

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

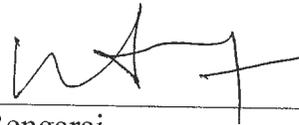
1. Name of the Company: : L.G.BALAKRISHNAN & BROS LIMITED
2. Annual financial statements for the year ended : 31st March, 2013
3. Type of Audit observation : Un-qualified
4. Frequency of observation : Not Applicable
5. To be signed by-

(a) CEO/Managing Director



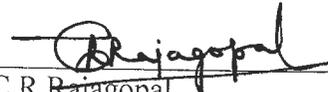
: B.Vijayakumar
Chairman Cum Managing Director

(b) CFO



: N.Rengaraj
Chief Financial Officer

Auditor of the company



: C.R.Rajagopal
Membership No. 23418
Partner
Deloitte Haskins & Sells Chartered
Accountants, Coimbatore
Firm Registration No. 008072S

Audit Committee Chairman



: P.Shanmugasundaram
Director

**L.G. BALAKRISHNAN & BROS LIMITED
COIMBATORE**



**57th
ANNUAL REPORT
2012 - 2013**



L.G. BALAKRISHNAN & BROS LIMITED

Corporate Information

BOARD OF DIRECTORS

Sri. B. Vijayakumar
Chairman cum Managing Director

Sri. P. Prabakaran
Deputy Managing Director

Sri. P. Balasubramanian

Sri. S. Sivakumar

Sri. V. Govindarajulu

Sri. P. Shanmugasundaram

Smt. Rajsri Vijayakumar

Sri. V. Rajvirdhan

Dr. T. Balaji

Sri. R. Vidhya Shankar

CHIEF FINANCIAL OFFICER

Sri. N. Rengaraj

GENERAL MANAGER CUM COMPANY SECRETARY

Sri. M. Lakshmi Kanth Joshi

BANKERS

Andhra Bank

Axis Bank Limited

BNP Paribas

Corporation Bank

HDFC Bank Limited

IndusInd Bank Limited

ICICI Bank Limited

IDBI Bank Limited

The Bank of Nova Scotia

Union Bank of India

Yes Bank Limited

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells
Chartered Accountants
Shanmuga Mandram
41 Race Course, Coimbatore 641018
Phone No. 0422 - 4392801

COST AUDITOR

Dr. G.L. Sankaran
82, EB Colony, Vadavalli, Coimbatore - 641 041
Phone No. 0422 - 2400767

REGISTRAR AND SHARE TRANSFER AGENTS

M/s.Cameo Corporate Services Limited
“Subramanian Building”
No 1, Club House Road, Chennai- 600 002
Phone No. 044 - 28460390

SECURITIES ARE LISTED

Bombay Stock Exchange Ltd.
National Stock Exchange of India Ltd.

REGISTERED OFFICE

6/16/13, Krishnarayapuram Road,
Ganapathy, Coimbatore - 641 006.
Phone No. 0422 - 2532325

CONTENTS

1. Notice	-	3
2. Directors' Report	-	6
3. Management Discussion and Analysis	-	10
4. Corporate Governance	-	12
5. Auditors' Report	-	21
6. Annual Accounts	-	26
7. Consolidated Accounts	-	62

57th ANNUAL GENERAL MEETING

Date	: 8th August, 2013
Day	: Thursday
Time	: 10.15 A.M.
Venue	: Ardra Convention Centre Kaanchan, 9, North Huzur Road Coimbatore- 641 018.
Book Closure Dates	: 01.08.2013 to 08.08.2013 (Both Days Inclusive)

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE ANNUAL GENERAL MEETING.

NOTICE

Notice is hereby given that the Fifty Seventh Annual General Meeting of the Members of the Company will be held on Thursday the 8th day of August 2013 at 10.15 A.M. at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To confirm the Interim Dividend already paid and declare Final Dividend on the Equity Shares for the financial year ended 31st March, 2013.
3. To appoint a Director in the place of Sri. V. Govindarajulu, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri. S. Sivakumar, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Sri. R. Vidhya Shankar, who retires by rotation, and being eligible, offers himself for reappointment.
6. To re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants as Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. **EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Pursuant to Clause 49 of the Listing Agreement additional information on Directors seeking appointment / re-appointment at the Annual General Meeting is provided in the Annual Report.

4. The Register of Members and Share Transfer Books of the Company will be closed from 01.08.2013 to 08.08.2013, (both days inclusive) for ascertaining the names of the shareholders to whom the Dividend, if declared at the Annual General Meeting, is payable. In respect of shares held in electronic form, the Dividend will be payable on the basis of beneficial ownership as per details furnished by Depositories for this purpose.

5. Reserve Bank of India has introduced Electronic Clearing Service (NECS) for facilitating crediting of Dividend directly to the shareholder's bank accounts. This facility eliminates loss of Dividend warrants sent by post due to pilferage in transit, delay in receipt of Dividend warrants and ensures quick credit of the Dividend.

Members holding shares in dematerialized form are requested to ensure that addresses furnished by them to their respective Depository Participants are correct and up-to-date, so that the correspondence from Company could reach them promptly. However, the Members holding shares in physical form may notify the same to M/s. Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai - 600 002 the Registrar and Share Transfer Agent of the Company.

6. Pursuant to Section 205A and 205C of the Companies Act, 1956, the Dividend which remained unencashed / unclaimed for a period of seven years from the date of transfer to the unpaid Dividend account is required to be transferred to the "Investor Education and Protection Fund" established by the Central Government. According to the relevant provisions of the Companies Act, 1956, as amended, no claim shall lie against the said fund or the Company for the amount of unclaimed Dividend / debenture interest so transferred to the said Fund. Members who have not encashed the Dividend warrant(s) so far, since the financial year 2005-2006, are requested to send their claim immediately to the Company / Registrar for issue of pay order / demand draft in lieu thereof. The Company has been sending reminders to the concerned members to claim their Dividend amounts from the Company.
7. Members who are holding shares more than one folio under physical form may approach the Company's

- Share Transfer Agent for consolidation with respective details.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
 9. **The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company.**
- Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled in E-Communication Registration Form enclosed at the end of this report. The Members holding shares in electronic form are requested to register their email addresses with their Depository Participants only. Even after registering for E-Communication the shareholders of the Company are entitled to receive such communication in physical form, upon request.
10. In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Mr. M. Lakshmi Kanth Joshi, General Manager cum Company Secretary at the following address so that the same may be attended appropriately to your entire satisfaction.

Coimbatore
30.04.2013

By Order of the Board,
M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

Details of Directors seeking Appointments/and re-appointments at the forthcoming Annual General Meeting
(in pursuance of Clause 49 of the Listing Agreement)

Name	Sri. V. Govindarajulu	Sri. S. Sivakumar	Sri. R. Vidhya Shankar
Director Identification No.	00016108	00016040	00002498
Date of Birth	08.07.1956	30.11.1952	25.03.1970
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	29.06.1998	28.06.1996	30.05.2008
Relationship with other Director	None	None	None
Qualification	B.E.,	B.Com.,	B.Com., B.L.,
Expertise in functional areas	More than 27 years experience in sourcing and and General Administration.	More than 29 years experience as an Industrialist	More than 20 years of experience in advocate profession
Shareholding in LGB	NIL	642	NIL
List of Directorships held in other Companies	NIL	BCW V Tech India P Ltd LG Sports Ltd South Western Engineering India Ltd Rolon Fine Blank Ltd LGB Rolon Chain Ltd Elgi Automotive Services P Ltd L.G.B Auto Products P Ltd LGB Fuel Systems P Ltd Ishwarya Lakshmi Finance P Ltd	Pricol Ltd
Chairman/Member Committees of the Boards of other companies in which he is Director	NIL	NIL	Chairman of Audit Committee & Remuneration Committee Pricol Ltd

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty Seventh Annual Report of your Company together with the audited accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

The summary of the financial performance of the Company for the year ended 31st March, 2013 as compared to the previous year is as below

Particulars	31-03-2013 (₹ in Lakhs)	31-03-2012 (₹ in Lakhs)
Gross Income	94,062.78	90,691.64
Profit before Interest, Depreciation & Tax	9,379.93	10,392.13
Less : Interest	2,247.52	1,743.64
Depreciation	2,911.22	2,832.30
PROFIT BEFORE TAX	4,221.19	5,816.19
Less : Provisions for Taxation		
Current Income Tax/MAT	796.09	1,559.54
Deferred Tax(Credit/Charge)	57.37	(95.32)
PROFIT AFTER TAX	3,367.73	4,351.97
Add : Balance brought forward	3,004.82	2,156.20
AVAILABLE FOR APPROPRIATION	6,372.55	6,508.17
APPROPRIATIONS:		
1. Proposed Dividend on Equity Shares	658.63	863.30
2. Tax on Dividend	26.68	140.05
3. Transfer to General Reserves	2,500.00	2,500.00
4. Balance carried over	3,187.25	3,004.82
Total	6,372.55	6,508.17

PERFORMANCE AND OPERATIONS

The Company has been showing consistently good financial performance both in terms of turnover and profitability. During the year, the Gross Revenue from operations of your Company on standalone basis has increased by 3.72 % at ₹ 33.71 crore as compared to ₹ 906.92 crore during previous financial year 2011-12. The Profit before Tax on standalone basis stood at ₹ 4221.19 Lakhs as compared to ₹ 5816.19 Lakhs during previous year.

DIVIDEND

The Board of Directors at its meeting held on 29th January, 2013 declared interim Dividend @ ₹ 5.50 per equity share (55%) on the face value of ₹ 10/- each, which was paid to all shareholders on 15.02.2013.

We are pleased to recommend a final Dividend of 20% (₹ 2.00 per share of face value of ₹ 10/- each for the financial year 2012-13. The final Dividend, if approved

by the members, will be paid to members within the period stipulated by the Companies Act, 1956.

The aggregate Dividend for the year will amount to ₹ 7.50 per share on face value of ₹ 10/- each) as against ₹ 11/- per share of (110% on the face value of ₹ 10/- each) declared last year.

The total cash outgo for this purpose would be ₹ 685.31 Lakhs (Previous Year ₹ 1003.34 Lakhs), which include Tax on Dividend amounting to ₹ 26.68 Lakhs (Previous year ₹ 140.05 Lakhs)

ACQUISITION

In its strategy to pursue inorganic growth for further accelerating its progress and expanding its presence in select geographies, your Company's Foreign subsidiary LGB USA.INC, USA acquired 100% stake in GFM Corporation USA specializes in manufacturing of Precision Metal Stampings. The Company believes that acquisition of

GFM would help focussing on in-house products and upgrading marketing and sales functions in the important market of USA.

SUBSIDIARY COMPANIES

As on March 31, 2013, the Company has 2 subsidiaries. M/s.BCW V Tech India Private Limited, wholly - owned subsidiary & LGB USA INC.

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 forms part of this Annual Report. Information pertaining to performance / financials of subsidiary Companies is disclosed in the Consolidated Financial Statements.

Pursuant to Section 212(8) of the Companies Act, 1956, the Government of India vide its Circular No. 2/2011 dated 08th February 2011 granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the Balance Sheet and Profit & Loss Account and other documents of its Subsidiaries and hence the same have not been attached to your Company's Accounts for the year ended 31st March, 2013.

However these documents will be made available upon request to any investor of the Company and shall be kept for inspection at the Registered Office of the Company.

LISTING

The Securities of your Company are listed with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, and pursuant to Clause 38 of the Listing Agreement, the Annual Listing fees for the year 2013-2014 have been paid to them well before the due date i.e. April 30, 2013. The Company has also paid the annual custodian fees to NSDL & CDSL for the Securities of the Company held in dematerialized mode with them for the year 2013-2014.

PUBLIC DEPOSITS

The amount of fixed deposits available with the Company as on 31st March 2013 is ₹ 990.00 Lakhs.

There were no failure to make repayment of Fixed Deposits on maturity, on the fulfillment of the terms and conditions of your Company's Scheme.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Sri. V. Govindarajulu, Sri. S. Sivakumar and Sri. R. Vidhya

Shankar are liable to retire by rotation and are eligible for re-appointment.

A brief resume, expertise, shareholding in the Company and details of other Directorships of these Directors as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Notice of ensuing Annual General Meeting.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance Report with the Practicing Company Secretary's Certificate thereon and a Management Discussion and Analysis Report are attached and forms part of this report.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, an amount of ₹ 2.18 Lakhs being unclaimed Dividend (2004-05) was transferred during the year to the Investors Education and Protection Fund established by the Central Government.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, your Directors provide the Audited Consolidated Financial Statements in the Annual Report.

AUDITORS

The Statutory Auditors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and the Board recommend the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors and the Company has received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

COST AUDIT

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit for the Company. Based on recommendations of the Audit Committee and subject to approval of the Central Government, Mr. G.L. Sankaran, Cost Accountant, Coimbatore has been appointed as Cost Auditor for the

year. The relevant cost audit report for the financial year 2011-12 has been filed.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

INDUSTRIAL RELATIONS

Your Company firmly believes that people are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and all the units of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company continued to support causes of public utility both directly and indirectly in the field of education, medical relief, relief of poverty and promotion of sports.

ADDITIONAL DISCLOSURES

Management Discussion and Analysis Report, Corporate Governance Report, Segment Report, and Related Party Disclosures provided elsewhere in the Annual Report forms a part of this Report as required under the Listing Agreement entered into with the Stock Exchanges

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

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of

Directors) Rules, 1988, is given in a separate annexure, which forms a part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state:

- ❖ that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ❖ that appropriate accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date.
- ❖ that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- ❖ that the annual accounts have been prepared on going concern basis.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks all our customers, suppliers and investors for their continued support. We also gratefully acknowledge the continued assistance and co-operation extended by Government authorities, financial institutions and banks to the Company. The Board expresses its appreciation for the dedication and commitment extended by its employees and their contribution to the growth and progress of the Company.

Coimbatore
30.04.2013

By Order of the Board
B. VIJAYAKUMAR
Chairman cum Managing Director

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

A. CONSERVATION OF ENERGY

Furnishing of this information in the prescribed format in Form - A is not applicable to the Company. However the Company is making continuous efforts to conserve and optimize energy wherever practicable by economizing on fuel and power

FORM B

1. RESEARCH & DEVELOPMENT		
a)	Specific areas in which R & D is carried out by the Company	a) Timing Chain-Drive chain system. b) Friction Reduction
b)	Benefits derived as a result of the above R & D	a) New Business b) Cost Reduction
c)	Future plan of Action	To Develop : a) New application of Drive System b) Design of parts to reduce friction and production process for energy efficient manufacturing
d)	Expenditure on R & D	
	i) Capital	₹ 116.02 Lakhs
	ii) Recurring	₹ 253.80 Lakhs
	iii) Total R & D Expenditure	₹ 369.82 Lakhs
	iv) Total R & D expenditure as a % to total Turnover.	0.39%
2. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION		
a)	Efforts, in brief, made towards technology absorption, adaptation and innovation	a) Continuous interaction with chain consultant b) Product benchmarking c) Training
b)	Benefits derived as a results of the above efforts e.g., Product improvement, cost reduction, import substitution etc.	a) Improved profitability by reducing cost and increased customers base by adding new products.
c)	In case of Imported Technology during the last 5 Years reckoned from the beginning of the financial year, following information may be furnished.	
	1) Technology Imported	Silent Chain technology for 4WD application
	2) Year of Import	2009 - 2011
	3) Has technology been fully absorbed	in the phases
	4) If not fully absorbed, areas where this has not taken place reasons therefore and future plan of action.	it is a continuous development
C. FOREIGN EXCHANGE EARNINGS AND OUTGO		
	Foreign Exchange earned through Exports amount to	: ₹ 7535.72 Lakhs
	Foreign Exchange used	: ₹ 7098.91 Lakhs

Coimbatore
30.04.2013

By Order of the Board
B. VIJAYAKUMAR
Chairman cum Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Indian auto components industry has been witnessing a moderation in its revenue growth since the beginning of this fiscal following the deceleration in sales volume growth across all automobile segments. The automobile sector is cyclical and dependent on the growth of the economy and improvement in infrastructure. Today auto component manufacturers are increasingly complying with the internationally accepted quality standards. Product quality, cost and timely delivery are the key factors in the growth of this industry. Factors like increased public spending, favorable interest rates and general improvement in per capita income point towards higher demand for automobiles in the future.

OPPORTUNITIES

India is expected to become the third largest automobile market in the world. The rapid improvement in infrastructure, huge domestic market, increasing purchasing power, established financial market etc have made India a favorable destination.

The fortunes of the auto ancillary sector are closely linked to those of the auto sector. Demand swings in any of the segments (cars, two-wheelers, commercial vehicles) have an impact on auto ancillary demand. Demand is derived from original equipment manufacturers (OEM) as well as the replacement market.

Given the healthy growth prospects of the Indian automobile industry over the medium term. Your Company has been strenuously acting now to capture the next wave of growth with low-cost and adequate production capacity with world class technology.

THREATS

Indian auto component manufacturers gear themselves up on a war footing, they may find themselves in a tight corner to retain their dominant share in the domestic market.

A slowdown in the economy is a serious concern for the automobile segment as the sales are hugely correlated with the economic activity in the country and purchasing capacity of the customers. The other key challenges identified are exposure to cyclical downturns in the automobile industry are labour costs, price of raw

materials, counterfeit market, power problem and depreciating currency.

RISKS AND CONCERNS

The Company has put in place a risk management policy to identify the nature and magnitude of risk associated with the Company and to take steps for mitigating the impact of such risks. These are reviewed periodically and placed before the Board.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The Company periodically reviews the adequacy and effectiveness of the control systems.

The Audit Committee at their meetings regularly reviews the significant observations of the compliance and other monitoring reports. The heads of various monitoring / operating cells and statutory auditors are invited to attend the Audit Committee meetings

HEALTH, SAFETY, SECURITY ENVIRONMENT

The Company already has in place its own Safety System. Regular training is imparted to the workers and staff at all levels. The increased focus on safety has resulted in improved safety records at all our Plants and thus has improved the working environment.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Employer - employee relations continued to remain cordial during the year. Training and development of employees continue to be an area of prime importance. The devotion and commitment of our employees has enabled the Company to fulfill its targets and deadlines in time. The total number of people employed in the Company as on 31st March 2013 was 3950

RISK MANAGEMENT

Risk Management is an integral part of the business process, with the help of experts, the Company mapped the risks at the business processes and enterprise levels and evolved a risk management framework. Mitigative measures have been identified in respect of the latter. These would be periodically reviewed by the Board of Directors.



CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the government policies etc. The

Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the Actual results may materially differ from those expressed or implied in the report.

Coimbatore
30.04.2013

By Order of the Board
B. VIJAYAKUMAR
Chairman cum Managing Director

CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

LGB believes that the Company belongs to all the stakeholders and the corporate objective is to maximize shareholder value ethically and legally.

