



L.G. BALAKRISHNAN & BROS LIMITED

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	National Stock Exchange of India Limited "Exchange Plaza" Bandra Kurla Complex Bandra (E) Mumbai - 400 051
Scrip Code: 500250	Scrip Code: LGBBROSLTD

LGB/SEC/STK-2021

14.08.2021

Dear Sirs,

Sub: Submission of Annual Report for the financial year 31.03.2021

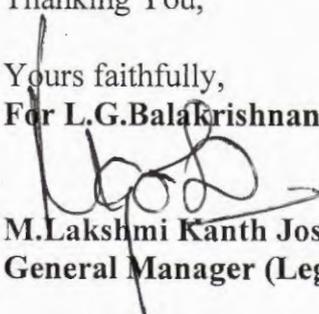
Pursuant to Regulation 34(1) of the SEBI Listing Regulations, please find enclosed the Annual Report of the Company along with the Notice of the 65th AGM and other Statutory Reports for the Financial Year 2020-21, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/ Depositories.

The same is also available on the website of the Company at www.lgb.co.in.

Kindly take the same on record

Thanking You,

Yours faithfully,
For **L.G.Balakrishnan & Bros Limited**


M.Lakshmi Kanth Joshi
General Manager (Legal) & Company Secretary

CC: National Securities Depository Limited
Trade World, A Wing
Kamala Mills Compound, Lower Parel
Mumbai - 400013.

Central Depository Services (India) Limited.
16th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai - 400 023

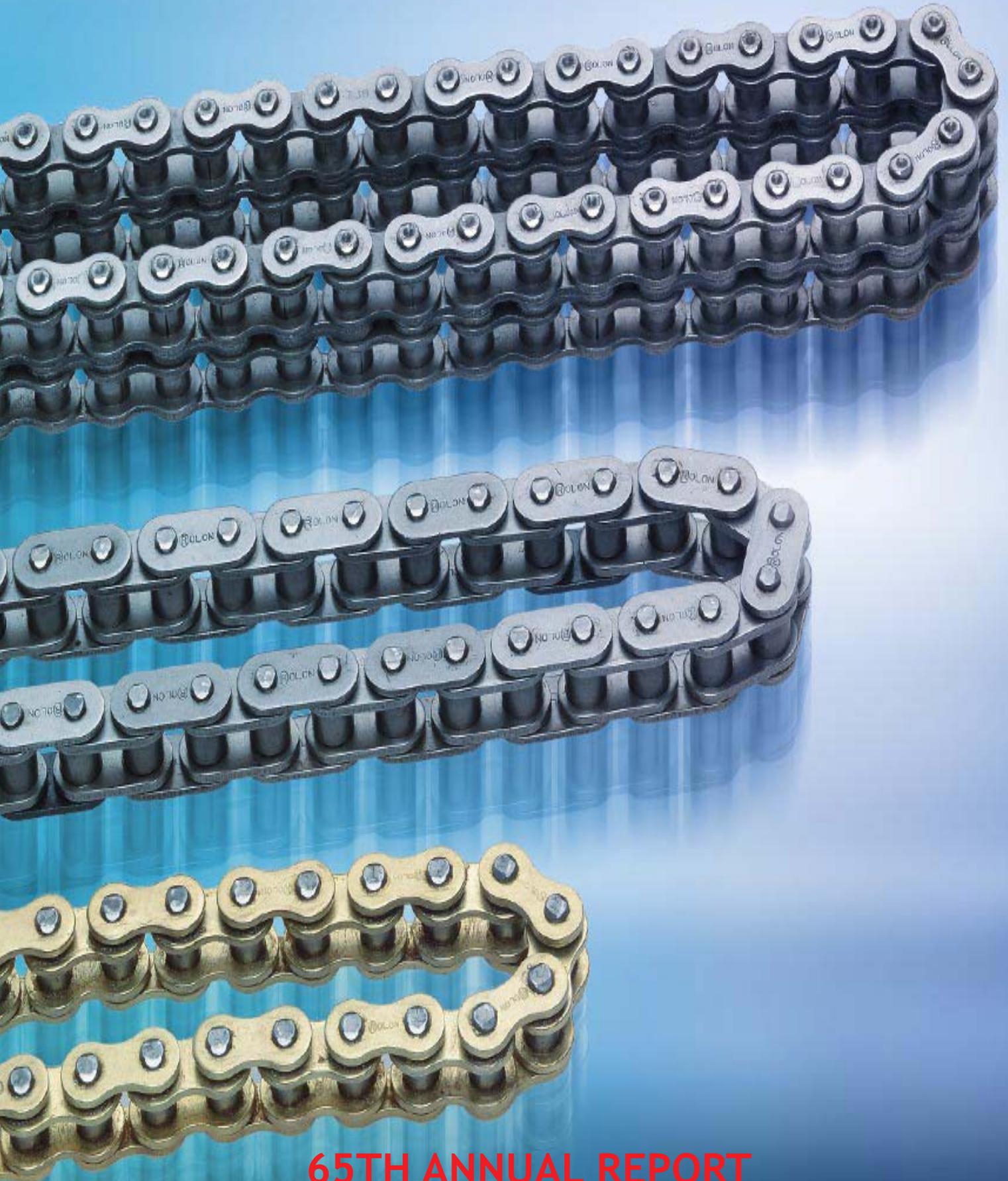
M/s.Cameo Corporate Services Limited
"Subramanian Building"
No.1, Club House Road,
Chennai - 600 002

