationship/parties	Relationship	2020-2021		2019-2020	
			Amount	Amount	Amount	Amount
2	Advance To Suppliers Menon Engineering Services	CMD and Spouse of CMD are partners	5.81	5.81	5.81	5.81
3	Trade Payable Menon Piston Rings Pvt. Ltd.	CMD and close members of CMD having joint control over Entity	186.15	186.15	72.40	72.40
4	Capital Advance Menon Engineering Services	CMD and Spouse of CMD are partners	52.18	52.18	81.15	81.15

E) Transactions with key management personnel

Compensation of key management personnel of the Company

(Rs. in Lakhs)

Particulars	2020-2021	2019-2020
Short-term employee benefits	76.63	80.81
Post employment benefits	5.76	4.80
Other long-term employment benefits	-	-
Termination benefits	-	-
Total Compensation paid to key management personnel	82.39	85.60

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

The above figures do not include provision for leave encashment and gratuity, as actuarial valuation of such provision for the Key Management Personnel is included in the total provision for Leave encashment & gratuity..

39. Corporate Social Responsibility (CSR)

(a) CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is Rs. 20.94 Lakhs (Previous Year Rs. 24.42 Lakhs)

(b) Expenditure related to Corporate Social Responsibility is Rs. 21.68 Lakhs (Previous Year Rs. 25.74 Lakhs)

Details of Amount spent towards CSR is given below:

(Rs. in Lakhs)

Particulars	2020-2021	2019-2020
Donations:		
Education	4.27	18.15
Health	11.03	-
Sports For Development	0.25	-
Social Welfare	0.45	0.35
Women Empowerment	3.74	5.22
Eradication of Hunger & Poverty	1.93	1.33
Disaster management	-	0.69
	-	-
Total	21.68	25.74

40. Fair Value of financial assets and liabilities

a) Set out below, is the fair value of the company's financial instruments that are recognized in the financial statements

(Rs. in Lakhs)

Sr. No.	Particulars	Fair Value	
		As at March 31, 2021	As at March 31, 2020
	Financial Assets		
a)	Carried at amortized cost		
	Non Current Loans-Security Deposits	167.28	159.49
	Trade receivable	4,047.22	2,826.34
	Current loans-Security Deposits	8.99	11.57
	Other financial assets	10.30	12.75
	Cash and cash equivalent	1,266.64	240.10
	Other bank balances	31.09	198.62
		5,531.51	3,448.87
b)	Carried at FVTOCI		
	Investments - Non Current	0.37	0.37
		0.37	0.37
	Financial Liabilities		
a)	Carried at amortized cost		
	Non Current Financial Liabilities	11.68	-
	Current borrowings at floating rate of interest	1,073.66	402.84
	Trade payable	1,674.22	732.61
	Other current financial liabilities (Current)	849.76	490.34
		3,609.32	1,625.79

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of financial assets and liabilities measured at amortised cost are a reasonable approximation of their fair values..

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level is given in Note no 32.18 of Significant Accounting Policies.

b) Financial assets and liabilities for which fair value is disclosed

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3
Non current investments -Carried at FVTOCI			
March 31, 2021	-	-	0.37
March 31, 2020	-	-	0.37

40 A. Financial risk management policy and objectives

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and other financial liabilities. The main purpose of these financial liabilities is to finance company's operations. Company's principal financial assets include trade and other receivables, security deposits, investments, cash and cash equivalents and other bank balances that are derived directly from its operations.

Company is exposed to certain risks which includes market risk, credit risk and liquidity risk.

Risk Management committee of the company oversees the management of these risks. This committee is accountable to audit committee of the board. This process provides assurance to the company's senior management that company's financial risk- taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and risk appetite.

The policies for managing these risks are summarised below.

1) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits, foreign exchange transactions and other financial instruments.