2. Board of Directors

Your Company's Board has an optimum combination of executive, non-executive and independent Directors as per requirements of Clause 49 of the Listing Agreement. The details of composition of the Board of Directors and Directorship held in other Companies / Board Committees by each member of the Board of Directors of the Company as on 31st March, 2013 is as under:

Name of the Directors	Category	No of Directorship*	No. of Board Committee Memberships/ Chairmanships held		Attendance Particulars		Relationship interse Directors
			Member	Chairman	Board Meeting	Last AGM	
Sri. B. Vijayakumar Chairman Cum Managing Director	Promoter Executive	10	4	-	4	Yes	Father of Smt. Rajsri Vijayakumar & Sri. V. Rajvirdhan
Sri. P. Prabakaran Deputy Managing Director	Executive	5	-	-	4	Yes	
Smt. Rajsri Vijayakumar	Non-Executive Promoter	3	-	-	2	Yes	Daughter of Sri. B. Vijayakumar & Sister of Sri. V. Rajvirdhan
Sri. V. Rajvirdhan	Non-Executive Promoter	6	1	-	4	Yes	Son of Sri. B. Vijayakumar & Brother of Smt. Rajsri Vijayakumar
Sri. S. Sivakumar	Non-Executive Non-Independent	6	-	-	4	Yes	
Sri. P. Balasubramanian	Non- Executive Independent	1	2	-	4	Yes	
Dr. T. Balaji	Non-Executive Independent	3	-	-	4	Yes	
Sri. V. Govindarajulu	Non- Executive Independent	1	2	1	4	Yes	
Sri. P. Shanmugasundaram	Non- Executive Independent	2	-	2	4	Yes	
Sri. R. Vidhya Shankar	Non- Executive Independent	2	1	3	3	No	

* Exclude Directorship in Private Companies and Foreign Companies.

Details of the Board meetings held during the financial year 2012 - 2013

During the year, 4 (Four) Meetings of the Board of Directors of the Company were held on 28th April 2012, 01st August, 2012, 25th October, 2012, and 29th January, 2013.

3. Audit Committee

The terms of reference of this Committee has been mandated with the same as specified in Clause 49 of the Listing Agreement with Stock Exchange and also with the requirement of Section 292 A of the Companies Act, 1956.

Meetings

During the financial year ended 31st March 2013, four Audit Committee Meetings were held on 27th April, 2012, 31st July, 2012, 24th October, 2012 and 28th January, 2013. The necessary quorum was present at these meetings.

The composition of the Audit Committee and the details of meetings attended by the Members are as follows:

Name of the Member	Category	Designation	No of Meetings	
			Held	Attended
Sri. P. Shanmugasundaram	Independent	Chairman	4	4
Sri. V. Govindarajulu	Independent	Member	4	4
Sri. P. Balasubramanian	Independent	Member	4	4

: Chairman of the Audit Committee had attended the last Annual General Meeting.

Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Audit Committee and the Company Secretary officiates as the Secretary of the Committee.

The audited quarterly results, annual audit plan, compliance with accounting standards, audit observations on the Annual Accounts and other related matters are discussed by the Audit Committee. The significant observations of the Internal Audit Department and the follow-up Action on matters raised are also reviewed by the Committee.

The Audit Committee has considered and reviewed the quarterly audited accounts & annual accounts for the year 2012-2013 and recommended to the Board for its adoption.

4. Remuneration Committee

A Remuneration Committee has been constituted by the Board of Directors to review and/or determine the remuneration package of the executive Directors of the Company in accordance with the guidelines laid out by the statute and the listing agreement with the Stock Exchanges. The Composition of Committee is given below:-

The following Directors are the members of the Remuneration Committee:

Name of the Member	Category	Designation
Sri. R. Vidhya Shankar	Independent	Chairman
Sri. P. Balasubramanian	Independent	Member
Sri. V. Govindarajulu	Independent	Member

The Committee has no need to meet during the financial year.

The Company currently does not have any stock option scheme.

Details of Remuneration paid to Directors during the financial year 2012-2013

a) Remuneration paid/payable to the Executive Directors for the financial year ended March 31, 2013 is given as under :

Name	Salary and perquisites ₹ in Lakhs	Service Contract
Sri. B. Vijayakumar, Chairman cum Managing Director	142.30	Re-appointed for a period of 5 years from 01.01.2010 to 31.12.2014
Sri. P. Prabakaran, Deputy Managing Director	46.24	Appointed for a period of 5 years from 01.06.2011 to 31.05.2016

Remuneration includes salary, Company's contribution to Provident Fund, commission.

b) Remuneration paid/payable to the Non-Executive Directors for the financial year ended March 31, 2013 is given as under

The Non-Executive Directors were not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and / or Committees thereof. The details of the sitting fees paid to the Non-Executive Directors are as under:

Name of the Directors	Sitting Fees (₹)
Sri. P. Balasubramanian	110,000
Sri. S. Sivakumar	60,000
Sri. V. Govindarajulu	110,000
Sri. P. Shanmugasundaram	110,000
Dr. T. Balaji	60,000
Sri. V. Rajvirdhan	60,000
Smt. Rajsri Vijayakumar	30,000
Sri. R. Vidhya Shankar	45,000
Total	585,000

c) Statement showing number of Equity Shares of ₹ 10/- each of the Company held by the present Non-Executive Directors as on March 31, 2013:

Name	No. of shares held	% of Holding
Smt. Rajsri Vijayakumar	444,788	5.670
Sri. V. Rajvirdhan	976,293	12.440
Dr. T. Balaji	400	0.005
Sri. P. Balasubramanian	1,000	0.010
Sri. S. Sivakumar	642	0.008
Sri. V. Govindarajulu	Nil	-
Sri. P. Shanmugasundaram	Nil	-
Sri. R. Vidhya Shankar	Nil	-

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive independent Directors during the year.

5. Shareholders' / Investors' Grievance Committee:

The Shareholders and Investors Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of Annual Reports, Dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. The Committee also approve transfer, transmission, transposition, consolidation, split, name deletion, and issue of duplicate share certificates of the Equity Shares of the Company.

In addition, the Committee looks into other issues including status of dematerialization / re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The Shareholders' / Investors' Grievance Committee consists of the following Directors.

Name of the Member	Category	Designation
Sri. V. Govindarajulu	Independent	Chairman
Sri. B. Vijayakumar	Executive Promoter	Member
Sri. R. Vidhya Shankar	Independent	Member

During the year under review, the Committee met 15 times to deliberate on various matters referred above and for redressal of investors complaints.

Sri. M. Lakshmi Kanth Joshi, General Manager cum Company Secretary, acts as Secretary to the Committee. He is the Compliance Officer of the Company and also responsible for redressal of investors complaints.

The Company has been receiving various correspondences from shareholders and required information/documents are furnished immediately to the satisfaction of shareholders. At the beginning of the year, no complaint was pending. During the year ended 31st March, 2013, the Company received three complaints from investors and replied to the satisfaction of the aforesaid investors. No investor complaint was pending on 31st March 2013.

6. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of this Annual Report.

7. General Body Meetings: Details of the Last 3 AGM are given as under

Year	Date	Time	Venue
2010	14.06.2010	10.15 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18
2011	14.06.2011	10.45 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18
2012	09.07.2012	10.15 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18

No special resolutions was passed at the Annual General Meeting

No Extra -Ordinary General Meeting of shareholders was held during the year.

No special resolutions were put through postal ballot last year and there is no proposal for this year

8. Disclosures

(i) Related Party Transactions

In terms of the Accounting Standard - 18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Notes to the Accounts forming part of this Annual Report.

The Company has not had any transActions of material nature with the Directors and / or their relatives, promoters, management during the year ended on March, 31, 2013 that may have conflict with the interests of the Company.

(ii) Compliances by the Company

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines of SEBI, No Penalties have been levied or strictures have been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets, in the last three years.

(iii) Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is posted on the website of the Company.

(iv) CEO / CFO certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49 (V) of the Listing Agreement and the certificate forms part of Annual Report.

The Company complies with all the requirements of the listing agreement including the mandatory requirements of Clause 49 of the agreement.

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under clause 49 of the listing agreement.

Company has a Remuneration Committee comprises of three Non-executive Directors.

9. Whistle Blower Policy

The Company does not have any Whistle Blower Policy. However any employee, if he/she so desires, would have free access to meet Senior Level Management and Report any matter of concern.

10. Means of Communication

(i) Quarterly and Half-yearly financial results

The Quarterly, Half yearly and Annual Results of the Company are available on the website of the Company www.lgb.co.in. The hard and soft copies are also sent to concerned stock exchanges immediately after they are approved by the Board so as to enable them to put them on their notice board/ website and also published in one widely circulated English Newspaper (Financial Express) and a Vernacular (Tamil) Newspaper (Malaimalar). The Company has a dedicated help desk with email ID: secretarial@lgb.co.in in the Secretarial Department for providing necessary information to the investors.

(ii) Official News Releases

Official news releases are made whenever it is considered necessary

(iii) The presentation made to institutional investors or to the analysts

There were no specific presentation made to the investors or analysts during the year.

11. Shareholder Information

1. Annual General Meeting is proposed to be held at 10.15 A.M. on Thursday the 8th August, 2013 at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018.

2. Financial Calendar

Financial Year : April to March

For the year ended 31st March 2013, results were announced on 30.04.2013.

Financial Year - 2013-2014

Quarter ending June 30, 2013 - End of July 2013*

Quarter ending September 30, 2013 - End of October 2013*

Quarter ending December 31, 2013 - End of January 2014*

Year ending 31-03-2014 - End of April or May 2014*

* Tentative

3. Date of Book Closure - 01.08.2013 to 08.08.2013 (both days inclusive) to determine the members entitled to the Dividend for 2012- 2013
4. Dividend payment date - 20th August 2013.
5. a) Listing on Stock Exchanges - Bombay Stock Exchange Ltd.
The National Stock Exchange of India Ltd.
- b) Securities Code - Bombay Stock Exchange Ltd. Equity 500250
- The National Stock Exchange of India Ltd. - LGBBROSLTD
- c) The International Security Identification Number (ISIN) - INE337A01034

The Company has paid the Listing Fees for the year 2013 - 2014 to the above Stock Exchanges.

6. Stock market price data for the year 2012-2013

MARKET PRICE DATA: Monthly high/low of market price of the Company's Equity Shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the last financial year was as under:

	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2012	298.10	262.00	361.00	295.00
May	302.00	269.10	299.00	270.10
June	308.00	256.60	302.00	260.55
July	287.55	232.70	290.00	251.00
August	268.45	241.40	264.90	240.00
September	260.00	246.00	262.00	245.05
October	269.95	249.95	273.30	248.00
November	254.70	243.60	255.00	244.00
December	261.60	241.50	265.00	241.15
January - 2013	264.00	241.80	266.00	241.30
February	252.00	217.10	248.75	216.00
March	235.00	179.40	227.00	180.05

Distribution of Shareholding as on 31st March, 2013

Range	No. of Holders	No. of Shares (Face Value ₹ 10/-)	% of Shares
1 - 100	11,916	440,917	5.62
101 - 500	2,583	618,412	7.88
501 - 1000	491	367,953	4.69
1001 - 2000	227	330,203	4.21
2001 - 3000	76	187,949	2.39
3001 - 4000	53	183,910	2.34
4001 - 5000	37	170,681	2.17
5001 - 10000	48	340,413	4.34
10001 - and above	39	5,207,666	66.36
Total	15,470	7,848,104	100.00

Pattern of Shareholding as on 31st March 2013

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and promoters group	17	3,586,948	45.70
2	Financial Institutions, Banks	2	1,602	0.02
3	Foreign Institutional Investors/NRI/OCB	127	599,598	7.64
4	Bodies Corporate	289	259,538	3.31
5	Public	15,035	3,400,418	43.33
	Total	15,470	7,848,104	100.00

Dematerialization of Shares as on 31st March, 2013.

The Equity Shares of the Company are compulsorily traded in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility.

Demat & Physical Shares

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	5,249,255	66.88
Central Depository Services (India) Limited	1,593,101	20.30
Physical	1,005,748	12.82
Total	7,848,104	100.00

Registrar & Transfer Agents

(For share transfers and other communication relating to share certificates, Dividend and change of address)

M/s.Cameo Corporate Services Limited, "Subramanian Building" No.1 Club House Road, Chennai - 600 002

Compliance Officer's Details

<p>M. Lakshmi Kanth Joshi General Manager cum Company Secretary 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006 Phone No.0422-3911212 Fax No: 0422-3911163 Email: lk.joshi@lgb.co.in</p>

In order to facilitate investor servicing, the Company has designated an e-mail-id: secretarial@lgb.co.in mainly for registering complaints by investors.

Share Transfer System

The Shares transfers are registered and returned within a period of 15 days of receipt if documents are in order. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL within 4 working days. The share transfers are approved by the Share Transfer Committee which meets as and when required.

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

12. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March, 2013

- The Company's Chairman cum Managing Director's declaration to this effect forms a part of this report.

13. Code for Prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors / officers / designated employees. The Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

14. Address for Correspondence

All correspondences should be addressed to

M. Lakshmi Kanth Joshi
General Manager Cum Company Secretary
6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006
Phone No.0422-3911212 Fax No: 0422-3911163 Email: lk.joshi@lgb.co.in

15. DECLARATION ON CODE OF CONDUCT

To

The Members of L.G. Balakrishnan & Bros Limited

In accordance with Clause 49 sub-clause I (D) of The Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel including myself, have affirmed compliance to their respective Codes of Conduct, as applicable for the Financial Year ended 31st March, 2013.

Place: Coimbatore

Date: 30.04.2013

B. VIJAYAKUMAR

Chairman cum Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of L.G. Balakrishnan & Bros Limited.

I have examined the compliance of conditions of Corporate Governance by M/s. L.G. Balakrishnan & Bros Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors' Relation Committee.

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

Coimbatore
30.04.2013

M.D. SELVARAJ
Practicing Company Secretary
C.P. No. 411 (FCS 960)

CERTIFICATION BY CHAIRMAN CUM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We, B. Vijayakumar, Chairman cum Managing Director, and N. Rengaraj, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- a) we have reviewed the financial statements and cash flow statement for the year ended March, 31, 2013 and to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March, 31, 2013 are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) we have indicated to the Auditors and Audit Committee that :
 - (i) there have not been any significant changes in internal controls over financial reporting during the year ended March, 31, 2013;
 - (ii) there have not been any significant changes in accounting policies during the year ended March, 31, 2013 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there has not been any instance during the year ended March, 31, 2013 of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Coimbatore
30.04.2013

B. VIJAYAKUMAR
Chairman cum Managing Director

N. RENGARAJ
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L.G.BALAKRISHNAN & BROS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of L.G.BALAKRISHNAN & BROS LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company’s Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (“the Act”) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;
and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2013 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Section 274(1)(g) of the Act.

Coimbatore
30.04.2013

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No.008072S
C.R. RAJAGOPAL
Membership No.23418
Partner

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'

Section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses 4(x), 4(xiii), 4(xiv) and 4(xx) are not applicable to the Company.
 - (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
 - (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 - (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans aggregating Rs. 298.12 Lakhs to one party (1) during the year. At the year-end, the outstanding balances of such loans granted aggregated Rs. 123.48 Lakhs (number of parties one) and the maximum amount involved during the year was Rs. 298.12 Lakhs (number of parties one).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
 - (d) In respect of overdue amounts of over Rs. 1 lakh remaining outstanding as at the year-end, as explained to us, Management has taken reasonable steps for recovery of the principal amounts and interest.
- In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- (a) The Company has taken loans aggregating Rs. 1736 Lakhs from Eleven parties (11) during the year. At the year-end, the outstanding balances of such loans taken aggregated Rs. 733.00 lakhs (number of parties Eight) and the maximum amount involved during the year was Rs. 1282.00 Lakhs (number of parties 11).

- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
- (c) The payments of principal amounts and interest in respect of such loans are regular/ as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A , 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by firm(s) of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax , Wealth Tax, Service Tax , Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of statute	Nature of the disputes	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in lakhs)
Central Excise	Cenvat on Capital Goods	CESTAT Chennai	Various Periods	9.16
	Differential duty	Tribunal	2007 - 2008	31.74
	MRP based Assessment	CESTAT, Mangalore	2006 - 07	30.87
	ED - Transfer of Division	CESTAT Chennai	2009-10	247.00
Service Tax	Credit on GTA and windmill	CESTAT, Chennai	Various periods	20.26
Entry Tax	Entry tax	High Court of Madras (Stayed by the High Court)	Various Periods	408.36
VAT / CST	Difference Duty	ACCT, Coimbatore	2002 - 2003	235.48

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long- term investment.
- (xvi) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) During the year covered by our audit report, the Company has not issued any debentures.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No.008072S

C.R. RAJAGOPAL
Membership No.23418
Partner

Coimbatore
30.04.2013

**BALANCE SHEET AS AT 31.03.2013**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	784.81	784.81
(b) Reserves and surplus	4	24,956.78	22,274.35
		<u>25,741.59</u>	<u>23,059.16</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	8,254.62	5,706.09
(b) Deferred tax liabilities (net)	27.7	1,829.54	1,772.17
		<u>10,084.16</u>	<u>7,478.26</u>
3 Current liabilities			
(a) Short-term borrowings	6	4,138.97	5,617.24
(b) Trade payables	7	11,040.41	10,796.40
(c) Other current liabilities	8	7,043.11	6,708.32
(d) Short-term provisions	9	183.64	1,003.34
		<u>22,406.13</u>	<u>24,125.30</u>
TOTAL		58,231.88	54,662.72
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.a	20,017.00	18,770.18
(ii) Intangible assets	10.b	287.25	311.17
(iii) Capital work-in-progress		349.28	327.52
(b) Non-current investments	11	3,399.88	1,650.63
(c) Long-term loans and advances	12	2,092.63	1,286.18
(d) Other non-current assets	13	2.09	8.10
		<u>26,148.13</u>	<u>22,353.78</u>
2 Current assets			
(a) Inventories	14	18,336.96	19,133.08
(b) Trade receivables	15	11,010.75	10,498.09
(c) Cash and cash equivalents	16	583.41	522.29
(d) Short-term loans and advances	17	1,864.17	1,866.95
(e) Other current assets	18	242.46	288.53
(f) Current investments	19	46.00	-
		<u>32,083.75</u>	<u>32,308.94</u>
TOTAL		58,231.88	54,662.72

Corporate information and

Significant Accounting policies

1 & 2

See accompanying notes forming part of the financial statements

"In terms of our report attached"

For DELOITTE HASKINS & SELLS

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

P. PRABAKARAN

Deputy Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013 (₹ in Lakhs)

Particulars	Note No.	For the Year ended 31.03.2013	For the Year ended 31.03.2012
A. CONTINUING OPERATIONS			
1 Revenue from operations(gross)	20	102,125.78	97,695.84
Less : Excise duty	20	8,463.31	7,183.10
Revenue from operations (net)		93,662.47	90,512.74
2 Other income	21	400.31	178.90
3 Total revenue (1 + 2)		94,062.78	90,691.64
4 Expenses:			
(a) Cost of materials consumed	22 a	35,892.56	39,183.88
(b) Purchases of stock-in-trade	22 b	13,380.37	12,460.32
(c) Changes in inventories of finished goods, wip and stock-in-trade	22 c	990.21	(3,415.13)
(d) Employee benefits expense	23	9,648.33	8,664.05
(e) Finance costs	24	2,247.52	1,743.64
(f) Depreciation and amortisation expense	10 c	2,911.22	2,832.30
(g) Other expenses	25	24,771.38	23,406.39
Total Expenses		89,841.59	84,875.45
5 Profit/(Loss) before exceptional and extraordinary items and tax (3-4)		4,221.19	5,816.19
6 Exceptional items		-	-
7 Profit/(Loss) before extraordinary items and tax (5-6)		4,221.19	5,816.19
8 Extraordinary Items		-	-
9 Profit/(Loss) before tax (7-8)		4,221.19	5,816.19
10 Tax expenses:			
(a) Current tax/Mat tax expense for the year ended		843.28	1,559.54
Less: Mat Credit Entitlement		47.19	-
		796.09	1,559.54
(b) Net current tax expense		796.09	1,559.54
(c) Deferred tax		57.37	(95.32)
11 Profit/(Loss) for the year from continuing operations (9-10)		3,367.73	4,351.97
B. DISCONTINUING OPERATIONS			
12 i Profit/(Loss) for the year from discontinuing operations (before tax)		-	-
12 ii Less: Tax expense of discontinuing operations		-	-
13 Profit/(Loss) from discontinuing operations (12.i - 12.ii)		-	-
C. TOTAL OPERATIONS			
14 Profit/(Loss) for the year (11 + 13)		3,367.73	4,351.97
15 Earnings per share (of ₹10/- each)			
(a) Basic			
(i) Continuing operations	2.18	42.91	55.45
(ii) Total operations	2.18	42.91	55.45
(b) Diluted			
(i) Continuing operations	2.18	42.91	55.45
(ii) Total operations	2.18	42.91	55.45

Corporate information and Significant Accounting policies 1 & 2

See accompanying notes forming part of the financial statements

“In terms of our report attached”

For DELOITTE HASKINS & SELLS

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

P. PRABAKARAN

Deputy Managing Director

N. RENGARAJ

Chief Financial Officer

Notes forming part of the financial statements

1 Corporate Information

L.G. Balakrishnan & Bros Ltd. was founded in 1937 as a transport Company and has evolved today as a major manufacturer of chains, sprockets and metal formed parts for automotive applications. Its business segments include transmission, metal forming and others. Its transmission products include chains, sprockets, tensioners, belts and brake shoe. It also offers metal forming products consisting of fine blanking for precision sheet metal parts, machined components and wire drawing products for internal use as well as for other chain manufacturing plants, spring steel suppliers, and umbrella manufacturers. The Company's products are marketed under the "Rolon" brand. LGB has manufacturing units spread across Tamil Nadu, Maharashtra, Uttrakhand, Karnataka and Hariyana.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on accrual basis, following the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified in Rule 3 of Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2.2 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

2.3 Inventories

Inventories are valued at lower of cost and net realizable value. Cost includes all direct costs and applicable production overheads, to bring the goods to the present location and condition. Excise duty on the finished goods is added to the cost.