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

CIN : L29191TZ1956PLC000257 Ph : (0422) 2532325 Fax : (0422) 2532333 E-mail : info@lgb.co.in www.lgb.co.in



L.G. BALAKRISHNAN & BROS LIMITED



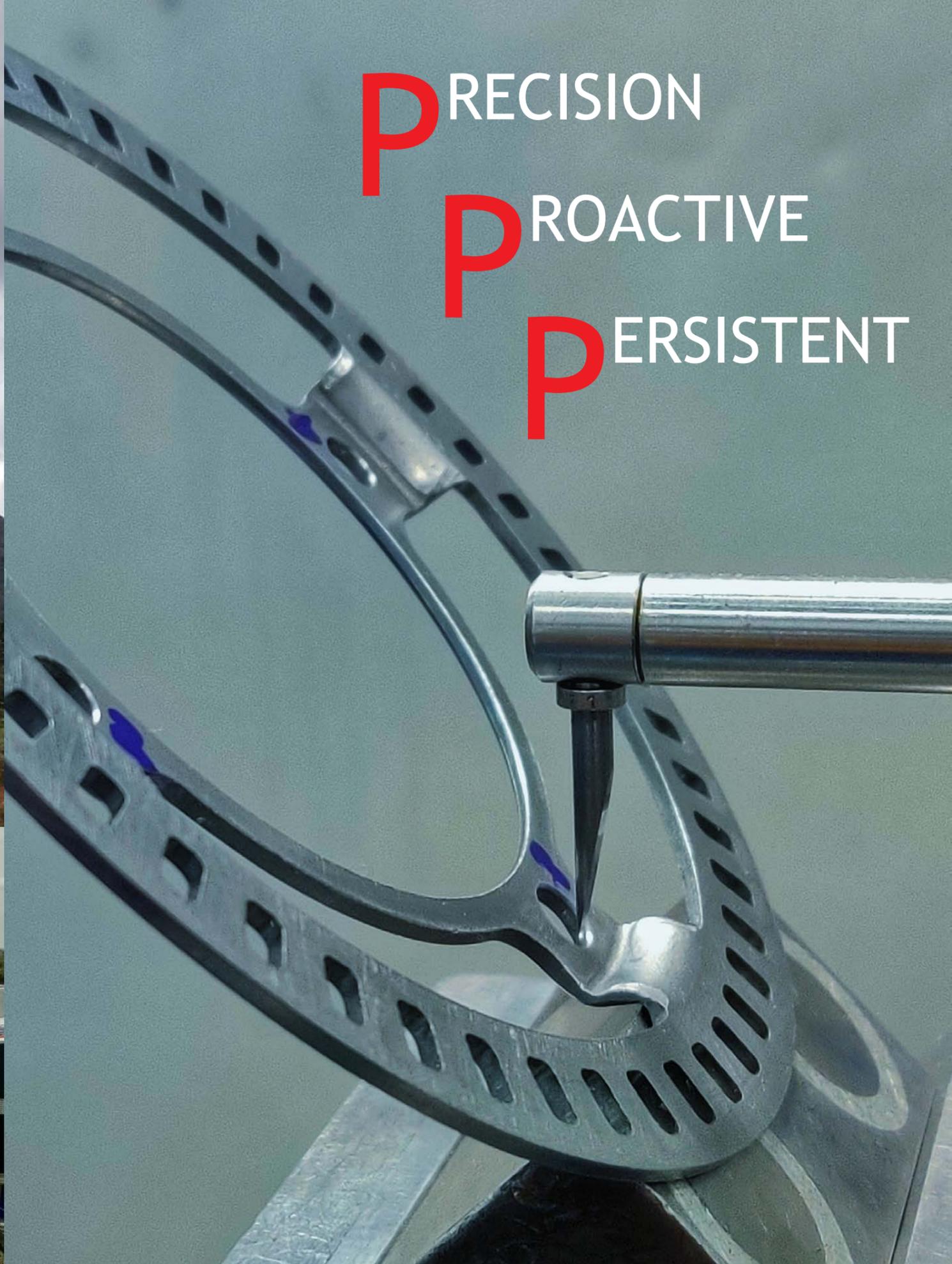
**65TH ANNUAL REPORT
2020-2021**



NAGERCOIL
ARALVOIMOZHI



ROOF TOP SOLAR
SYSTEM - 1.4 MW AT LGB
PILLAIYAPPAMPALAYAM PLANT



P RECISION
P ROACTIVE
P ERSISTENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR

Sri. B. Vijayakumar

MANAGING DIRECTOR

Sri. P. Prabakaran

NON-EXECUTIVE DIRECTORS

Sri. S. Sivakumar

Sri. V. Govindarajulu

Sri. P. Shanmugasundaram

Sri. Rajiv Parthasarathy
(appointed w.e.f. 10.06.2021)

Smt. Rajsri Vijayakumar

Sri. V. Rajvirdhan
(resigned w.e.f. 10.06.2021)

Sri. R. Vidhya Shankar

Smt. Kanchana Manavalan

Sri.G. D. Rajkumar

CHIEF FINANCIAL OFFICER

Sri. N. Rengaraj

GENERAL MANAGER (LEGAL) AND COMPANY SECRETARY

Sri. M. Lakshmi Kanth Joshi

BANKERS

Axis Bank Limited

Corporation Bank

HDFC Bank Limited

HSBC Limited

IndusInd Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Yes Bank Limited

STATUTORY AUDITORS

M/s. Suri & Co

Chartered Accountants

II Floor, A.M.M. Buildings

354, Mettupalayam Road, Coimbatore 641043

Phone No. 0422 - 2433627

COST AUDITOR

Dr. G.L. Sankaran

82, EB Colony, Vadavalli, Coimbatore - 641 041

Phone No. 0422 - 2400767

SECRETARIAL AUDITOR

CS M.D. Selvaraj

MDS & Associates

Company Secretaries in Practice

Surya, 35, Mayflower Avenue, Sowripalayam Road

Coimbatore - 641028

Phone : 0422 2318780

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

LISTED - STOCK EXCHANGES

BSE Ltd.

National Stock Exchange of India Ltd.

REGISTERED OFFICE

6/16/13, Krishnarayapuram Road,

Ganapathy, Coimbatore - 641 006.

CIN : L29191TZ1956PLC000257

Phone: 0422 2532325 Email: info@lgb.co.in

Website: www.lgb.co.in Fax: 0422 2532333

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65TH ANNUAL GENERAL MEETING

Date : 09th September, 2021

Day : Thursday

Time: 2.00 P.M.