Company uses expected credit loss model for assessing and providing for credit risk.

a) Trade receivable

Customer credit risk is managed through the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. Trade receivables are non interest bearing and are generally on, 30 days to 75 days credit terms. The company has no concentration of risk as customer base is widely distributed both economically and geographically.

i) Ageing analysis of trade receivable as on reporting date

(Rs. in Lakhs)

Particulars	Not Due	Less than 1 year	More than 1 year	Total
March 31, 2021	3,319.55	640.41	87.26	4,047.22
March 31, 2020	1,802.66	911.19	112.49	2,826.34

ii) Movement of impairment Allowance (allowance for bad and doubtful debts)

(Rs. in Lakhs)

Particulars	Total
Loss Allowance as at April 1 2019	-
Provided during the year	-
Amounts written off	-
Amount written back	-
Loss Allowance as at 31 March 2020	-
Provided during the year	-
Amounts written off	-
Amount written back	-
Loss Allowance as at 31 March 2021	-

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's finance department in accordance with company's policy. Investments of surplus funds are made only in fixed deposits and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment company adjust it's exposure to various counterparties. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount.

2) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet it's present and future cash flow and collateral obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet it's cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic banks at optimised cost.

The table summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments

(Rs. in Lakhs)

Particulars	On demand	Less than 1 year	More than 1 year	Total
a) Trade Payables				
March 31, 2021	-	1,674.22	-	1,674.22
March 31, 2020	-	732.61	-	732.61
b) Borrowings				
March 31, 2021	1,073.66	-	-	1,073.66
March 31, 2020	402.84	-	-	402.84
c) Other Financial Liabilities				
March 31, 2021	17.90	831.86	11.68	861.44
March 31, 2020	20.62	469.72	-	490.34

The Company has access to following undrawn facilities at the end of the reporting period

Particulars	Floating Rate	
	Expiring within 1 Year	Expiring beyond 1 Year
March 31, 2021	RLLR (Y) +0.40	-
March 31, 2020	MCLR +0.70	-

3) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Foreign Currency Exposure Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). However, company manages its exposures towards export receivables by routing major sales through a export house wherein sales is denominated in a local currency. So, foreign currency exposure risk is restricted to minimum amount of need-based imports of consumables and Property, plant & Equipment.

40B. Impairment of financial assets: Expected credit loss

Provision for expected credit loss

Internal rating	Category	Description of category	Basis of recording expected credit loss	
			Loans and deposits	Trade receivables
A	High quality asset, negligible credit risk	Assets where the counter party has strong capacity to meet obligations and where risk is negligible or nil.	12 months expected credit losses	Life- time expected credit losses - simplified approach
B	Standard asset, moderate credit risk	Assets where there is moderate risk of default and where there has been low frequency of defaults in past.		

Internal rating	Category	Description of category	Basis of recording expected credit loss	
			Loans and deposits	Trade receivables
C	Low quality asset, High credit risk	Assets where there is high probability of default. In general, assets where contractual payments are more than year past due are categorised as low quality asset. Also includes where credit risk of counter party has increased significantly through payments may not be more than a year past due.	Life- time expected credit losses	Life- time expected credit losses - simplified approach
D	Doubtful asset- credit impaired	Assets are written off, when there is no reasonable expectations of recovery. Where loans and receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off	

As at 31st March 2021

1) Expected credit loss for loans, security deposits and investments

(Rs. in Lakhs)

Particulars		Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly from inception	Loans - Security Deposits	A	176.27	-	-	176.27
		Other Financial Assets	A	38.30	-	-	38.30
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and not credit impaired	Nil					
	Financial assets for which credit risk has increased significantly and credit impaired	Nil					

2) Expected credit loss for trade receivables under simplified approach

(Rs. in Lakhs)

Particulars	Not due	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Gross carrying amount	3,319.55	640.41	87.26	4,047.22
Expected loss rate	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivable (Net of impairment)	3,319.55	640.41	87.26	4,047.22

As at 31st March 2020

1) Expected credit loss for loans, security deposits and investments

(Rs. in Lakhs)

Particulars		Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly from inception	Loans	A	171.06	-	-	171.06
		Fixed Deposits	A	12.75	-	-	12.75
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and not credit impaired	Nil					
	Financial assets for which credit risk has increased significantly and credit impaired	Nil					

2) Expected credit loss for trade receivables under simplified approach

(Rs. in Lakhs)

Particulars	Not due	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Gross carrying amount	1,802.66	911.19	112.49	2,826.34
Expected loss rate	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivable (Net of impairment)	1,802.66	911.19	112.49	2,826.34

41. Capital management

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the company's capital management is to maximise the shareholders value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is, net debt divided by total capital plus net debt. Company's policy is to keep the gearing ratio between 0% and 40%. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations. However, recently company has focused on becoming zero debt company in order to minimise interest burden and maximum profits.