- i) Costs of raw materials, tools and dies and Store & Spare Parts are computed on weighted average basis.
- ii) Costs of finished goods and semi-finished goods are computed on weighted average basis.
- iii) Agriculture Produce is valued at estimate realisable value.
- iv) Cost of stock held for trading are computed on weighted average basis.

2.4 Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash comprised cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cashflows are reported using the indirect method, whereby profit/ (loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing Activities of the Company are segregated based on the available information.

2.6. Depreciation and amortisation

Depreciation on Plant and Machinery, Motor Cars, Trucks and Vans has been provided on straight-line method at the rates specified in the Schedule XIV of the Companies Act, 1956.

Depreciation on tools and dies is provided on the basis of estimated useful life.

Depreciation in respect of other assets has been provided on written down value basis as per the rates specified in Schedule XIV of the Companies Act, 1956.

Development cost in respect of estate property is written off over a period of five years.

Individual assets whose actual cost does not exceed Rs.5,000/- are fully depreciated in the year of purchase.

Based on technical opinion, windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

Policy for amortization of Intangibles:

Intangible assets are amortized over their useful life as follows:

Technical knowhow - 10 years

Computer software - 2-3 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year.

2.7 Revenue recognition

Sale of goods:

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales-tax and value added tax.

Income from Service:

Revenue from services are recognized when services are rendered and related costs are incurred.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Tangible fixed assets:

Tangible assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation except certain land which was taken over from amalgamating companies at a valuation as per their books. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use. Subsidy received from State Government towards specific assets is reduced from the cost of fixed assets. Fixed assets taken on finance lease are capitalized. With regard to assets jointly owned with others, the proportionate cost thereof to the Company is capitalized.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress

are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10. Intangible assets:

Intangible assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation/ amortization. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use.

2.11 Foreign currency transactions and translations

Foreign exchange transactions are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency and outstanding at the year-end are reinstated at the year-end exchange rates. All foreign exchange gains and losses are taken to Statement of Profit & Loss.

Net investments in non-integral foreign operations are carried at historical cost.

The Company enters into forward exchange contract to hedge its risk associated with Foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

2.12 Government grants, subsidies and export incentives:

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Benefit on account of entitlement to import goods free of duty under the 'Duty Entitlement Pass Book under the Duty Exemption Scheme' is being accounted in the year realization of the export of goods and after receipt of licence.

Export Incentive duty drawback is being accounted as and when it is realized

2.13 Investments

Long-term investments are stated at cost less provision for diminution, other than temporary, in value. Current investments are stated at lower of cost and market value.

2.14 Employee benefits

(a) Short-term:

Short-term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Leave encashment benefit is paid annually and charged to the respective period.

(b) Post retirement:

Post Retirement Benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted for as follows:

i) Provident Fund (Government PF)

This is a defined contribution plan, and contributions made to the fund are charged to revenue. The Company has no further obligations for future provident fund benefits other than monthly contributions.

ii) Superannuation Fund

This is a defined contribution plan. The Company contributes a sum equivalent to defined contribution plan for eligible employees' salary towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contributions and recognizes such contributions as expense in the year incurred.

iii) Gratuity Fund

This is a defined benefit plan. The Company makes annual contribution to a

Gratuity Fund administered and managed by a Trust through Life Insurance Corporation of India. The net present value of obligation towards gratuity is actuarially determined based on Projected Unit Credit method as at the Balance Sheet date. Actuarial gains and losses are recognised in the Accounts.

2.15 Borrowing cost

Borrowing costs, if any, identifiable with an asset under construction are capitalized as part of qualifying fixed assets when it is possible, that they will result in future economic benefits. Other borrowing costs are expensed.

2.16 Segment reporting

- a) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) Revenue and expenses, which relate to the enterprise as a whole and not allocable to segments on a reasonable basis, have been included under "unallocated corporate expenses".

2.17 Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognised as assets of the Company on the date of acquisition and depreciated over their estimated useful lives using the method and rates applicable to the class of asset as described in Para (iv) above. Finance cost is treated as period cost using effective interest rate method and expensed. Rentals payable under operating leases are charged to Statement of Profit & Loss of the period to which it relates.

2.18 Earnings per share

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 - 'Earnings per share'. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or contracts to

issue Equity Shares were exercised or converted during the year. Diluted earnings per share are computed using the weighted average number of Equity Shares outstanding during the year and dilutive potential Equity Shares outstanding at year end.

2.19 Taxes on income

Current tax is determined on the taxable income for the year as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such asset items can be realised.

2.20 Research and development expenses

All revenue expenditure related to research and development are charged to the respective heads in the Statement of Profit & Loss. Capital expenditure incurred on research and development is grouped under fixed assets and depreciated in accordance with the depreciation policy of the Company.

2.21 Impairment of assets

At each Balance Sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the Company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

2.22 Provisions, contingent liabilities and contingent assets

A Provision is recognized, in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' notified by the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be reliably estimated. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognised in the financial statements.

2.23 Service tax input credit

CENVAT credit on materials purchased / services availed for production / input services are taken into account at the time of purchase. CENVAT credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The CENVAT credits so taken are utilised for payment of excise duty on goods manufactured / service tax on output services. The unutilised CENVAT credit is carried forward in the books.

2.24 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in Cash or Cash Equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the financial statements

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
3 SHARE CAPITAL				
(a) Authorised				
Equity Shares of ₹10/- each with voting rights	12,000,000	1,200.00	12,000,000	1,200.00
	12,000,000	1,200.00	12,000,000	1,200.00
(b) Issued				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
	7,848,104	784.81	7,848,104	784.81
(c) Subscribed and fully paid-up				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
Total	7,848,104	784.81	7,848,104	784.81

Notes:

3 (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening balance	Fresh Issue	Bonus/ ESOP	Conversion/ Buyback	Closing balance
Equity Shares with voting rights					
Year ended 31st March, 2013					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81
Year ended 31st March, 2012					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81

3 (ii) Details of shares held by each shareholder holding more than 5% shares

Sl. No.	Name of the Shareholder	As at 31 March 2013		As at 31 March 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Equity Shares with voting rights				
1.	B. Vijayakumar	1,003,000	12.78	1,003,000	12.78
2.	V. Rajvirdhan	976,293	12.44	976,293	12.44
3.	International Finance Corporation	551,069	7.02	553,271	7.04
4.	L.G.B. Educational Foundation	481,564	6.14	481,564	6.14
5.	V. Rajsri	444,788	5.66	444,788	5.66
6.	Elgi Automotive Services (P) Limited	410,000	5.22	410,000	5.22

Notes forming part of the financial statements

Particulars	As at 31.03.2013 ₹ in lakhs	As at 31.03.2012 ₹ in lakhs
4 RESERVES AND SURPLUS		
(a) Capital Reserve		
Opening balance	30.00	-
Add: Capital subsidy for investment in Pantnagar	-	30.00
Closing balance	30.00	30.00
(b) Securities premium account:		
Opening balance	3,100.61	3,100.61
Closing balance	3,100.61	3,100.61
(c) Revaluation reserve (Land)		
Opening balance	138.91	138.91
(On account of acquisition of M/s.L.G.B.Industries Limited in 1998)		
Closing balance	138.91	138.91
(d) General reserve		
Opening balance	16,000.00	13,500.00
Add: Transfer from surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing balance	18,500.00	16,000.00
e) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	3,004.83	2,156.20
Add : Profit/(Loss) for the year	3,367.73	4,351.97
Less : Interim Dividend and Tax	501.67	-
Dividend proposed to be distributed to equity shareholders	156.96	863.29
Tax on Dividend	26.68	140.05
Transferred to: General reserve	2,500.00	2,500.00
Closing balance	3,187.25	3,004.83
Total	24,956.78	22,274.35
5 LONG-TERM BORROWINGS		
(a) Term Loans		
From Banks		
Secured	7,449.62	4,707.14
(b) Fixed Deposits:		
From other parties		
Unsecured	106.00	146.20
From related parties		
Unsecured	699.00	852.75
Total	8,254.62	5,706.09

Notes forming part of the financial statements

Notes:

5 (i) Details of Security for Long Term Borrowings:

Term Loans from banks are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Annur Plant, Vaiyampalayam Plant, Mysore Plant, Windmill, Fine Products Division, Chakkan Plant, Jalna Plant and D'Gudalur Plant.

5 (ii) Repayment schedule

₹ in lakhs

Particulars	As at 31.03.2013		As at 31.03.2012	
	Secured	Unsecured	Secured	unsecured
a) Term loan from banks:				
Axis Bank	2,449.62	-	3,850.00	-
(Term of repayment : Repayable in 20 quarterly installments of ₹ 350 Lakhs from March'10)				
ICICI Bank	5,000.00	-	-	-
(Term of repayment : Repayable in 20 quarterly installments of ₹ 125 Lakhs from July'14)				
The Bank of NovaScotia	-	-	857.14	-
(Term of repayment : Repayable in 14 quarterly installments of ₹.215 Lakhs from Dec'09)				
Total - Term loans from banks	7,449.62	-	4,707.14	-
(b) Fixed Deposits:				
From other parties		106.00		146.20
Total - deposits from others		106.00		146.20
From related parties				
M/s. LG Farm Products (P) Limited		40.00		40.00
M/s. Elgi Automotive Services (P) Limited		80.00		120.00
M/s. L.G.B. Auto Products (P) Limited		75.00		80.00
M/s. LGB Rolon Chain Limited		5.00		5.00
M/s. Rolon Fine Blank Limited		-		1.75
Minor. Samridhi Andal Rajiv		142.00		49.00
Minor. Vidhur Narayanan Rajiv		122.00		82.00
Mr. Rajvirdhan V		40.00		80.00
Mr. Vijayakumar B		130.00		230.00
Mrs. Rajsri V		40.00		70.00
Super Speeds Private Limited		-		70.00
Super Transports Private Limited		25.00		25.00
Total - deposits from related parties		699.00		852.75
Total - Long-term borrowings	7,449.62	805.00	4,707.14	998.95
5 (iii) Defaults, if any - Nil				

Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Secured	Unsecured	Secured	Unsecured
6 SHORT-TERM BORROWINGS				
(a) Loan repayable on demand				
From banks - Secured / Unsecured	2,882.64	23.33	4,879.24	
(b) From Financial Institutions - Unsecured		500.00		-
(c) Loan from related parties - Unsecured		240.00		266.00
(d) Loan from Directors - Unsecured		191.00		203.00
(e) Loan from Inter corporates - Unsecured		302.00		269.00
	2,882.64	1,256.33	4,879.24	738.00
Notes				
6 (i) Details of security for short-term borrowings:				
Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company				
Loan repayable on Demand				
From Banks	2,882.64	23.33	4,879.24	-
Total - Loan from banks	2,882.64	23.33	4,879.24	-
Loan from Financial Institution				
Bajaj Finance Limited		500.00		-
Loan from related parties				
Rajiv Parthasarathy		200.00		250.00
B. Sarojini		40.00		16.00
Total - Loan from related parties		240.00		266.00
Loan from Directors				
B. Vijayakumar		175.00		99.00
V. Rajvirdhan		16.00		25.00
V. Rajsri		-		79.00
Total - Loan from Directors		191.00		203.00
Loan from Inter Corporates				
Tribe Investments and Services Private Limited		200.00		200.00
L.G.Farm Products (P) Limited		15.00		39.00
Elgi Automotive Services (P) Limited		29.00		-
L.G.B.Auto Products (P) Limited		58.00		-
Super Speeds (P) Limited		-		30.00
Total - Loan from inter corporates		302.00		269.00
Total - Short-term borrowings	2,882.64	1,256.33	4,879.24	738.00
6 (ii) Defaults, if any - Nil				

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
7 TRADE PAYABLES:		
(a) Other than acceptances	11,040.41	10,796.40
Total	11,040.41	10,796.40

Notes forming part of the financial statements

Particulars	As at 31.03.2013 ₹ in lakhs	As at 31.03.2012 ₹ in lakhs
8 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	2,442.14	2,359.59
(b) Interest accrued but not due on secured loans	7.16	79.95
(c) Interest accrued but not due on Unsecured loans	33.68	22.70
(d) Unpaid bond interest	0.43	0.43
(e) Unclaimed Dividends	45.11	33.30
(f) Other payables:		
(i) Statutory remittances	785.75	806.79
(ii) Payable on purchase of fixed assets	588.64	390.74
(iii) Interest accrued on deposits from customers	24.20	22.42
(iv) Advance and deposits from customers etc.,	1,166.64	1,323.76
(v) Liability for expenses	1,890.79	1,642.82
(vi) Unclaimed credits	58.57	25.82
Total	7,043.11	6,708.32
Note :		
8 (i) Current maturities of Long-term debt:		
Refer Note 5(i) for the details of Securities		
Term Loan		
From Banks		
Secured	2,257.14	2,257.14
Total - Term Loan from banks	2,257.14	2,257.14
Fixed Deposits:		
From Related		
Unsecured		
Super Speeds Private Limited	-	15.00
Minor.Samridhi Andal Rajiv	-	52.00
Rajvirdhan V	40.00	-
Vijayakumar B	100.00	-
Rajsri V	30.00	-
Rolon Fine Blank Limited	1.75	-
Total - from related parties	171.75	67.00
From others		
Unsecured	13.25	35.45
Total - deposit from others	13.25	35.45
Total - Current maturities of Long-term debt	2,442.14	2,359.59
9 SHORT-TERM PROVISIONS		
(a) Provision - others:		
(i) Provision for proposed equity Dividend	156.96	863.29
(ii) Provision for tax on proposed equity Dividend	26.68	140.05
Total	183.64	1,003.34

Notes forming part of the financial statements

₹ in Lakhs

Description of Assets	GROSS BLOCK					ACCUMULATED DEPRECIATION AND IMPAIRMENT					NET BLOCK	
	Balance as at 1 April, 2012	Additions	Disposals	Other Adjustments	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation/ amortisation expense for the year	Eliminated on Disposal of Assets	Other Adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
A. TANGIBLE ASSETS:												
(a) Land												
Free Hold	963.10 (963.10)	513.12 (-)	- (-)	- (-)	1476.22 (963.10)	- (-)	- (-)	- (-)	- (-)	1476.22 (963.10)	1476.22 (963.10)	963.10 (1093.99)
Lease Hold	198.78 (198.78)	- (-)	- (-)	- (-)	198.78 (198.78)	11.35 (-)	2.21 (11.35)	- (-)	- (-)	13.56 (11.35)	185.22 (187.43)	187.43 (67.89)
(b) Buildings												
Own use	3379.70 (3227.35)	156.27 (153.74)	- (1.39)	- (-)	3535.97 (3379.70)	1565.19 (1380.93)	178.36 (185.36)	- (1.10)	- (-)	1743.55 (1565.19)	1792.42 (1814.51)	1814.51 (1846.41)
Given under operating Lease	559.20 (559.20)	- (-)	25.76 (-)	- (-)	533.44 (559.20)	85.52 (34.30)	46.16 (51.22)	8.11 (-)	- (-)	123.57 (85.52)	409.87 (473.68)	473.68 (524.91)
(c) Plant and Equipment Owned												
Owned	26925.85 (25914.95)	3134.18 (2731.58)	35.62 (1720.68)	75.84 (-)	30100.25 (26925.85)	12692.07 (12111.79)	2351.27 (2274.60)	17.83 (1694.32)	43.96 (-)	15069.47 (12,692.07)	15030.78 (14233.78)	14233.78 (13832.36)
Given under operating Lease	311.11 (310.85)	- (0.26)	12.19 (-)	-75.84 (-)	223.08 (311.11)	242.89 (224.70)	10.62 (18.19)	12.13 (-)	-43.96 (-)	197.42 (242.89)	25.66 (68.22)	68.22 (56.95)
(d) Furniture and Fixtures Owned												
Owned	224.77 (205.61)	29.23 (28.78)	2.32 (9.62)	- (-)	251.68 (224.77)	157.60 (148.61)	21.77 (18.56)	2.06 (9.57)	- (-)	177.31 (157.60)	74.37 (67.17)	67.17 (57.00)
(e) Vehicles Owned												
Owned	225.39 (200.41)	39.69 (57.05)	11.79 (32.07)	- (-)	253.29 (225.39)	83.97 (85.90)	21.39 (19.02)	6.39 (20.95)	- (-)	98.97 (83.97)	154.32 (141.42)	141.42 (114.51)
(f) Office equipment Owned												
Owned	91.77 (105.83)	31.26 (15.53)	2.26 (29.59)	- (-)	120.77 (91.77)	42.03 (65.99)	4.94 (4.05)	1.49 (28.01)	- (-)	45.48 (42.03)	75.29 (49.74)	49.74 (39.84)
(g) Electrical Fittings Owned												
Owned	1181.27 (1171.84)	115.22 (46.70)	7.10 (37.27)	- (-)	1289.39 (1181.27)	668.32 (597.15)	108.78 (107.47)	5.88 (36.30)	- (-)	771.22 (668.32)	518.17 (512.95)	512.95 (574.70)
(h) Other Assets Owned												
Owned	995.06 (876.75)	96.08 (136.11)	3.41 (17.80)	- (-)	1087.73 (995.06)	736.88 (677.11)	79.49 (76.67)	3.32 (16.90)	- (-)	813.05 (736.88)	274.68 (258.18)	258.18 (199.64)
Total	35056.00 (33734.67)	4115.05 (3169.75)	100.45 (1848.42)	- (-)	39070.60 (35056.00)	16285.82 (15326.48)	2824.99 (2766.49)	57.21 (1807.15)	- (-)	19053.60 (16285.82)	20017.00 (18770.18)	18770.18 (18408.20)
Previous Year												

Notes forming part of the financial statements										₹ in Lakhs	
10. FIXED ASSETS (CONTD.)					GROSS BLOCK					NET BLOCK	
Description of Assets	Balance as at 1 April, 2012	Additions	Disposals	Other Adjustments	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation/ amortisation expense for the year	Eliminated on Disposal of Assets	Other Adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2012
B. INTANGIBLE ASSETS:											
(a) Computer - Software	408.20 (376.74)	13.02 (36.47)	- (5.01)		421.22 (408.20)	320.27 (286.76)	37.20 (38.49)	(4.98)		63.75 (87.93)	87.93 (89.98)
(b) Technical Know-How	580.22 (546.12)	49.29 (34.10)	- (-)		629.51 (580.22)	356.98 (329.65)	49.03 (27.33)	- (-)		223.50 (223.24)	223.24 (216.46)
Total	988.42 (922.86)	62.31 (70.57)	- (5.01)		1050.73 (988.42)	677.25 (616.41)	86.23 (65.82)	- (4.98)		287.25 (311.17)	311.17 (306.44)
Previous Year											
Particulars										As at 31.03.2013	As at 31.03.2012
C) Depreciation and amortisation relating to continuing operations:											
Depreciation and amortisation for the year on tangible assets as per note 10 A										2,824.99	2,766.49
Depreciation and amortisation for the year on intangible assets as per note 10 B										86.23	65.82
Total										2,911.22	2,832.31

Note :

1. Previous figures given in brackets
2. Movement in Plant & Machinery leased to owned in Opening Block of Assets and depreciation is disclosed in other adjustment column.

Notes forming part of the financial statements

(₹ in lakhs)

11. NON-CURRENT INVESTMENT

Particulars	As at 31st March 2013				As at 31st March 2012			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
Investments (At Cost)								
A) Trade								
(a) Investment in Equity instruments:								
(i) Subsidiary								
BCW V Tech India Private Limited	4999999	-	499.99	499.99	29000000	-	290.00	290.00
LGB - USA, INC *	351.99	-	1077.87	1077.87	-	-	-	-
(ii) Associate:								
Renold Chain India Private Limited	10250000	-	1025.00	1025.00	10250000	-	1025.00	1025.00
(iii) Others:								
Supreme Rubber Reclaimers Ltd	50	0.01	-	0.01	50	0.01	-	0.01
Bharath Rubber								
Regenerating Co. Ltd	200	-	-	-	200	-	-	-
Elgi Equipments Ltd	1229706	112.50	-	112.50	1229706	112.50	-	112.50
LGB Forge Limited	29000000	612.89	-	612.89	10550000	105.50	-	105.50
Silent Chain India (P) Limited	770	-	0.15	0.15	770	-	0.15	0.15
LG Farm Products (P) Ltd	10000	-	1.00	1.00	10000	-	1.00	1.00
Rolon Fine Blank Limited	5000	-	0.50	0.50	5000	-	0.50	0.50
LGB Rolon Chain Limited	5000	-	0.50	0.50	5000	-	0.50	0.50
South Western Engineering India Limited	537	-	65.52	65.52	537	-	65.52	65.52
B. Non-trade								
(a) Investment in Equity instruments:								
(i) Others:								
Super Spinning Mills Ltd	10000	0.01	-	0.01	10000	0.01	-	0.01
Tube Investments of India Ltd	1100	0.01	-	0.01	1100	0.01	-	0.01
Corporation Bank	2400	1.92	-	1.92	2400	1.92	-	1.92
Tata Refractory Ltd	5000	-	2.01	2.01	5000	-	2.01	2.01
Manish Commercial Premises								
Co-operative Society Ltd, Mumbai	5	-	-	-	5	-	-	-
Kaveri Steels Ltd	100	-	-	-	100	-	-	-
C. Other Investments								
(a) Investment in Government securities								
(i) National Highways Authority of India Bond	-	-	-	-	460	-	46.00	46.00
		727.34	2,672.54	3,399.88		219.95	1,430.68	1,650.63

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Aggregate amount of quoted investments	727.34	219.95
Aggregate market value of the listed and quoted investments	1,374.59	1,214.82
Aggregate value of listed but not quoted investments	-	-
Aggregate value of unquoted investments	2,672.54	1,430.68

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
12 LONG-TERM LOANS AND ADVANCES		
(a) Capital advance		
Unsecured, considered good	704.34	171.30
(b) Security and other deposits		
Unsecured, considered good	495.29	292.18
(c) Loans and advances to employees		
Unsecured, considered good	2.31	5.79
(d) Advance income-tax (net of provision ₹ 4666.03 Lakhs) (As at 31.03.2012 ₹ 4094.15 Lakhs)		
Unsecured, considered good	241.98	271.40
(e) Mat credit entitlement		
Unsecured, considered good	399.27	352.08
(f) Other loans and advances		
(i) Advance recoverable		
Unsecured, considered good	14.14	14.39
Unsecured, considered doubtful	-	-
Less: provision for other loans and doubtful advances	-	-
(ii) Rent and other advances		
Unsecured, considered good	235.30	179.04
Total	2,092.63	1,286.18

13 OTHER NON-CURRENT ASSETS		
(a) Accruals:		
(i) Interest accrued on Deposits	0.18	1.30
(b) Others:		
(i) Margin Money with Banks - maturity above 12 months	0.87	6.80
(ii) Fixed Deposits with Banks - maturity above 12 months	1.04	-
Total	2.09	8.10

14 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	3,867.71	3,549.39
(b) Work-in-progress	6,052.11	6,450.21
(c) Finished products	3,960.66	4,738.05
(d) Stock-in-trade (acquired for trading)	1,579.13	1,452.62
Goods in Transit	724.84	666.07
(e) Others		
(i) Packing materials	173.20	143.30
(ii) Stores & spares	1,208.75	1,170.43
(iii) Loose tools	763.19	958.19
(iv) Agricultural produce	7.37	4.82
Total	18,336.96	19,133.08

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
Notes:		
14(i) Details of inventory of work-in-progress		
Transmission	4,299.51	4,737.59
Metal forming	1,384.77	1,383.78
Others	367.83	328.84
Total	6,052.11	6,450.21

15 TRADE RECEIVABLE		
(a) Trade Receivable outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	115.01	46.02
(ii) Doubtful	42.52	50.91
Less: Provision for doubtful trade receivables	42.52	50.91
(b) Other Trade receivable		
(i) Unsecured, considered good	10,895.74	10,452.07
(ii) Doubtful	69.29	44.66
Less: Provision for doubtful trade receivables	69.29	44.66
Total	11,010.75	10,498.09
Note:		
15(i) Trade Receivable include debt due from		
Private companies in which any Director is a Director:		
LGB Fuel Systems (P) Limited	0.09	-
Super Speeds (P) Limited	0.11	-
Silent Chain India (P) Limited	0.12	0.50
Renold Chain India (P) Limited	275.58	278.86
Total	275.90	279.36

16 CASH AND CASH EQUIVALENTS		
(a) Cash- on- Hand	38.36	43.61
(b) Cheque and Demand Drafts on Hand	3.80	46.93
(c) Balances with Banks		
(i) In Current Account	94.54	80.08
(ii) In Collection Account	322.34	242.60
(iii) In Deposit Account	-	10.18
(iv) In Earmarked Accounts		
Unpaid Dividend Account	45.11	33.30
Unpaid Interest Account	0.43	0.43
In Margin Money with Banks	-	6.72

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
16 CASH AND CASH EQUIVALENTS (Cond.)		
(d) Others		
(i) In Fixed Deposits	68.08	53.97
(ii) In Margin money with Banks	10.75	4.47
Total	583.41	522.29
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS3 Cash Flow Statements is {a+b+c}	504.58	463.85

Note:

16 (i) Fixed Deposit includes deposits amounting to ₹ 7.21 Lakhs (As at 31 March, 2012 ₹ 6.54 Lakhs) and Margin Monies amounting to ₹ 6.80 Lakhs (As at 31st March 2012 ₹ NIL) which have an original maturity of more than 12 months

17 SHORT-TERM LOANS AND ADVANCES		
(a) Loans and advances to employees		
Unsecured and considered good	56.07	39.24
(b) Prepaid expenses		
Unsecured and considered good	33.19	25.73
(c) Balance with govt authorities:		
(i) Cenvat credit receivable	958.15	989.27
(ii) Vat credit receivable	132.14	107.49
(iii) Service tax credit receivable	191.07	233.53
(d) Due from subsidiary Company		
Unsecured and considered good	222.17	188.82
(e) Advance recoverable		
Unsecured and considered good	271.38	282.87
Total	1,864.17	1,866.95

18 OTHER CURRENT ASSETS		
(a) Others		
(i) Income and claims receivable	229.82	282.36
(ii) Interest accrued on deposits	12.64	6.17
Total	242.46	288.53

19 CURRENT INVESTMENT Particulars	As at 31st March 2013				As at 31st March 2012			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
(a) Investment in Government securities								
(i) National Highways Authority of India Bond	460		46.00	46.00	-	-	-	-

Notes forming part of the financial statements

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
20 REVENUE FROM OPERATIONS		
a) Sale of products (Refer Note (i) below)	96,829.40	91,857.26
b) Sale of services (Refer Note (ii) below)	130.52	104.58
c) Other operating revenue (Refer Note (iii) below)	5,165.86	5,734.00
	102,125.78	97,695.84
Less: Excise duty	8,463.31	7,183.10
Total	93,662.47	90,512.74
Note:		
(i) Sale of products		
Manufactured goods:		
Chains	66,435.19	64,191.85
Metal Forming	15,798.69	15,773.72
Others	936.72	531.29
Total - sale of manufactured goods	83,170.60	80,496.86
Traded goods:		
Light commercial vehicles	13,658.80	11,360.40
Total - Sale of traded goods	13,658.80	11,360.40
Total - Sale of products	96,829.40	91,857.26
(ii) Sale of services:		
Service income on vehicles	130.52	104.58
Total - Sale of services	130.52	104.58
(iii) Other operating revenue:		
Scrap sales	5,110.72	5,584.65
Duty drawback and other export incentives	55.14	149.35
Total - other operating revenue	5,165.86	5,734.00
Total	102,125.78	97,695.84

21 OTHER INCOME		
a) Interest income (Refer Note (i) below)	29.41	31.19
b) Dividend income:		
from long-term investments		
(i) Associates	3.29	3.28
(ii) Others	13.00	13.61
c) Exchange difference	13.38	-
d) Other non-operating income		
(i) Rental and lease income	103.68	110.73
(ii) Agricultural income	2.65	2.63
(iii) Profit on sale of assets (net)	232.52	6.71
(iv) Miscellaneous receipts	2.38	10.75
Total	400.31	178.90

Notes forming part of the financial statements

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
Note:		
(i) Interest income:		
Interest on fixed deposit with banks	7.81	9.70
Interest on deposit with TNEB	8.25	7.64
Interest on inter corporate deposit	11.07	10.67
Interest on NHAI bonds	2.28	3.18
Total - Interest income	29.41	31.19

22-a COST OF MATERIALS CONSUMED		
Opening Stock:	3,692.69	3,890.43
Add: Purchases	36,240.79	38,986.14
Less: Closing Stock	4,040.92	3,692.69
Cost of material consumed	35,892.56	39,183.88
Material consumed comprises:		
Steel Strips, Wires, rods, bars	28,254.73	28,982.31
Blanks, 'O' Rings and others	5,361.19	8,157.45
Rubber and Chemicals	308.28	265.51
Packing Materials	1,968.36	1,778.61
Total	35,892.56	39,183.88

22-b PURCHASE OF TRADED GOODS		
Purchase of light commercial vehicle	13,380.37	12,460.32
Total	13,380.37	12,460.32

22-c CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	3,960.66	4,738.05
Work-in-progress	6,052.11	6,450.21
Stock-in-trade	2,303.97	2,118.69
	12,316.74	13,306.95
Inventories at the beginning of the year		
Finished goods	4,738.05	2,727.59
Work-in-progress	6,450.21	5,767.47
Stock-in-trade	2,118.69	1,396.76
	13,306.95	9,891.82
Net (increase)/ decrease	990.21	(3,415.13)

23 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	8,386.59	7,572.96
(b) Contribution to provident and other funds	574.13	442.53
(c) Staff welfare expenses	687.61	648.56
Total	9,648.33	8,664.05

Notes forming part of the financial statements

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
24 FINANCE COST		
(a) Interest expenses:		
(i) On borrowings:	1,848.70	1,502.20
(b) Other borrowing cost	398.82	241.44
Total	2,247.52	1,743.64

25 OTHER EXPENSES		
(a) Consumption of stores and spare parts	5,963.10	5,979.51
(b) Processing charges	5,852.40	5,715.53
(c) Power, fuel and lighting	3,622.15	3,199.12
(d) Rent including lease rentals (Refer Note 27.5)	506.60	313.22
(e) Repairs & maintenance of		
(i) Buildings	207.99	154.75
(ii) Machinery	1,484.41	1,410.89
(iii) Other assets	363.94	350.29
(f) Insurance	84.45	79.46
(g) Rates and taxes	84.28	90.34
(h) Travelling and conveyance	566.41	438.68
(i) Printing and stationery	65.21	66.83
(j) Postage, telegram and telephones	174.18	180.05
(k) Freight, packing & forwarding	2,960.97	2,573.34
(l) Advertisement, publicity and selling expenses	469.30	328.63
(m) Trade discount	1,541.43	1,436.20
(n) Donations	60.00	18.25
(o) Legal and accountancy charges	179.36	78.93
(p) Auditors' remuneration (Refer note (i) below)	11.00	10.00
(q) Bad debts written off	4.41	2.51
(r) Assets condemned and written off	7.89	28.23
(s) Provision for doubtful debts/advances	12.49	57.51
(t) Exchange difference	-	432.87
(u) Sales-tax, entry tax & octroi	92.47	80.38
(v) Sitting fees	5.85	5.70
(w) Watch and Ward	366.97	309.49
(x) Miscellaneous expenses	84.12	65.68
	24,771.38	23,406.39
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of service tax input credit wherever applicable)		
As auditors - statutory audit	9.00	8.00
For taxation matters	2.00	2.00
For other services	-	-
Total	11.00	10.00

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
26 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT:		
26.1 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debt - disputed tax liability.	982.87	772.32
(b) Guarantee given by Bankers and outstanding	21.05	2.87
(c) Corporate guarantee given for others	7,150.00	8,400.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	1,386.06	1,625.20
(ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	1,791.58	778.22

26.2 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.

Other disclosures are as under:

Sl. No.	Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
(i)	Principal amount remaining unpaid to any supplier as at end of the accounting year	170.81	204.92
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	NIL	NIL
(iii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
(iv)	Amount of interest due and payable for the period of delay in making payment but without adding interest as specified in the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(v)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

Notes forming part of the financial statements

26.3 Disclosure as per Clause 32 of the Listing Agreement with Stock Exchanges: (₹ in lakhs)

Particulars	Relationship	As at 31.03.2013	Maximum balance outstanding during the year
Loans and advances: BCW V Tech India Private Limited	Subsidiary	-	85.96
		(139.84)	(139.84)
LGB - USA, INC	Subsidiary	123.48	289.12
		(-)	(-)

26.4 Details on derivative instruments and unhedged foreign currency exposures:

i. The following derivative positions are open as at 31st March, 2013. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Note 2.11.

(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2013

Currency	in Lakhs	Buy/sell	Cross currency
USD	- (11.22)	Buy	Rupees
EUR	42.00 (14.00)	Sell	Rupees

• Figures in bracket represents previous year

ii. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below: (in Lakhs)

As at March 31, 2013		As at March 31 2012	
Currency	Receivable/(Payable) in Foreign currency	Currency	Receivable/ (Payable) in Foreign currency)
USD	12.66	USD	12.26
USD	(11.68)	USD	(3.37)
EUR	13.45	EUR	0.16
EUR	(4.83)	EUR	(1.05)
JPY	-	JPY	-
JPY	(4.10)	JPY	(0.43)
GBP	0.03	GBP	0.04
GBP	(-)	GBP	0.03
CHF	-	CHF	-
CHF	(-)	CHF	0.04

Notes forming part of the financial statements

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
26.5. Value of imports calculated on CIF basis		
Raw Materials	5,870.10	9,333.64
Stores and Spares	535.28	310.89
Capital Goods	566.74	548.84
Total	6,972.12	10,193.37
26.6. Expenditure in foreign currency		
Travelling	17.23	22.51
Technical know-how fee	44.41	33.17
Interest	29.62	22.32
Others	35.53	6.74
Total	126.79	84.74
26.7. Details of consumption of imported and indigenous items	(₹ in lakhs)	
	For the year ended 31 March 2013	
Particulars	Value	%
Raw Material		
Imported	6,041.43	17.81
	(9,254.42)	(24.74)
Indigenous	27,882.77	82.19
	(28,150.85)	(75.26)
Total	33,924.20	100.00
	(37,405.27)	(100.00)
Spare Parts & Components:		
Imported	495.70	8.31
	(250.97)	(4.20)
Indigenous	5,467.40	91.69
	(5,727.76)	(95.80)
Total	5,963.10	100.00
	(5,978.73)	(100.00)
26.8. Earnings in foreign exchange		
Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
On account of Export of Goods at FOB value	7,535.72	6,235.66

Notes forming part of the financial statements

26.10. a) Remuneration to Chairman cum Managing Director (CMD) and Deputy Managing Director (DMD) is included in Salary, Wages & Bonus: (₹ in lakhs)

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	CMD	DMD	CMD	DMD
Salaries & Allowances	51.84	30.00	45.36	28.27
Commission	84.24	12.64	122.54	18.38
Contribution to Provident Fund	6.22	3.60	5.44	3.27
Total	142.30	46.24	173.34	49.92

Note: Provisions for / contributions to employee retirement benefits, which are based on actuarial valuations done for the Company as a whole, are excluded from the above.

b) Computation of net profit under Section 309(5) of the Companies Act, 1956 and commission payable to the Chairman cum Managing Director and Deputy Managing Director:

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
Profit before tax	4,221.19	5,816.19
Add: Managerial remuneration (Refer Note)	188.54	223.26
Sitting fees to Directors	5.85	5.70
Provision for doubtful debts/advances	16.78	57.51
Bad debts written off	4.41	2.51
Loss on Sales of Assets	5.86	0.88
Assets condemned and written off	7.89	28.23
Less: Profit on Sale of Assets/Investments	238.38	7.59
Net profit	4,212.14	6,126.69
Maximum remuneration payable to Chairman cum Managing Director and Deputy Managing Director - 10% of the net profit	421.21	612.67
Commission payable @ 2% of Net Profit to CMD	84.24	122.53
Commission payable @ 0.30% of Net Profit to DMD	12.64	18.38

Note: The remuneration paid / payable to the Chairman cum Managing Director and Deputy Managing Director for the year is within the limits specified in Section 198 / 309 of the Companies Act, 1956.