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and borrowings (including Current maturities)	1,073.66	402.84
Less: Cash and Bank Balance	1,297.72	438.72
Net debt	-224.06	-35.88
Equity	8,326.70	7,456.71
Capital and net debt	8,102.64	7,420.83
Gearing %	-2.77%	-0.48%

42. Leases

Company as lessee

The Company has entered into agreement in the nature of lease agreement with different lessors for the purpose of guest house/transit house to the employees of the Company.

These are generally in nature of operating lease and disclosure in regard to Ind AS 116 is as below -

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation charge for 'Right-to-Use Asset'	18.26	14.72
Interest Expense on Lease Liability	2.09	1.70
Carrying amount of 'Right-to-Use Asset' at the end of the reporting period	32.72	7.36
Total Cash outflow for leases	21.24	18.48
Expense relating to short term leases and and leases of low value assets	-	-

Nature of leasing activity

The Company has leases for buildings. Certain lease contracts provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. While other lease contracts comprise only fixed payments over the lease terms.

Extension and termination options

The use of extension and termination options gives the Company added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Company's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost. Existing lease agreement do not have any extension option.

The details of the maturities of lease liabilities as at March 31, 2020 are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	21.79	8.99
After one year but not more than 5 years	11.68	-
More than five years	-	-
Total	33.47	8.99

Operating lease commitments — Company as lessor

The company has entered into operating leases for land and non-factory building, with lease terms of ten years. The company has the option to lease the assets for additional terms. The lease rent is increased by 10% after 3 years. During the year, Income earned from lease rent amount to Rs. 5.68 lakhs. Future minimum rentals payable under non-cancellable operating leases as at 31 March 2021 are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	4.24	4.24
After one year but not more than 5 years	24.23	22.90
More than five years	10.76	18.92
Total	39.23	46.05

43. Segment Reporting

Company operates in single segment as business of Pistons, Pins and Auto Shafts (Auto Components). The Executive Management Committee monitors the operating results of entire company as whole for the purpose of making decisions about resource allocation and performance assessment.

Details of revenue contributed by single customer that exceeds 10% of total revenue:

1. Menon Exports (22.54%)
2. Cummins India Ltd (10.82%)

44. Estimation uncertainty relating to Global health pandemic on COVID-19:

The global economic and business environment has been highly disruptive due to Covid- 19 pandemic. As a result, the operations of the Company were halted from 24th March, 2020. Based on the opening of economic activity, the Company had partially started operations from 4th May 2020, eventually took the pace but again at year end, government restrictions were started creating hinderance in the operations of the company.

Even though, it is very difficult to predict the duration of the disruption and severity of its impact, on the basis of evaluation of overall economic environment, outstanding order book, liquidity position, recoverability of receivables, the Company does not anticipate impairment of any of its assets.

45. Details of provisions and movements in each class of provisions.

Particulars	Provision for leave encashment
Carrying amount as at 1st April 2019	89.73
Add: Provision during the year 2019-20	-
Less: Amount paid during the year 2019-20	1.04
Less: Amount reversed during the year 2019-20	14.74
Carrying amount as at 31 March 2020	73.94
Add: Provision during the year 2020-21	7.62
Less: Amount paid during the year 2020-21	1.84
Less: Amount reversed during the year 2020-21	
Carrying amount as at 31 March 2021	79.72

46. Previous Years figures are rearranged and regrouped wherever necessary

As per our report of even date
P G BHAGWAT LLP
Chartered Accountants
FRN:101118W/W100682

For and on behalf of the Board of Directors of
Menon Pistons Limited

Mr. Akshay B. Kotkar
Partner
Membership No.140581
UDIN : 21140581AAAADN3659

Mr. Sachin Menon
Chairman & Managing Director
DIN:00134488

Mr. R. D. Dixit
Director
DIN:00626827

Place : Kolhapur
Date : June 10. 2021

Mr. S.B.P. Kulkarni
CFO & Associate Vice President

Mr. Deepak Suryavanshi
Company Secretary

Notes

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