26.11. Excise duty amounting to ₹ 80.72 Lakhs (Previous Year: ₹ 103.77 Lakhs) is included in the finished goods stock value, pending clearance from factories.

26.12. **Mat Credit:**

Provision for income tax has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable positions in the subsequent years, the Company has recognised “**MAT Credit Entitlement** of ₹ 47.19 Lakhs as an asset by crediting to the Statement of Profit and Loss an equivalent amount and included under Loans and Advances in accordance with the guidance note on “Accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act, 1961, issued by the Institute of Chartered Accountants of India. Balance as on 31.03.2013 is ₹ 399.27 Lakhs (Previous year - ₹ 352.08 Lakhs).

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
27.1 Details of government grants		
Duty drawback and other export incentives	55.14	149.35
Total	55.14	149.35

27.2 Employee benefit plans

Defined Contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 332.72 Lakhs (Year ended 31 March, 2012 ₹ 264.04 Lakhs) for Provident Fund contributions and ₹ 5.25 Lakhs (Year ended 31 March, 2012 ₹ 5.02 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

State plans:

The Company makes ESI contributions to Employees State Insurance Scheme. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 106.93 Lakhs (Year ended 31 March, 2012 ₹ 82.04 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Defined Benefit Plan - Gratuity:

The Company provides gratuity benefit to all eligible employees, which is funded with Life Insurance Corporation of India.

Other disclosures required under revised Accounting Standard 15 are as follows:

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
Components of employer expenses		
Current service cost	61.95	46.96
Interest cost	46.15	31.90
Expected return on Plan Assets	(79.36)	(63.87)
Actuarial (gains) / losses	52.47	152.04
Past service cost		
Total expense recognized in Statement of Profit and Loss*	81.22	167.03
Actual contribution and the benefit payments for the year		
Actual benefit payments	(28.29)	(46.41)
Actual contribution	100.00	132.34
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	729.01	587.80
Fair value of plan assets	1,086.38	926.39
Funded Status [Surplus/(Deficit)] *	357.37	338.59

Notes forming part of the financial statements

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
Other disclosures required under revised Accounting Standard 15 (Contd.)		
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	357.37	338.59
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	587.80	395.41
Current service cost	61.95	46.96
Interest cost	46.15	31.90
Actuarial (gain) / loss on obligation	62.00	159.93
Benefits paid	(28.29)	(46.40)
Present value of DBO at the end of the year	729.00	587.80
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	926.39	768.70
Acquisition adjustment		
Expected return on Plan Assets	79.36	63.87
Contributions by the employer	100.00	132.34
Actuarial gain / (loss)	9.52	7.89
Benefits paid	(28.29)	(46.41)
Plan Assets at the end of the year	1,086.38	926.39
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	729.01	587.80
Closing FV of Plan Assets	1,086.38	926.39
Funded Status [Surplus/(Deficit)] *	357.37	338.59
* - Included under the head "Employee Benefits" in Note 23 - Provisions		
Composition of the Plan assets is as follows:		
Equity instruments		
Debt instruments		
Property		
Insurer managed asset *		
*-The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.		
Actuarial assumptions		
Discount Rate (per annum)	8.05%	8.57%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Expected return on plan assets (per annum)	8.05%	8.25%
* - Included in "Contribution to Provident & Other Funds" in Note 23 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on obligation	62.00	135.34
Actuarial (Gains) and Losses due to change in Assumptions	-	24.59
Actuarial (Gains) and Losses on Plan assets	(9.52)	(7.89)
Total (Gain) / and Losses for the year	52.48	152.04
Actuarial (Gains) and Losses Recognised in the year	52.48	152.04
Unrecognised Actuarial (Gains) and Losses for the year	-	-

Notes forming part of the financial statements

27.3 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily transmission, metal forming and others. Revenues and expenses directly attributable to segments are reported under each reportable segments. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company and within India and outside India.

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
Primary Segment Information (Business Segments):		
A. Segment Revenue:		
Transmission	63,081.29	62,584.87
Metal Forming	15,718.26	15,786.04
Others	14,862.92	12,142.03
Total	93,662.47	90,512.74
B. Segment Results:		
Transmission	5,673.75	5,990.04
Metal Forming	536.55	1,278.35
Others	258.41	291.44
Total	6,468.71	7,559.83
Interest Expenses	2,247.52	1,743.64
Unallocated corporate expenses, net of unallocated income	-	-
Profit before tax	4,221.19	5,816.19
Provision for taxation	853.46	1,464.22
Profit after tax	3,367.73	4,351.97

C. Other Information:

Particulars	As at 31 March, 2013		For the year ended 31 March, 2013		
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	25,838.63	9,995.88	1,644.37	1,187.80	27.59
	(26,684.63)	(9,259.41)	(1,497.84)	(1,139.68)	(28.59)
Metal Forming	18,520.11	3,467.07	1,730.11	1,289.68	0.09
	(17,301.52)	(3,436.16)	(706.27)	(1,282.57)	(54.16)
Others	13,873.12	4,804.21	802.88	433.73	2.98
	(10,676.57)	(5,812.49)	(1,036.21)	(410.04)	(6.37)

Note: Components of business segments are as under:

Transmission	- Chains & Sprockets	Metal Forming	- Fine Blanking, Machining and
Others	- Trading Goods and Others		Wire drawing products

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
Secondary Segment Information (Geographical Segment)		
1) Segment Revenue:		
Within India	86,126.75	84,277.08
Outside India	7,535.72	6,235.66
Total	93,662.47	90,512.74
2) Segment Assets:		
Within India	56,616.95	53,444.16
Outside India	1,614.93	1,218.56
Total	58,231.88	54,662.72
3) Capital Expenditure:		
Within India	4,177.36	3,240.32
Outside India	—	—
Total Capital Expenditure	4,177.36	3,240.32

27.4. Related party transactions : (As identified by the Management and relied upon by Auditors)

A. Name of related parties and nature of relationship where control exists are as under:

i) **Enterprise over which the Company may exercise significant influence**

Elgi Automotive Services (P) Limited	LGB Fuel Systems Private Limited
L.G.B. Auto Products (P) Limited	LGB Forge Limited
LG Farm Products (P) Limited	Rolon Fine Blank Limited
L.G. Balakrishnan & Bros - Karur	LGB Rolon Chain Limited
LG Sports Limited	Tribe Investments and Services Private Limited
Super Speeds Private Limited	South Western Engineering India Limited
Super Transports Private Limited	Silent Chain India Private Limited

ii) **Associates**

Renold Chain India Private Limited

iii) **Subsidiary Company**

BCW V Tech India Private Limited - 100%
LGB USA, INC

vi) **Fellow Subsidiary Company**

GFM Corporation

v) **Key Management Personnel**

a. Sri. B. Vijayakumar, Chairman cum Managing Director	b. Sri. P. Prabakaran, Deputy Managing Director
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vi) **Relatives of Key Management Personnel**

Relatives of Sri. B. Vijayakumar			
Mother	: Smt. B. Sarojini	Daughter	: Smt. Rajsri Vijayakumar
Wife	: Smt. Vijayashree V.	Daughter's Husband	: Sri. Rajiv Parthasarathy
Sons	: Sri. V. Rajvirdhan	Daughter's daughter	: Minor. Samriddhi Andal Rajiv
	Sri. Nithin Karivardhan	Daughter's Son	: Minor. Vidhur Narayanan Rajiv
	Sri. Arjun Karivardhan		
Relatives of Sri. P. Prabakaran			
Father	: Sri. K. Palanichamy	Wife	: Smt. D. Maheswari
Mother	: Smt. Rajalakshmi	Son	: Sri. P. Suryakumar

Notes forming part of the financial statements

(₹ in lakhs)

Nature of transActions	Associates / Others	Subsidiaries	Key Manage-rial Person-nel	Relatives of Key Managerial Personnel	Total
Managerial Remuneration					
B. Vijayakumar	-	-	142.30	-	142.30
	-	-	(173.34)	-	(173.34)
P. Prabakaran	-	-	46.24	-	46.24
	-	-	(49.92)	-	(49.92)
Loan Receipts (Borrowing)	504.00	-	417.00	815.00	1,736.00
	(269.00)	(-)	(114.00)	(168.00)	(551.00)
Loan Repayment (Borrowing)	471.00	-	341.00	929.00	1,741.00
	(-)	(-)	(110.00)	(48.00)	(158.00)
Interest Receipts	-	11.06	-	-	11.06
	(-)	(10.67)	(-)	(-)	(10.67)
Interest Expense	25.62	-	20.68	33.82	80.12
	(7.31)	-	(10.05)	(32.80)	(50.16)
Loan Granted	-	580.08	-	-	580.08
	(-)	(144.84)	(-)	(-)	(144.84)
Loan Repayment	-	163.53	-	-	163.53
	(-)	(10.04)	(-)	(-)	(10.04)
Equity Investment	507.39	1,287.86	-	-	1,795.25
	(-)	(-)	(-)	(-)	(-)
Dividend Receipts	3.29	-	-	-	3.29
	(3.28)	(-)	(-)	(-)	(3.28)
Dividend Payments	174.07	-	165.53	252.28	591.88
	(105.50)	(-)	(100.02)	(152.01)	(357.53)
Rent Income	62.40	8.56	-	-	70.96
	(72.46)	(3.76)	(-)	(-)	(76.19)
Rent / Lease Expenses	25.71	-	-	-	25.71
	(12.65)	-	(-)	(-)	(12.65)
Purchase of Materials, Spares & power	1,355.69	3.35	-	-	1,359.04
	(808.84)	(-)	(-)	(-)	(808.84)
Processing / Conversion Cgs Payment	356.87	16.30	-	-	373.17
	(340.70)	(15.90)	(-)	(-)	(356.60)
Sale of Materials, Stores and Service Charges	1,484.43	29.88	-	-	1,514.31
	(1,881.61)	(22.00)	(-)	(-)	(1,903.61)
Processing Charges Receipts	108.87	-	-	-	108.87
	(-)	(-)	(-)	(-)	(-)
Sale of Fixed Assets	3.82	1.10	-	-	4.92
	(-)	(-)	(-)	(-)	(-)
Purchase of Fixed Assets	390.79	-	-	-	390.79
	(-)	(-)	(-)	(-)	(-)
Receivable Balance	325.21	144.12	-	-	469.33
	(331.83)	(5.48)	(-)	(-)	(337.31)
Payable Balance	393.39	(74.60)	175.00	256.00	749.79
	(234.11)	(183.34)	(99.00)	(370.00)	(519.77)

Note : None of the balances due to or receivable from related parties have been adjusted or written-off during this period.

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
LOAN RECEIPTS:		
Tribe Investments and Services Private Limited	-	200.00
L.G. Farm Products Pvt.Ltd.	17.00	39.00
Super Speeds (P) Limited	80.00	30.00
South Western Engineering India Limited	315.00	-
Key managerial personnel:		
Sri. B. Vijayakumar	417.00	114.00
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	450.00	-
Smt. V. Rajsri	132.00	100.00
Sri. V. Rajvirdhan	160.00	42.00
Smt. B. Sarojini	73.00	16.00
LOAN REPAYMENT:		
South Western Engineering India Limited	315.00	
Key managerial personnel:		
Sri. B. Vijayakumar	341.00	110.00
Relatives of key managerial personnel:		
Sri.Rajiv Parthasarathy	500.00	-
Smt. V. Rajsri	211.00	31.00
Sri. V. Rajvirdhan	169.00	17.00
INTEREST EXPENSE:		
Key managerial personnel:		
Sri. B. Vijayakumar	20.68	10.05
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	25.09	27.58
Associates/Others:		
Tribe Investments and Services Private Limited	22.00	5.73
DIVIDEND PAYMENT:		
Elgi Automotive Services Limited	67.65	41.00
LGB Auto Products (P) Limited	62.70	38.00
L.G. Farm Products (P) Limited	33.00	20.00
Key managerial personnel:		
Sri. B. Vijayakumar	165.50	100.02
Relatives of key managerial personnel:		
Sri. V. Rajvirdhan	161.09	96.74
Sale of Fixed Assets		
South Western Engineering India Limited	3.30	-
Purchase of Fixed Assets		
LGB Forge Limited	358.33	-

Notes forming part of the financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
RENT INCOME		
LGB Forge Limited	44.19	43.51
South Western Engineering India Limited	5.51	11.53
RENT /LEASE PAYMENT		
LGB Forge Limited	4.51	7.43
Renold Chain India (P) Limited	5.74	5.22
LGB Auto Products (P) Limited	14.00	-
PURCHASE OF MATERIAL, SPARES & POWER		
Associates/Others:		
Renold Chain India (P) Limited	1,077.36	604.26
L.G.Balakrishnan & Bros, Karur	252.99	158.00
PROCESSING/CONVERSION CHARGES PAYMENT		
South Western Engineering India Limited	304.58	297.56
Silent Chain India (P) Limited	50.66	43.14
PROCESSING RECEIPTS		
LGB Forge Limited	108.87	-
SALE OF MATERIAL, STORES AND SERVICE CHARGES		
Associates/Others:		
Renold Chain India (P) Limited	1,305.64	1,679.85

27.5 Details of leasing arrangements

Note	Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
27.5	Details of leasing arrangements		
	As Lessor		
27.5.a	The Company has entered into operating lease arrangements for certain surplus facilities and equipments. The lease is non-cancellable and may be renewed based on mutual agreement of the parties.		
	Future minimum lease payments not later than one year	52.46	51.39
	Later than one year and not later than five years	14.36	21.14
	Later than five years	-	-
-	Contingent rents recognised as income during the year (state basis)	NA	NA
	Depreciation recognised on the leased assets	10.62	18.19
	Impairment losses recognised on the leased assets	-	-
	Impairment losses reversed on the leased assets	-	-

Notes forming part of the financial statements

Note	Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
	As Lessee		
27.5.b	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and may be renewed based on mutual agreement of the parties.		
	Future minimum lease payments not later than one year	429.46	289.89
	Later than one year and not later than five years	309.10	361.96
	Later than five years	-	2.86
	Lease payments recognised in the Statement of Profit and Loss	506.60	313.22
	Contingent rents recognised as expense during the year (state basis)	NA	NA
27.6	Earnings per share		
	Basic & Diluted:		
	Continuing operations:		
	Net profit after tax from continuing operations - (₹ in lakhs)	3,367.73	4,351.97
	Profit attributable to Equity Shareholders - (₹ in lakhs) (A)	3,367.73	4,351.97
	Total number of Equity Shares outstanding at Balance Sheet date.	7,848,104	7,848,104
	Weighted average number of Equity Shares outstanding, considered for the purpose of computing Basic EPS (B)	7,848,104	7,848,104
	Nominal value of Equity Shares - In ₹	10	10
	Basic and Diluted Earnings Per Share-In ₹ (A/B)(Not annualized)	42.91	55.45
27.7	Deferred tax liability		
	Tax effect of items constituting Deferred Tax liability		
	On difference between book balance and tax balance of fixed assets	1,829.54	1,772.17
		Year ended	Year ended
		31.03.2013	31.03.2012
		(₹ in lakhs)	(₹ in lakhs)
28	DETAILS OF R&D EXPENSES		
	1) Capital	116.02	65.75
	2) Salaries & Wages	124.06	108.69
	3) R&D Materials	50.63	40.07
	4) Maintenance	23.87	11.76
	5) Other Expense	55.24	40.68
		369.82	266.95
	Note:		
	While the accounts of R & D department are maintained separately, for the purpose of presentation, the administrative and other expenses are clubbed alongwith other functional head of expenses and presented in the Statement of Profit and Loss.		

29 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification/disclosure.

"In terms of our report attached"

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

P. PRABAKARAN

Deputy Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

Cash Flow Statement for the year ended 31 March, 2013

PARTICULARS	31.03.2013 (₹ in Lakhs)	31.03.2012 (₹ in Lakhs)
A. Cash flow from operating Activities		
Net Profit before Tax and Extra ordinary items	4,221.19	5,816.19
Adjustments for		
Depreciation	2,911.22	2,832.30
Asset Condemned and written off	7.89	28.23
(Profit) or Loss on sale of assets	(232.52)	(6.71)
(Profit) or Loss on sale of investments	-	-
Finance charges	2,247.52	1,743.64
Interest income	(29.41)	(31.19)
Dividend income	(16.29)	(16.89)
Rental income on operating lease	(103.68)	(110.73)
Operating profit before working capital changes	9,005.93	10,254.84
Changes in Working Capital		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	796.12	(3,841.75)
Trade Receivables	(512.66)	(2,019.19)
Short term Loans and advances	2.78	(612.71)
Long term Loans and advances	(835.87)	246.42
Other current assets excluding advance tax	46.07	(62.34)
Other Non- current assets	1.12	1.15
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	244.02	433.90
Other current Liabilities	252.24	848.29
Other non-current Liabilities	57.37	(65.31)
Short Term Provisions	-	68.64
Cash generated from operations	9,057.12	5,251.93
Income tax paid	(824.04)	(1,625.42)
Net Cash from operating Activities (A)	8,233.08	3,626.51
B. Cash flow from Investing Activities		
Purchase of Fixed assets	(4,199.12)	(3,124.59)
Proceeds from sale of fixed assets	267.87	19.79
Purchase of Investments	(1,795.25)	-
Bank balances not considered as Cash and cash equivalents		
Fixed Deposit with banks matures more than 3 months	(15.50)	73.75
Dividend received		
from Associates	3.29	3.28
from others	13.00	13.61
Interest received		
from subsidiaries	11.07	10.67
from others	18.34	20.52
Rental income on operating lease	103.68	110.73
Net cash outflow from Investing Activities (B)	(5,592.63)	(2,872.24)

Cash Flow Statement for the year ended 31 March, 2013

PARTICULARS	31.03.2013 (₹ in Lakhs)	31.03.2012 (₹ in Lakhs)
C. Cash flow from financing Activities		
(Repayment)/Proceeds of Secured Loan	769.21	1126.24
Proceeds/(Repayment) of Unsecured Loan	383.60	895.95
Interest paid	(2,247.52)	(1,743.64)
Dividend paid	(1,505.01)	(912.13)
Extra Ordinary Items		
Net cash used in financing Activities (C)	(2,599.72)	(633.58)
Net increase in cash and cash equivalents (A) + (B) + (C)	40.73	120.69
Opening Balance	463.85	343.16
Closing Balance	504.58	463.85
Reconciliation of Cash and cash equivalent with the Balance Sheet		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
comprises		
(a) Cash- on- Hand	38.36	43.61
(b) Cheque and Demand Drafts on Hand	3.80	46.93
(c) Balances with Banks		
(i) In Current Account	94.54	80.08
(ii) In Collection Account	322.34	242.60
(iii) In Deposit Account	-	10.18
(iv) In Earmarked Accounts		
Unpaid Dividend Account	45.11	33.30
Unpaid Interest Account	0.43	0.43
In Margin Money with Banks	-	6.72
	504.58	463.85

Corporate information and Significant Accounting policies 1 & 2
See accompanying notes forming part of the financial statements

“In terms of our report attached”

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

P. PRABAKARAN

Deputy Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

Statement of information relating to subsidiaries including subsidiaries of subsidiaries (In terms of Government of India, Ministry of Corporate Affairs General Circular No: 2/2011, No: 5/12/2007-CL-III dated 8th February, 2011) in compliance with Section 212 of the Companies Act, 1956 for the year ended 31 March, 2013

(₹ in Lakhs)

Name of the subsidiary	Period of the financial statements considered	Reporting Currency	Share Capital including share application money	Reserves	Total Assets (Non-current Assets + Current Assets + Deferred Tax Assets + Assets) excluding Current and Non-current Investments	Total Liabilities (Preference Share Capital of Subsidiary + Non-current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Non-current and Current Investment (except investment in subsidiaries)	Turnover (Net)	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend (Including Corporate Dividend Tax)
1												
BCW V Tech India (P) Limited	Apr'12 to Mar'13	INR	499.99 (290.00)	118.46 (190.68)	1372.82 (1249.78)	754.37 (752.43)	-	656.37 (793.45)	136.70 (75.68)	64.48 (4.77)	-72.22 (70.91)	-
LGB-USA - INC & its Subsidiary	Oct'12 to Dec'12	USD	1629.33	-	4428.76	2799.43	-	1329.56	-49.42	19.02	-30.40	-

Notes:

- (i) Figures in brackets relate to the previous year.
(ii) For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, following exchange rates are used for 1 INR.

Sr. No.	Reporting Currency	Balance Sheet (closing date)		Statement of Profit and Loss (Average Rate)	
		As at 31 December, 2012	As at 31 December, 2011	For the Year ended 31 December, 2012	For the Year ended 31 December, 2011
1	USD	54.57	-	54.23	-

- (iii) The Consolidated financial statements are in compliance with applicable Accounting Standards in India.
(iv) In compliance with the requirements of Clause 32 of the Listing Agreement, the consolidated financial statements are duly audited by the auditors.
(v) Full accounts of the aforesaid subsidiaries are available for inspection at the Registered office of the Company and on request same will be made available to the shareholders of the holding company and subsidiary companies.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
L. G. BALAKRISHNAN & BROS LIMITED
Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **L.G.BALAKRISHNAN & BROS LIMITED** (the "Company"), its subsidiaries (the Company, its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes

evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on the financial statement of the subsidiary referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statement of BCW V Tech India Private Limited subsidiary, whose financial statement reflect total assets (net) of Rs.618.45 lakhs as at 31st March, 2013, total revenues of Rs.663.99 lakhs and net cash flows amounting to Rs. (24.90 lakhs) for the year ended on that date, as considered in the consolidated financial statements. This financial statement have been audited by other auditor whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No.008072S

C.R. RAJAGOPAL
Membership No.23418
Partner

Coimbatore
30.04.2013

CONSOLIDATED BALANCE SHEET AS AT 31.03.2013

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	784.81	784.81
(b) Reserves and surplus	4	25,059.56	22,465.03
		<u>25,844.37</u>	<u>23,249.84</u>
2 Minority interest		546.72	-
3 Non-current liabilities			
(a) Long-term borrowings	5	8,607.47	5,706.09
(b) Deferred tax liabilities (net)	27.5	1,784.62	1,788.84
		<u>10,392.09</u>	<u>7,494.93</u>
4 Current liabilities			
(a) Short-term borrowings	6	5,669.49	5,732.46
(b) Trade payables	7	11,925.15	11,219.95
(c) Other current liabilities	8	7,620.24	6,718.29
(d) Short-term provisions	9	183.64	1,003.34
		<u>25,398.52</u>	<u>24,674.04</u>
TOTAL		62,181.70	55,418.81
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.a	21,331.17	19,331.55
(ii) Intangible assets	10.b	308.68	319.47
(iii) Capital work-in-progress		349.30	333.90
(b) Goodwill on consolidation		1132.75	-
(c) Non-current investments	11	1,822.00	1,360.63
(d) Long-term loans and advances	12	2,116.79	1,271.33
(e) Other non-current assets	13	13.03	8.10
		<u>27,073.72</u>	<u>22,624.98</u>
2 Current assets			
(a) Inventories	14	19,601.11	19,302.18
(b) Trade receivables	15	12,414.63	10,889.32
(c) Cash and cash equivalents	16	1,027.62	554.12
(d) Short-term loans and advances	17	1,768.82	1,758.70
(e) Other current assets	18	249.80	289.51
(f) Current investments	19	46.00	-
		<u>35,107.98</u>	<u>32,793.83</u>
TOTAL		62,181.70	55,418.81

Corporate information and

Significant Accounting policies

1 & 2

See accompanying notes forming part of the financial statements

"In terms of our report attached"

For DELOITTE HASKINS & SELLS

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

P. PRABAKARAN

Deputy Managing Director

N. RENGARAJ

Chief Financial Officer

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013** (₹ in Lakhs)

Particulars	Note No.	For the Year ended 31.03.2013	For the Year ended 31.03.2012
A. CONTINUING OPERATIONS			
1 Revenue from operations(gross)	20	104,158.80	98,531.83
Less: Excise duty	20	8,540.13	7,263.55
Revenue from operations (net)		95,618.67	91,268.28
2 Other income	21	382.63	173.34
3 Total revenue (1+2)		96,001.30	91,441.62
4 Expenses:			
(a) Cost of materials consumed	22 a	36,743.35	39347.93
(b) Purchases of stock-in-trade	22 b	13,380.37	12460.32
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22 c	971.62	(3,440.41)
(d) Employee benefits expense	23	9,998.99	8,777.39
(e) Finance costs	24	2,293.61	1,764.63
(f) Depreciation and amortisation expense	10 c	2,989.39	2,877.21
(g) Other expenses	25	25,590.00	23,762.68
Total Expenses		91,967.33	85,549.75
5 Profit/(Loss) before exceptional and extraordinary items and tax (3-4)		4,033.97	5,891.87
6 Exceptional items		-	-
7 Profit/(Loss) before extraordinary items and tax (5-6)		4,033.97	5,891.87
8 Extraordinary Items		-	-
9 Profit/(Loss) before tax (7-8)		4,033.9	5,891.87
10 Tax expense:			
(a) Current tax/Mat tax expense for the year ended		843.28	1,574.68
Less: Mat Credit Entitlement		47.19	796.09
		-	1,574.68
(b) Current-tax expense relating to prior year		(22.03)	(8.01)
(c) Net current tax expense		774.06	1,566.67
(d) Deferred tax		(4.10)	(97.68)
11 Profit/(Loss) for the year ended from continuing operations (9-10)		3,264.01	4,422.88
B. DISCONTINUING OPERATIONS			
12. i Profit/(Loss) for the year ended from discontinuing operations (before tax)		-	-
12. ii Less: Tax expense of discontinuing operations		-	-
13 Profit/(Loss) from discontinuing operations (12.i - 12.ii)		-	-
TOTAL OPERATIONS			
14 Profit/(Loss) after tax before share of Profit / (Loss) of minority interest (11+13)		3,264.01	4,422.88
14.i Minority interest		(9.00)	-
15 Profit/(Loss) for the year ended (14 - 14.i)		3273.01	4422.88
16 Earnings per share (of ₹ 10/- each)			
(a) Basic			
(i) Continuing operations	27.4	41.70	56.36
(ii) Total operations	27.4	41.70	56.36
(b) Diluted			
(i) Continuing operations	27.4	41.70	56.36
(ii) Total operations	27.4	41.70	56.36

Corporate information and Significant Accounting policies 1 & 2
See accompanying notes forming part of the financial statements

“In terms of our report attached”

For DELOITTE HASKINS & SELLS

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

P. PRABAKARAN

Deputy Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

Notes forming part of the Consolidated financial statements

Note: 2 Significant accounting policies (consolidation)

2 (i) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements relate to M/s.L.G.Balakrishnan & Bros Limited and its subsidiary companies, M/s.BCW V Tech India Private Limited, LGB - USA INC. & GFM Corporation (Fellow subsidiary) (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

The Company has not consolidated the associates, as there is no significant influence.

a) Principles of consolidation:

The consolidated financial statements relate to L.G. Balakrishnan & Bros Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies are drawn upto the same reporting date as that of the Company i.e., 31 March, 2013, except for LGB USA INC (subsidiary) and GFM Corporation (Fellow Subsidiary) for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements i.e., 31st December 2012.
- (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated.
- (iii) In case of foreign subsidiary, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at rates prevailing at the year end. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- (iv) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (v) The difference between the cost of investment in the subsidiary and the share of net assets at the time of acquisition of shares in the subsidiary is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (vi) Goodwill arising on consolidation is not amortised but tested for impairment.
- (vii) The following subsidiary companies are considered in the consolidated financial statements:

Sl. No.	Name of Subsidiary Company	Relationship	Country of Incorporation	Ownership held by	% of holding directly or indirectly through subsidiary as at	
					31.03.2013	31.03.2012
1.	M/s. BCW V TECH INDIA PRIVATE LIMITED	Wholly owned subsidiary	INDIA	L.G. Balakrishnan & Bros Ltd	100%	-
2	LGB - USA, INC	Subsidiary	USA	L.G. Balakrishnan & Bros Ltd	70.90%	-
3	GFM Corporation	Fellow Subsidiary	USA	LGB - USA, INC	70.90%	-

- (viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
3 SHARE CAPITAL				
(a) Authorised				
Equity Shares of ₹10/- each with voting rights	12,000,000	1,200.00	12,000,000	1,200.00
	12,000,000	1,200.00	12,000,000	1,200.00
(b) Issued				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
	7,848,104	784.81	7,848,104	784.81
(c) Subscribed and fully paid-up				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
Total	7,848,104	784.81	7,848,104	784.81

Notes:

3 (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening balance	Fresh Issue	Bonus/ ESOP	Conversion/ Buyback	Closing balance
Equity Shares with voting rights					
Year ended 31st March, 2013					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81
Year ended 31st March, 2012					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81

3 (ii) Details of shares held by each shareholder holding more than 5% shares

Name of the Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares with voting rights				
B. Vijayakumar	1,003,000	12.78	1,003,000	12.78
V. Rajvirdhan	976,293	12.44	976,293	12.44
International Finance Corporation	551,069	7.02	553,271	7.04
LGB Educational Foundation	481,564	6.14	481,564	6.14
V. Rajsri	444,788	5.66	444,788	5.66
Elgi Automotive Services (P) Limited	410,000	5.22	410,000	5.22

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 ₹ in lakhs	As at 31.03.2012 ₹ in lakhs
4 RESERVES AND SURPLUS		
(a) Capital Reserve		
Opening balance	30.00	-
Add: Capital subsidy for investment in Pantnagar	-	30.00
Closing balance	30.00	30.00
(b) Securities premium account:		
Opening balance	3,100.61	3,100.61
Closing balance	3,100.61	3,100.61
(c) Revaluation reserve (Land)		
Opening balance	249.61	138.91
(On account of acquisition of M/s. L.G.B. Industries Limited in 1998)		
Add: Addition during the year ended (On account of revaluation of land held by BCW V Tech India (P) Ltd	-	110.70
Closing balance	249.61	249.61
(d) General reserve		
Opening balance	16,000.00	13,500.00
Add: Transfer from surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing balance	18,500.00	16,000.00
(e) Foreign Currency Translation Reserve		
Opening balance	-	-
Add : Effect of foreign exchange rate variation during the year	6.83	-
Closing balance	6.83	-
(f) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	3,084.81	2,165.27
Add : Profit/(Loss) for the year ended	3,273.01	4,422.88
Less: Interim Dividend and Tax Dividend proposed to be distributed to Equity Shareholders	501.67	-
Tax on Dividend	156.96	863.29
Transferred to:	26.68	140.05
General reserve	2,500.00	2,500.00
Closing balance	3,172.51	3,084.81
Total	25,059.56	22,465.03

Notes forming part of the Consolidated financial statements

Particulars	As at	
	31.03.2013 ₹ in lakhs	31.03.2012 ₹ in lakhs
5 LONG-TERM BORROWINGS		
(a) Term Loans		
From Banks		
Secured	7,802.47	4,707.14
(b) Fixed Deposits:		
From other parties		
Unsecured	106.00	146.20
From related parties		
Unsecured	699.00	852.75
Total	8,607.47	5,706.09

Notes:

5 (i) Details of Security for Long Term Borrowings:

Term Loans from Axis Bank, ICICI Bank and the Bank of NovaScotia are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Annur Plant, Vaiyampalayam Plant, Mysore Plant, Windmill, Fine Products Division, Chakkan Plant, Jalna Plant and D'Gudalur Plant.

The Term Loan from The Huntington National Bank is secured by substantially all the assets of GFM Corporation

5 (ii) Repayment schedule

(₹ in lakhs)

Particulars	As at		As at	
	31.03.2013		31.03.2012	
	Secured	Unsecured	Secured	Unsecured
(a) Term loan from banks:				
Axis Bank	2,449.62	-	3,850.00	-
(Term of repayment : Repayable in 20 quarterly instalments of ₹ 350 Lakhs from March'12)				
ICICI Bank	5,000.00	-	-	-
(Term of repayment : Repayable in 20 quarterly instalments of Rs.125 Lakhs from July'14)				
The Huntington National Bank	352.85	-	-	-
(Term of repayment : Repayable in 60 monthly instalments of \$8980 from Jan'13)				
The Bank of NovaScotia	-	-	857.14	-
(Term of repayment : Repayable in 14 quarterly installments of ₹ 215 Lakhs from Dec'10)				
Total - Term loans from banks	7,802.47	-	4,707.14	-
(b) Fixed Deposits:				
From other parties		106.00		146.20
Total - deposits from others		106.00		146.20
From related parties				
M/s. L.G. Farm Products (P) Limited		40.00		40.00
M/s. Elgi Automotive Services (P) Limited		80.00		120.00
M/s. L.G.B. Auto Products (P) Limited		75.00		80.00

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)		As at 31.03.2012 (₹ in lakhs)	
	Secured	Unsecured	Secured	Unsecured
5 (ii) Repayment schedule (Contd.)				
(b) Fixed Deposits: (Contd.)				
M/s. LGB Rolon Chain Limited		5.00		5.00
M/s. Rolon Fine Blank Limited		-		1.75
Minor. Samriddhi Andal Rajiv		142.00		49.00
Minor. Vidhur Narayanan Rajiv		122.00		82.00
Mr. Rajvirdhan V		40.00		80.00
Mr. Vijayakumar B		130.00		230.00
Mrs. Rajsri V		40.00		70.00
Super Speeds Private Limited		-		70.00
Super Transports Private Limited		25.00		25.00
Total - deposits from related parties		699.00		852.75
Total - Long-term borrowings	7,802.47	805.00	4,707.14	998.95
5 (iii) Defaults, if any - Nil				
6 SHORT-TERM BORROWINGS				
(a) Loan repayable on demand				
From banks - Secured / Unsecured	4,017.16	23.33	4,924.46	-
(b) From Financial Institutions - Unsecured	-	500.00	-	-
(c) Loan from related parties - Unsecured	-	590.00	-	266.00
(d) Loan from Directors - Unsecured	-	210.50	-	203.00
(e) Loan from Inter corporates - Unsecured	-	328.50	-	339.00
	4,017.16	1,652.33	4,924.46	808.00
Notes:				
6 (i) Details of security for short-term borrowings:				
Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company				
Loan repayable on Demand				
From Banks	4,017.16	23.33	4,924.46	
Total - Loan from banks	4,017.16	23.33	4,924.46	
Loan from financial institution				
M/s. Bajaj Finance Limited		500.00		-
Loan from related parties				
Mr. Rajiv Parthasarathy		550.00		250.00
Smt. B. Sarojini		40.00		16.00
Total - Loan from related parties		590.00		266.00

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)		As at 31.03.2012 (₹ in lakhs)	
	Secured	Unsecured	Secured	Unsecured
6 (i) Details of security for short-term borrowings: (Contd.)				
Loan from Directors				
Mr. B. Vijayakumar		181.50		99.00
Mr. V. Rajvirdhan		22.50		25.00
Smt. V. Rajsri		6.50		79.00
Total - Loan from Directors		210.50		203.00
Loan from inter corporates				
M/s. Tribe Investments and Services Private Limited		220.00		220.00
M/s. L.G. Farm Products (P) Limited		15.00		89.00
M/s. Elgi Automotive Services (P) Limited		29.00		-
M/s. L.G.B. Auto Products (P) Limited		58.00		-
M/s. Super Speeds (P) Limited		6.50		30.00
Total - Loan from inter corporates		328.50		339.00
Total - Short-term borrowings	4,017.16	1,652.33	4,924.46	808.00
6 (ii) Defaults, if any - Nil				

Particulars	As at 31.03.2013 ₹ in lakhs		As at 31.03.2012 ₹ in lakhs	
	7 TRADE PAYABLES			
(a) Other than acceptances		11,925.15		11,219.95
Total		11,925.15		11,219.95

8 OTHER CURRENT LIABILITIES				
(a) Current maturities of long-term debt		2,500.95		2,359.59
(b) Interest accrued but not due on unsecured loans		7.16		22.70
(c) Interest accrued but not due on secured loans		33.68		79.95
(d) Unpaid bond interest		0.43		0.43
(e) Unclaimed Dividends		45.11		33.30
(f) Other payables:				
(i) Statutory remittances		789.34		807.65
(ii) Payable on purchase of fixed assets		588.64		390.74
(iii) Interest accrued on deposits from customers		24.20		22.42
(iv) Advance and deposits from customers etc.,		1,166.64		1,323.76
(v) Liability for expenses		2,405.52		1,650.92
(vi) Unclaimed credits		58.57		26.83
Total		7,620.24		6,718.29

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 ₹ in lakhs	As at 31.03.2012 ₹ in lakhs
Note :		
8 (i) Current maturities of Long-term debt:		
Refer Note 5(i) for the details of Securities		
Term Loan		
From Banks		
Secured	2,315.95	2,257.14
Total - Term Loan from banks	2,315.95	2,257.14
Fixed Deposits:		
From Related		
Unsecured		
Super Speeds Private Limited	-	15.00
Minor. Samriddhi Andal Rajiv	-	52.00
Rajvirdhan V	40.00	-
Vijayakumar B	100.00	-
Rajsri V	30.00	-
Rolon Fine Blank Limited	1.75	-
Total - from related parties	171.75	67.00
From others		
Unsecured	13.25	35.45
Total - deposit from others	13.25	35.45
Total - Current maturities of Long-term debt	2,500.95	2,359.59
9 SHORT-TERM PROVISIONS		
(b) Provision - others:		
(i) Provision for proposed equity Dividend	156.96	863.29
(ii) Provision for tax on proposed equity Dividend	26.68	140..05
Total	183.64	1,003.34

Notes forming part of the financial statements

Description of Assets		GROSS BLOCK					ACCUMULATED DEPRECIATION AND IMPAIRMENT					NET BLOCK	
		Balance as at 1 April, 2012	On Acquisition	Additions	Disposals	Other Adjustments	Balance as at 31 March, 2013	Depreciation / amortisation expense for the year	Eliminated on Disposal of Assets	Other Adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2012	
A. TANGIBLE ASSETS:													
(a) Land Free Hold (1082.35)	1082.35	-	513.12	-	(1082.35)	1595.47	-	-	-	-	-	1595.47 (1082.35)	1082.35 (1213.24)
Lease Hold	198.78 (198.78)	4.00	-	-	-	202.78 (198.78)	2.24 (11.35)	-	-	13.59 (11.35)	-	189.19 (187.43)	187.43 (67.89)
(b) Buildings Own Use	3379.70 (3227.35)	-	161.35 (153.74)	-	-	3541.05 (3379.70)	178.61 (185.36)	-	-	1743.80 (1,565.19)	-	1797.25 (1814.51)	1814.51 (1846.41)
Given under operating Lease	559.20 (559.20)	-	-	25.76	-	533.44 (559.20)	46.16 (51.22)	8.11	-	123.57 (85.52)	-	409.87 (473.68)	473.68 (524.91)
(c) Plant and Equipment Owned	27413.76 (26312.34)	471.03	3439.71 (2822.10)	35.62 (1720.68)	73.19	31362.07 (27413.76)	2422.71 (2312.77)	17.83 (1694.32)	41.79	15228.31 (12,781.64)	-	16133.76 (14632.12)	14632.12 (14211.90)
Given under operating Lease	347.31 (347.05)	-	(0.26)	12.19	-	261.93 (347.31)	11.34 (21.07)	12.13	-	205.84 (248.42)	-	56.09 (98.89)	98.89 (56.95)
(d) Furniture and Fixtures Owned	227.82 (208.66)	2.86	29.57 (28.78)	2.32 (9.62)	-	257.93 (227.82)	22.34 (18.74)	2.06 (9.57)	-	178.66 (158.38)	-	79.27 (69.45)	69.45 (59.45)
(e) Vehicles Owned	225.39 (200.41)	1.55	43.23 (57.05)	11.79 (32.07)	-	258.38 (225.39)	21.57 (19.02)	6.39 (20.95)	-	99.15 (83.97)	-	159.23 (141.42)	141.42 (114.51)
(f) Office equipment Owned	91.77 (105.83)	12.06	34.11 (15.53)	2.26 (29.59)	-	135.68 (91.77)	5.16 (4.05)	1.49 (28.01)	-	45.70 (42.03)	-	89.98 (49.74)	49.74 (39.84)
(g) Electrical Fittings Owned	1196.00 (1186.57)	-	122.71 (46.70)	7.10 (37.27)	-	1311.61 (1196.00)	110.13 (108.55)	5.88 (36.30)	-	776.47 (672.22)	-	535.14 (523.78)	523.78 (586.62)
(h) Other Assets Owned	995.06 (876.75)	11.43	96.08 (136.11)	3.41 (17.80)	-	1099.16 (995.06)	79.68 (76.67)	3.32 (16.90)	-	813.24 (736.88)	-	285.92 (258.18)	258.18 (199.64)
Total	35717.14 (34305.29)	502.93	4439.88 (3260.27)	100.45 (1848.42)	-	40559.50 (35717.14)	2899.94 (2808.79)	57.21 (1807.15)	-	19228.32 (16,385.60)	-	21331.17 (19331.55)	19331.55 (18921.36)
Previous Year													

Notes forming part of the consolidated financial statements

Description of Assets	GROSS BLOCK					ACCUMULATED DEPRECIATION AND IMPAIRMENT				NET BLOCK		
	Balance as at 1 April, 2012	Acquisition	Additions	Disposals	Other Adjustments	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation/ amortisation expense for the year	Eliminated on Disposal of Assets	Other Adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2012
B. INTANGIBLE ASSETS:												
(a) Computer - Software	424.66 (392.26)	5.18	24.19 (37.41)	- (5.01)	-	454.03 (424.66)	328.43 (292.32)	40.42 (41.09)		(4.98)	85.18 (96.23)	96.23 (99.95)
(b) Technical Know-How	580.22 (546.12)		49.29 (34.10)	- -	-	629.51 (580.22)	356.98 (329.65)	49.03 (27.33)		-	223.50 (223.24)	223.24 (216.46)
Total	1004.88	5.18	73.48	-	-	1083.54	685.41	89.45		-	308.68	319.47
Previous Year	(938.38)		(71.51)	(5.01)		(1,004.88)		(621.97)	(68.42)	(4.98)	(319.47)	(316.41)

C) Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Depreciation and amortisation for the year on tangible assets as per note 10 A	2,899.94	2,808.79
Depreciation and amortisation for the year on intangible assets as per note 10 B	89.45	68.42
Total	2,989.39	2,877.21

Notes:

(i) Details of revaluation of assets during the preceding 5 years

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012	For the year ended 31 March, 2011	For the year ended 31 March, 2010	For the year ended 31 March, 2009
Land:					
Opening balance	110.70		-	-	-
GROSS BLOCK					
Added on revaluation	-	110.70	-	-	-
Closing balance	110.70	110.70	-	-	-

Notes forming part of the Consolidated financial statements

Notes:

(i) Details of revaluation of assets during the preceding 5 years (₹ in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012	For the year ended 31.03.2011	For the year ended 31.03.2010	For the year ended 31.03.2009
Land:					
Opening balance	110.70	-	-	-	-
Added on revaluation	-	110.70	-	-	-
Closing balance	110.70	110.70	-	-	-

11. NON-CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	As at 31st March 2013				As at 31st March 2012			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
Investments (At Cost)								
A. Trade								
(a) Investment in Equity instruments:								
(i) Associate:								
Renold Chain India Private Limited	10250000		1025.00	1025.00	10250000	-	1025.00	1025.00
(ii) Others:								
Supreme Rubber Reclaimers Ltd	50	0.01	-	0.01	50	0.01	-	0.01
Bharath Rubber Regenerating Co. Ltd	200	-	-	-	200	-	-	-
Elgi Equipments Ltd	1229706	112.50	-	112.50	1229706	112.50	-	112.50
LGB Forge Limited	29000000	612.89	-	612.89	10550000	105.50	-	105.50
Silent Chain India (P) Limited	770	-	0.15	0.15	770	-	0.15	0.15
LG Farm Products (P) Ltd	10000	-	1.00	1.00	10000	-	1.00	1.00
Rolon Fine Blank Limited	5000	-	0.50	0.50	5000	-	0.50	0.50
LGB Rolon Chains Limited	5000	-	0.50	0.50	5000	-	0.50	0.50
South Western Engineering India Limited	537	-	65.52	65.52	537	-	65.52	65.52
B. Non-trade								
(a) Investment in Equity instruments:								
(i) Others:								
Super Spinning Mills Ltd	10000	0.01	-	0.01	10000	0.01	-	0.01
Tube Investments of India Ltd	1100	0.01	-	0.01	1100	0.01	-	0.01
Corporation Bank	2400	1.92	-	1.92	2400	1.92	-	1.92
Tata Refractory Ltd	5000	-	2.01	2.01	5000	-	2.01	2.01
Manish Commercial Premises Co-operative Society Ltd, Mumbai	5	-	-	-	5	-	-	-
Kaveri Steels Ltd	100	-	-	-	100	-	-	-
C. Other Investments								
(a) Investment in Government securities								
(i) National Highways Authority of India Bond	-	-	-	-	460	-	46.00	46.00
		727.34	1,094.68	1,822.00		219.95	1,140.68	1,360.63

(₹ in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Aggregate amount of quoted investments	727.34	219.95
Aggregate market value of the listed and quoted investments	1,374.59	1214.82
Aggregate value of listed but not quoted investments	-	-
Aggregate value of unquoted investments	1,094.68	1,140.68

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
12 LONG-TERM LOANS AND ADVANCES		
(a) Capital advance		
Unsecured, considered good	704.34	171.30
(b) Security and other deposits	497.36	292.18
Unsecured, considered good		
(c) Loans and advances to employees		
Unsecured, considered good	2.31	5.79
(d) Advance income-tax (net of provision ₹ 4666.03 Lakhs) (As at 31.03.2012 ₹ 4190.30)		
Unsecured, considered good	241.98	256.54
(e) Mat credit entitlement	421.30	352.08
Unsecured, considered good		
(f) Other loans and advances		
(i) Advance recoverable		
Unsecured, considered good	14.14	14.34
Unsecured, considered doubtful	-	-
Less: provision for other loans and doubtful advances	-	-
(ii) Rent and other advances		
Unsecured, considered good	235.36	179.10
Total	2,116.79	1,271.33

13 OTHER NON-CURRENT ASSETS		
(a) Unamortised expenses		
(i) Ancillary Borrowing cost	10.94	-
(b) Accruals:		
(i) Interest accrued on Deposits	0.18	1.30
(c) Others:		
(i) Margin Money with Banks - maturity above 12 months	0.87	6.80
(ii) Fixed Deposit with Banks - maturity above 12 months	1.04	-
Total	13.03	8.10

14 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	4,136.20	3,591.73
(b) Work-in-progress	6,658.66	6,557.80
(c) Finished products	4,157.12	4,740.77
(d) Stock-in-trade (acquired for trading)	1,579.13	1,452.62
Goods in Transit	724.84	666.07
(e) Others		
(i) Packing materials	174.17	143.69
(ii) Stores & spares	1,238.77	1,186.49
(iii) Loose tools	924.85	958.19
(iv) Agricultural produce	7.37	4.82
Total	19,601.11	19,302.18

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
Notes:		
14(i) Details of inventory of work-in-progress		
Transmission	4,299.51	4,737.59
Metal forming	1,384.77	1,383.78
Others	558.25	436.43
Total	6,242.53	6,557.80

15 TRADE RECEIVABLE		
(a) Trade Receivable outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	149.20	126.00
(ii) Doubtful	42.52	50.91
Less: Provision for doubtful trade receivables	42.52	50.91
(b) Other Trade receivable		
(i) Unsecured, considered good	12,265.43	10,763.32
(ii) Doubtful	69.29	44.66
Less: Provision for doubtful trade receivables	69.29	44.66
Total	12,414.63	10,889.32
Note:		
15(i) Trade Receivable include debt due from		
Private companies in which any Director is a Director:		
LGB Fuel Systems (P) Limited	0.09	-
Super Speeds (P) Limited	0.42	-
Silent Chain India (P) Limited	0.12	0.50
Renold Chain India (P) Limited	275.58	278.86
Total	276.21	279.36

16 CASH AND CASH EQUIVALENTS		
(a) Cash- on- Hand	39.33	43.72
(b) Cheque and Demand Drafts on Hand	3.80	46.93
(c) Balances with Banks		
(i) In Current Account	537.78	82.04
(ii) In Collection Account	322.34	242.60
(iii) In Deposit Account	-	10.18
(iv) In Earmarked Accounts		
Unpaid Dividend Account	45.11	33.30
Unpaid Interest Account	0.43	0.43
In Margin Monery with Banks	-	36.47

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
16 CASH AND CASH EQUIVALENTS (Cond.)		
(d) Others		
(i) In Fixed Deposits	68.08	53.97
(ii) In Margin money with Banks	10.75	4.47
Total	1,027.62	554.12
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS3 Cash Flow Statements is {a+b+c}	948.79	495.67

Note:

16 (i) Fixed Deposit includes deposits amounting to ₹ 7.21 Lakhs (As at 31 March, 2012 ₹ 6.54 Lakhs) and Margin Monies amounting to ₹ 6.80 Lakhs (As at 31 March, 2012 ₹ Nil Lakhs) which have an original maturity of more than 12 months

17 SHORT-TERM LOANS AND ADVANCES		
(a) Loans and advances to employees		
Unsecured and considered good	56.39	39.24
(b) Prepaid expenses		
Unsecured and considered good	58.67	25.73
(c) Balance with govt authorities:		
(i) Cenvat credit receivable	1,004.11	1,032.99
(ii) Vat credit receivable	180.94	139.62
(iii) Service tax credit receivable	196.77	237.46
(d) Advance recoverable	271.38	282.92
Unsecured and considered Good		
(e) Miscellaneous Expenditure to extent not written off	0.56	0.74
Total	1,768.82	1,758.70

18 OTHER CURRENT ASSETS		
(a) Others		
(i) Income and claims receivable	237.24	282.36
(ii) Interest accrued on Deposits	12.56	7.15
Total	249.80	289.51

Particulars	As at 31st March 2013				As at 31st March 2012			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
19 CURRENT INVESTMENT								
Investments at Cost								
A. Other Investments								
(a) Investment in Government securities								
(i) National Highways Authority of India Bond	460		46.00	46.00	-	-	-	-
	460		46.00	46.00	-	-	-	-

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
20 REVENUE FROM OPERATIONS		
a) Sale of products (Refer Note (i) below)	98,747.78	92,660.52
b) Sale of services (Refer Note (ii) below)	130.52	104.58
c) Other operating revenue (Refer Note (iii) below)	5,280.50	5,766.73
	<u>104,158.80</u>	<u>98,531.83</u>
Less: Excise duty	8,540.13	7,263.55
Total	<u>95,618.67</u>	<u>91,268.28</u>
Note:		
(i) Sale of products		
Manufactured goods:		
Chains	66,435.19	64,191.85
Metal Forming	15,798.69	15,773.72
Others	2,855.10	1,334.55
Total - sale of manufactured goods	<u>85,088.98</u>	<u>81,300.12</u>
Traded goods:		
Light commercial vehicles	13,658.80	11,360.40
Total - Sale of traded goods	<u>13,658.80</u>	<u>11,360.40</u>
Total - Sale of products	<u>98,747.78</u>	<u>92,660.52</u>
(ii) Sale of services:		
Service income on vehicles	130.52	104.58
Total - Sale of services	<u>130.52</u>	<u>104.58</u>
(iii) Other operating revenue:		
Scrap sales	5,219.49	5,617.38
Duty drawback and other export incentives	61.01	149.35
Total - other operating revenue	<u>5,280.50</u>	<u>5,766.73</u>
Total	<u>104,158.80</u>	<u>98,531.83</u>
21 OTHER INCOME		
a) Interest income (Refer Note (i) below)	19.49	21.62
b) Dividend income:		
from long-term investments		
(i) Associates	3.29	3.28
(ii) Others	13.00	13.61
c) Other non-operating income		
(i) Rental and lease income	101.59	114.74
(ii) Agricultural income	2.65	2.63
(iii) Profit on sale of assets (net)	231.42	6.71
(iv) Miscellaneous receipts	11.19	10.75
Total	<u>382.63</u>	<u>173.34</u>
Note : (i) Interest Income		
Interest on fixed deposit with banks	7.81	10.80
Interest on deposit with TNEB	8.25	7.64
Interest on inter corporate deposit	1.15	-
Interest on NHAI bonds	2.28	3.18
Total - Interest income	<u>19.49</u>	<u>21.62</u>

Notes forming part of the Consolidated financial statements

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
22a COST OF MATERIALS CONSUMED		
Opening Stock:	4,002.23	3924.61
Add: Purchases	37,051.49	39,158.74
Less: Closing Stock	4,310.37	3,735.42
Cost of material consumed	36,743.35	39,347.93
Material consumed comprises:		
Steel Strips, Wires, rods, bars	28,254.73	28,982.31
Blanks, 'O' Rings and others	6,208.66	8,321.50
Rubber and Chemicals	308.28	265.51
Packing Materials	1,971.68	1,778.61
Total	36,743.35	39,347.93

22b PURCHASE OF TRADED GOODS		
Purchase of light commercial vehicle	13,380.37	12,460.32
Total	13,380.37	12,460.32

22c CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year ended		
Finished goods	4,157.12	4,740.77
Work-in-progress	6,658.66	6,557.80
Stock-in-trade	2,303.97	2,118.68
	13,119.75	13,417.25
Inventories at the beginning of the year ended		
Finished goods	4,967.80	2,727.69
Work-in-progress	7,004.88	5,852.40
Stock-in-trade	2,118.69	1,396.76
	14,091.37	9,976.84
Net (increase)/ decrease	971.62	(3,440.41)

23 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	8,701.69	7,671.58
(b) Contribution to provident and other funds	594.28	452.53
(c) Staff welfare expenses	703.02	653.28
Total	9,998.99	8,777.39

24 FINANCE COST		
(a) Interest expenses:		
(i) On borrowings:	1,888.93	1,519.02
(b) Other borrowing cost	404.68	245.61
Total	2,293.61	1,764.63

Notes forming part of the Consolidated financial statements

Particulars	Year ended 31.03.2013 (₹ in lakhs)	Year ended 31.03.2012 (₹ in lakhs)
25 OTHER EXPENSES		
(a) Consumption of stores and spare parts	6,125.57	6125.27
(b) Processing charges	5,982.00	5883.09
(c) Power, fuel and lighting	3,684.14	3218.15
(d) Rent including lease rentals	534.80	320.14
(e) Repairs & maintenance of		
(i) Buildings	207.99	154.75
(ii) Machinery	1,485.52	1411.49
(iii) Other assets	419.77	356.17
(f) Insurance	108.11	79.73
(g) Rates and taxes	91.77	90.34
(h) Travelling and conveyance	579.86	443.30
(i) Printing and stationery	65.66	66.93
(j) Postage, telegram and telephones	176.26	180.77
(k) Freight, packing & forwarding	2,995.85	2594.35
(l) Advertisement, publicity and selling expenses	515.76	338.97
(m) Trade discount	1,599.78	1,436.20
(n) Donations	60.00	18.25
(o) Legal and accountancy charges	346.05	79.16
(p) Auditors' remuneration (Refer note (i) below)	11.39	10.35
(q) Bad debts written off	4.41	2.51
(r) Assets condemned & written off	7.89	28.23
(s) Provision for doubtful debts/advances	12.49	57.51
(t) Exchange difference	5.40	404.72
(u) Sales-tax, entry tax & octroi	92.47	80.38
(v) Sitting fees	5.85	5.70
(w) Watch and Ward	373.81	309.49
(x) Miscellaneous expenses	97.20	66.54
(y) Preliminary expenses written off	0.19	0.19
	25,590.00	23,762.68
Note		
(i) Payment to auditors comprises (net of service tax input credit wherever applicable)		
As auditors - statutory audit	9.30	8.35
For taxation matters	2.09	2.00
Total	11.39	10.35

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
26 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENT		
26.1 Contingent liabilities and commitments		
(to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debt - disputed tax liability.	982.87	772.32
(b) Guarantee given by Bankers and outstanding	21.05	2.87
(c) Corporate guarantee given for others	7,150.00	8,400.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	1,386.06	1,625.20
(ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	1,791.58	778.22

26.2 Other notes forming part of accounts

These are set at in and under schedules and notes forming part of the accounts for the year ended 31.03.2013 as given in unconsolidated statements of L.G. Balakrishnan & Bros Limited and its subsidiaries.

27.1 Employee benefit plans
Defined Contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 339.03 Lakhs (Year ended 31 March, 2012 ₹ 274.04 Lakhs) for Provident Fund contributions and ₹ 5.25 Lakhs (Year ended 31 March, 2012 ₹ 5.02 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

State plans:

The Company makes ESI contributions to Employees' State Insurance Scheme. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.113.23 Lakhs (Year ended 31 March, 2012 ₹ 82.04 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Notes forming part of the Consolidated financial statements

27.2. Related party transActions : (As identified by the Management and relied upon by Auditors)

A. Name of related parties and nature of relationship where control exists are as under:

i) Enterprise over which the Company may exercise significant influence

Elgi Automotive Services (P) Limited	LGB Fuel Systems Private Limited
L.G.B. Auto Products (P) Limited	LGB Forge Limited
LG Farm Products (P) Limited	Rolon Fine Blank Limited
L.G. Balakrishnan & Bros - Karur	LGB Rolon Chain Limited
LG Sports Limited	Tribe Investments and Services Private Limited
Super Speeds Private Limited	South Western Engineering India Limited
Super Transports Private Limited	Silent Chain India Private Limited

ii) Associates

Renold Chain India Private Limited

iii) Key Management Personnel

a. Sri. B. Vijayakumar, Chairman & Managing Director	b. Sri. P. Prabakaran, Deputy Managing Director
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iv) Relatives of Key Management Personnel

Relatives of Sri. B. Vijayakumar	Relatives of Sri. P. Prabakaran
Mother : Smt. B. Sarojini	Father : Sri. K. Palanichamy
Wife : Smt. Vijayashree V.	Mother : Smt. Rajalakshmi
Sons : Sri. V. Rajvirdhan	Wife : Smt. D. Maheswari
Sri. Nithin Karivardhan	Son : Sri. P. Suryakumar
Sri. Arjun Karivardhan	
Daughter : Smt. Rajsri Vijayakumar	
Daughter's Husband : Sri. Rajiv Parthasarathy	
Daughter's daughter : Minor. Samriddhi Andal Rajiv	
Daughter's Son : Minor.Vidhur Narayanan Rajiv	

Notes forming part of the Consolidated financial statements

Nature of transactions	Associates / Others	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Managerial Remuneration				
B. Vijayakumar	-	142.30	-	142.30
	-	(173.34)	-	(173.34)
P. Prabakaran	-	46.24	-	46.24
	-	(49.92)	-	(49.92)
Loan Receipts	504.00	417.00	1165.00	2086.00
	(269.00)	(114.00)	(168.00)	(551.00)
Loan Repayment	471.00	341.00	929.00	1741.00
	(-)	(110.00)	(48.00)	(158.00)
Interest Expense	55.41	20.68	33.82	109.91
	(7.31)	(10.05)	(32.80)	(50.16)
Dividend Receipts	3.29	-	-	3.29
	(3.28)	(-)	(-)	(3.28)
Dividend Payments	174.07	165.53	252.28	591.88
	(105.50)	(100.02)	(152.01)	(357.53)
Rent Income	62.40	-	-	62.40
	(72.46)	(-)	(-)	(72.46)
Rent / Lease Expenses	40.42	-	-	40.42
	(12.65)	(-)	(-)	(12.65)
Purchase of Materials, Spares&power	1371.19	-	-	1371.19
	(808.84)	(-)	(-)	(808.84)
Processing/Conversion Cgs Payment	377.08	-	-	377.08
	(340.70)	(-)	(-)	(340.70)
Sale of Materials, Stores and Service Charges	1484.43	-	-	1484.43
	(1881.61)	(-)	(-)	(1881.61)
Processing charges Receipts	108.87	-	-	108.87
	(-)	(-)	(-)	(-)
Sale of Fixed Assets	3.82	-	-	3.82
	(-)	(-)	(-)	(-)
Purchase of Fixed Assets	390.79	-	-	390.79
	(-)	(-)	(-)	(-)
Receivable balance	325.21	-	-	325.21
	(331.83)	(-)	(-)	(331.83)
Payable balance	393.39	175.00	256.00	824.39
	(234.11)	(99.00)	(370.00)	(703.11)
Equity Investment	507.39	-	-	507.39
	(-)	(-)	(-)	(-)
Sale of Fixed Assets	3.82	1.10	-	4.92
	(-)	(-)	(-)	(-)
Purchase of Fixed Assets	391.32	-	-	391.92
	(-)	(-)	(-)	(-)

Note : None of the balances due to or receivable from related parties have been adjusted or written-off during this period.

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
LOAN RECEIPTS:		
Tribe Investments and Services Private Limited	–	200.00
L.G. Farm Products Pvt.Ltd.	17.00	39.00
Super Speeds (P) Limited	80.00	30.00
South Western Engineering India Ltd	315.00	-
Key managerial personnel:		
Sri. B. Vijayakumar	417.00	114.00
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	800.00	–
Smt. V. Rajsri	132.00	100.00
Sri. V. Rajvirdhan	160.00	42.00
Smt. B. Sarojini	73.00	16.00
LOAN REPAYMENT:		
South Western Engineering India Ltd	315.00	–
Key managerial personnel:		
Sri. B. Vijayakumar	341.00	110.00
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	500.00	–
Smt. V. Rajsri	211.00	31.00
Sri. V. Rajvirdhan	169.00	17.00
INTEREST EXPENSE:		
Key managerial personnel:		
Sri. B. Vijayakumar	20.68	10.65
Tribe Investments and Services Private Limited	22.00	5.73
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	52.19	27.58

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
DIVIDEND PAYMENT:		
Elgi Automotive Services Limited	67.65	41.00
L.G.B. Auto Products Limited	62.70	38.00
L.G. Farm Products (P) Limited	33.00	20.00
Key managerial personnel:		
Sri. B. Vijayakumar	165.50	100.02
Relatives of key managerial personnel:		
Sri. V. Rajvirdhan	161.09	96.74
Sale of Fixed Assets		
South Western Engineering India Limited	3.30	-
Purchase of Fixed Assets		
LGB Forge Limited	358.33	-
RENT INCOME		
LGB Forge Limited	44.19	43.51
South Western Engineering India Limited	5.51	11.53
RENT /LEASE PAYMENT		
Associates/Others:		
L.G.B.Forge Limited	11.10	7.43
Renold Chain India (P) Limited	5.74	5.22
LGB Auto Products (P) Limited	14.00	-
PURCHASE OF MATERIAL, SPARES & POWER		
Associates/Others:		
Renold Chain India (P) Limited	1,077.36	604.26
L.G. Balakrishnan & Bros, Karur	252.99	158.00
PROCESSING/CONVERSION CHARGES PAYMENT		
South Western Engineering India Limited	304.58	297.56
Silent Chain India (P) Limited	50.66	43.14
PROCESSING RECEIPTS		
Associates/Others:		
LGB Forge Limited	108.87	-
SALE OF MATERIAL , STORES AND SERVICE CHARGES		
Associates/Others:		
Renold Chain India (P) Limited	1,305.64	1,679.85

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
27.3. SEGMENT REPORTING		
Primary Segment Information		
(Business Segments):		
A. Segment Revenue:		
Transmission	63,081.29	62,584.67
Metal Forming	15,718.26	15,786.04
Others	16,819.12	12,897.57
Total	95,618.67	91,268.28
B. Segment Results:		
Transmission	5,673.75	5,990.04
Metal Forming	536.55	1,278.35
Others	117.28	388.11
Total	6,327.58	7,656.50
Interest Expenses	2,293.61	1,764.63
Unallocated corporate expenses, net of unallocated income	-	-
Profit before tax	4,033.97	5,891.87
Provision for taxation	769.96	1,468.99
Profit after tax	3,264.01	4,422.88

C. Other Information:

Particulars	As at 31 March, 2013		For the year ended 31 March, 2013		
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	25,838.63	9,995.88	1,644.37	1,187.80	27.59
	(26,684.63)	(9,259.41)	(1,497.84)	(1,139.68)	(28.59)
Metal Forming	18,520.11	3,467.07	1,730.11	1,289.68	0.09
	(17,301.52)	(3,436.16)	(706.27)	(1,282.57)	(54.16)
Others	17,822.93	6,266.06	1,139.86	511.91	2.98
	(11,432.66)	(6,246.02)	(1,238.37)	(454.95)	(6.37)

Note: Components of business segments are as under:

- Transmission - Chains & Sprockets
- Metal Forming - Fine Blanking, Machining and Wire drawing products
- Others - Trading Goods

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2013 (₹ in lakhs)	As at 31.03.2012 (₹ in lakhs)
A. Secondary Segment Information (Geographical Segment)		
1) Segment Revenue:		
Within India	86,246.22	84,358.85
Outside India	9,372.45	6,909.43
Total	95,618.67	91,268.28
2) Segment Assets:		
Within India	56,181.51	53,964.11
Outside India	6,000.19	1,454.71
Total	62,181.70	55,418.82
3) Capital Expenditure:		
Within India	5,078.50	3,442.48
Outside India	568.59	-
Total Capital Expenditure	5,647.09	3,442.48
27.4 Earnings per share		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - (₹ in lakhs)	3,273.01	4,422.78
Profit attributable to Equity Shareholders - (₹ in lakhs) (A)	3,273.01	4,422.78
Total number of Equity Shares outstanding at Balance Sheet date.	7,848,104	7,848,104
Weighted average number of Equity Shares outstanding, considered for the purpose of computing Basic EPS (B)	7,848,104	7,848,104
Nominal value of Equity Shares - in ₹	10	10
Basic and Diluted Earnings Per Share-in ₹	41.70	56.35
27.5 DEFERRED TAX LIABILITY		
Tax effect of items constituting deferred tax liability:		
On difference between book balance and tax balance of fixed assets	1,784.62	1,788.84

28. The financial statement of foreign subsidiary have been prepared in accordance with generally accepted accounting principal of its country of incorporation. The difference in accounting policy of the Company and its subsidiaries are not material. The material transaction from 1st January, 2013 to 31st March, 2013 have been adjusted in the financial statement for the year ended 31st December, 2012.
29. Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification/disclosure.

“In terms of our report attached”
 For **DELOITTE HASKINS & SELLS**
 Chartered Accountants
C.R. RAJAGOPAL
 Partner
 Coimbatore
 30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR Chairman cum Managing Director	P. PRABAKARAN Deputy Managing Director
M. LAKSHMI KANTH JOSHI General Manager cum Company Secretary	N. RENGARAJ Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31 March, 2013

PARTICULARS	31.03.2013 (₹ in Lakhs)	31.03.2012 (₹ in Lakhs)
A. Cash flow from operating activities		
Net Profit before Tax & Share of Profit / Loss of Minority Interest	4033.97	5891.87
Adjustments for		
Depreciation	2,989.39	2877.21
Asset Condemned and written off	7.89	28.23
(Profit) or Loss on sale of assets	(231.42)	(6.71)
(Profit) or Loss on sale of investments	-	-
Finance charges	2,293.61	1,764.63
Interest income	(19.49)	(21.62)
Dividend income	(16.29)	(16.89)
Rental income on operating lease	(101.59)	(114.74)
Operating profit before working capital changes	8956.07	10401.98
Changes in Working Capital		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(298.93)	(3,883.89)
Trade Receivables	(1,525.31)	(2,478.96)
Short term Loans and advances	(10.12)	(554.47)
Long term Loans and advances	(850.73)	246.41
Other current assets excluding advance tax	39.71	(62.34)
Other Non- current assets	(9.81)	0.31
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	705.20	742.80
Other current Liabilities	760.57	1,098.75
Other Non - current Liabilities	-	30.00
Cash generated from operations	7766.65	5,540.59
Preliminary expenses	0.19	0.19
Income tax paid	(759.50)	(1,727.28)
Net Cash from operating activities (A)	7,007.34	3,813.50
B. Cash flow from Investing activities		
Purchase of Fixed assets	(6,169.49)	(3,222.43)
Proceeds from sale of fixed assets	266.77	19.79
Purchase of Investments	(507.37)	-
Proceeds from sale of investments	-	-
Bank balances not considered as Cash and cash equivalents		
Fixed Deposit with banks matures more than 3 months	(15.50)	73.75
Dividend received		
from associates	3.29	3.28
from others	13.00	13.61
Interest received		
from others	19.49	21.62
Rental income on operating lease	101.59	114.74

Consolidated Cash Flow Statement for the year ended 31 March, 2013

PARTICULARS	31.03.2013 (₹ in Lakhs)	31.03.2012 (₹ in Lakhs)
C. Cash flow from financing activities		
(Repayment)/Proceeds of Secured Loan	2,270.18	1109.97
Proceeds/(Repayment) of Unsecured Loan	709.60	875.95
Proceeds from issue of Share Capital to Minority Shareholders	552.84	
Interest paid	(2,293.61)	(1764.63)
Dividend paid	(1,505.01)	(912.13)
Extra Ordinary Items	-	-
Net cash used in financing activities (C)	(266.00)	(690.84)
Net increase in cash and cash equivalents (A) + (B) + (C)	453.12	147.02
Opening Balance	495.67	348.65
Closing Balance *	948.79	495.67
Reconciliation of Cash and cash equivalent with the Balance Sheet		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
comprises		
(a) Cash- on- Hand	39.33	43.72
(b) Cheque and Demand Drafts on Hand	3.80	46.93
(c) Balances with Banks		
(i) In Current Account	537.78	82.04
(ii) In Collection Account	322.34	242.60
(iii) In Deposit Account	0.00	10.18
(iv) In Earmarked Accounts		
Unpaid Dividend Account	45.11	33.30
Unpaid Interest Account	0.43	0.43
In Margin Monery with Banks	0.00	36.47
	948.79	495.67

Corporate information and Significant Accounting policies 1 & 2
See accompanying notes forming part of the financial statements

“In terms of our report attached”
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
30.04.2013

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman cum Managing Director

P. PRABAKARAN
Deputy Managing Director

M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

N. RENGARAJ
Chief Financial Officer



L.G. Balakrishnan & BROS LIMITED



Registered Office : 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore- 641 006

Sub.: Green Initiative in Corporate Governance - Electronic Mode of service of documents

The Ministry of Corporate Affairs (MCA) has, vide its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, allowed companies to serve all notices and correspondences to shareholders including Annual Reports i.e., Audited Financial Statements, Directors' Report, Auditors' Report, etc., through electronic mode (e-mail). The initiative taken by the MCA is a welcome move for the Society, as this will reduce paper consumption to a great extent, ensure prompt receipt of communication and avoid loss of document in postal transit. Keeping in view of the theme underlying the Circulars issued by MCA, we propose to henceforth send documents like notices, intimation under Section 302 of the Companies Act, 1956, Annual Reports, Financial Results, etc., to our shareholders through electronic mode.

We are sure that you will whole-heartedly support this initiative for a greener environment and co-operate with the Company to make it a success. We therefore request you to fill up the Information Slip below for registering your e-mail ID and send it to our Registrar & Share Transfer Agent (RTA), Cameo Corporate Services Limited. You can also send us an e-mail from your e-mail ID to secretarial@lgb.co.in for receiving the aforesaid documents in electronic form and mentioning therein your Folio No. / DP ID / Client ID as the case may be. On receipt of the Information Slip or an e-mail from you for registering your e-mail ID, we shall send such documents in electronic form to the said e-mail ID in future.

Please note that the Information Slip should be signed by the First / sole-holder as per the specimen signature recorded with the RTA. If you do not register your e-mail ID, a physical copy of the Annual Report and other communication / documents will be sent to you free of cost, as per the current practice. These documents will also be available on the Company's website www.lgb.co.in. for your ready reference under the Investors' Relations Section. Let's be part of this 'Green Initiative'

Thanking You,

Yours faithfully,

For L.G. BALAKRISHNAN & BROS LIMITED

(Sd./-)

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

✂ ————— Cut along the line —————

Cameo Corporate Services Limited
Unit: L.G. Balakrishnan & Bros Limited
"Subramanian Building"
No 1, Club House Road
Chennai- 600 002
Tel No.: 044 - 28460390 Fax : 044 - 2846 0129

Folio No./DP ID & Client ID :

Name of the First Holder :

E-mail ID address (to be registered) :

Phone number (with STD Code) / Mobile No. :
(in case the shares are held in physical form)

Date: _____ Signature of 1st Holder _____

Note : Shareholders are requested to keep DP / RTA / Company informed as and when there is any change in the e-mail address. Unless the e-mail ID given above is changed by you by sending another communication in writing / e-mail, the Company will continue to send the documents to you on the above mentioned e-mail ID.

L.G. BALAKRISHNAN & BROS LIMITED

Regd. Office: 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore- 641 006.

ADMISSION SLIP

Name of Member		Folio No	
Name of Proxy		No of Shares	

I hereby record my presence at the 57th Annual General Meeting of the Company held on 08-08-2013 at 10.15 A.M at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018.

.....
Signature of Member/Proxy

- Notes :
- Shareholders/Proxies must bring the Admission Slip to the meeting and hand it over at the entrance duly signed.
 - Shareholders are requested to advise their change to address as well as request for consolidation of folio, if any to the above address, quoting folio numbers.



L.G. BALAKRISHNAN & BROS LIMITED

Regd. Office: 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore- 641 006.

PROXY FORM

I/We.....of.....being a Member/Members of L.G. Balakrishnan & Bros Limited, hereby appointoffailing him.....ofas my/our Proxy to attend and vote for me/us on my/our behalf at the 57th Annual General Meeting of the Company to be held on 08.08.2013 at 10.15 A.M. at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018 and any adjournment thereof.

As Witness by my/our hand(s) thisday of2013.

Signed by the said.....

Folio No.	No. of Shares
DP.ID *	Client ID *

Affix
₹ 1.
Revenue
Stamp

Applicable to investors holding shares in Electronic Form.

Notes : The proxy form must be returned so as to reach the Registered Office of the Company, 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore- 641 006 not less than forty-eight hours before the time for holding the aforesaid meeting.



To

The General Manager cum Company Secretary
L.G. Balakrishnan & Bros Limited
6/16/13, Krishnarayapuram Road, Coimbatore- 641 006.
Phone No. 0422 - 3911212

Mandate for payment of Dividend (Physical Shareholders Only)
FORM FOR NATIONAL ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND

1. Particulars of the shareholder

- a) Regd. Folio No. :
- b) Name of the first Regd. Holder (in block letters) :

2. Particulars of the Bank

- a) Name of the Bank :
- b) Address of the Branch :
- c) Account No. (As appearing in the cheque book) :

- d) Account Type (Savings Account, Current Account or Cash Credit) :

Please Tick relevant box

SAVINGS	CURRENT	CASH CREDIT
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- e) Nine Digit code number of the bank and branch appearing on the MICR cheque issued by the bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number)
- IFSC code of the Bank

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DECLARATION

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effective at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

(Signature of the first Regd. holder)

(Signature of the second holder)

Place : Name :

Date : Address :

.....Pincode

Phone :

Email:.....

Note : Please send this form to the address mentioned above, if shares are held in physical form.



To (Your Depository Participant)

Cameo Corporate Services Limited
"Subramanian Building"
No.1, Club House Road, Chennai- 600 002.
Phone No. 044 - 28460390

**FORM FOR NATIONAL ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND
(NECS)**

1. Particulars of the shareholder
- a) Name of the first/ Sole Share Holder (in block letters) :
 - b) DP ID & Client ID Nos. :
2. Particulars of the Bank
- a) Name of the Bank :
 - b) Address of the Branch :
 - c) Account No. (As appearing in the cheque book) :
 - d) Account Type (Savings Account, Current Account or Cash Credit) :

Please Tick relevant box		
SAVINGS	CURRENT	CASH CREDIT
 - e) Nine Digit code number of the bank and branch appearing on the MICR cheque issued by the bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number) IFSC code of the Bank

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DECLARATION

I hereby declare that the particulars given above are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). If the payment transaction is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

(Signature of the First (regd.) holder)

Place :
Date :
Phone :
Email:.....

Note : Please send this form to your Depository participant.



ANNUAL REPORT

If Undelivered Please Return to :



L.G. BALAKRISHNAN & BROS LIMITED

Registered Office : 6/16/13, Krishnarayapuram Road,

Ganapathy, Coimbatore - 641 006, India.

Tel : 0422 - 2532325, Fax : 0422 - 2532333

E-Mail : info@lgb.co.in Web site : www.lgb.co.in