VALLAM VADAGAL
CHENNAI PLANT



NOTICE OF 65TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 65th (SIXTY FIFTH) ANNUAL GENERAL MEETING (“AGM”) of the Shareholders of **L.G.BALAKRISHNAN & BROS LIMITED (“the Company”)** will be held on **Thursday, September 09, 2021 at 02:00 PM (IST)** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the in-person presence of members at a common venue to transact the following BUSINESS:

AGENDA

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2021 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto
2. To declare a Dividend of Rs.10/- per Equity Share for the financial year ended March 31, 2021.
3. To appoint a Director in place of Smt.V.Rajsri, (DIN: 00018244) who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Sri.P.Prabakaran (DIN:01709564) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and recommendation of the Nomination and Remuneration Committee and the Board of Directors made at their respective

meetings, Dr. Vinay Balaji Naidu (DIN: 09232643), who was appointed as an Additional Director of the Company under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, being so eligible, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from August 04, 2021 to August 03, 2026 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and / or Company Secretary be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.”

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

“RESOLVED THAT subject to the provisions of Sections 152, 160 and other applicable provisions of the Companies Act, 2013 (the Act, 2013) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, Sri.Rajiv Parthasarathy (DIN: 02495329), who was appointed as an Additional Director (Non Executive Non Independent Director) pursuant to the provisions of Section 161(1) of the Act and

the Articles of Association of the Company effective from June 10, 2021 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director and / or Company Secretary be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members be and is hereby accorded for the appointment of Sri.Rajiv Parthasarathy (DIN: 02495329), as a Whole-time Director, (designated as Senior Vice President - Operations) of the Company, for a period of 3 years with effect from August 01, 2021 on the following terms and conditions of appointment including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors, at their respective meetings held on July 31, 2021 notwithstanding the fact that the aggregate annual remuneration payable to Sri.Rajiv Parthasarathy (DIN: 02495329), in any year, during his tenure as Whole-time Director, (designated as Senior Vice President - Operations) together with the aggregate annual remuneration payable to Sri. B. Vijayakumar (DIN: 00015583), Chairman and Managing Director, exceeds 5% of

the net profits of the Company as calculated under Section 198 of the said Act or any other limits as may be specified in the Listing Regulations or the Companies Act, 2013 from time to time for the time being in force:-

A. Salary

Period	Remuneration In lakhs per annum
01.08.2021 - 31.07.2022	24.00
01.08.2022 - 31.07.2023	24.00
01.08.2023 - 31.07.2024	30.00

- B. Contribution to Provident fund Superannuation Gratuity as per the rules of the Company and this shall not be included in computation of ceiling on remuneration.
- C. During his tenure as Wholetime Director, (designated as Senior Vice President - Operations) he shall be liable to retire by rotation and the same shall not be treated as break in his service as Wholetime Director (designated as Senior Vice President - Operations).
- D. The Wholetime Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the Board of Directors (including Committees thereof) be and are hereby authorized to alter and vary the terms of appointment and/or remuneration of Sri.Rajiv Parthasarathy, Wholetime Director (DIN: 02495329), as it may deem fit, subject to the same not exceeding the limits as approved by the Members.

RESOLVED FURTHER THAT any Director and / or Company Secretary be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.”

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

“RESOLVED THAT pursuant to Regulation 17(6) (e) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members of the Company be and is hereby accorded to continue the payment of remuneration to Sri. B. Vijayakumar (DIN: 00015583), Chairman and Managing Director for the remaining period of his current tenure as Chairman and Managing Director till December 31, 2024 on such terms and conditions as approved by the members by a special resolution passed under the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), at the 63rd Annual General Meeting held on July 18, 2019, notwithstanding the fact that the aggregate annual remuneration payable to him in any year during the remaining period of his tenure together with the aggregate annual remuneration payable to Sri.Rajiv Parthasarathy (DIN: 02495329), Whole-time Director, (designated as Senior Vice President - Operations), exceeds 5% of the net profits of the Company as calculated under Section 198 of the said Act or any other limits as may be specified in the Listing Regulations or the Companies Act, 2013 from time to time for the time being in force.

RESOLVED FURTHER THAT all the existing terms and conditions of the appointment of and the remuneration payable to Sri. B. Vijayakumar (DIN: 00015583), Chairman and Managing Director, including salary, commission and perquisites as per the special resolution passed at the 63rd Annual General Meeting held on July 18, 2019 shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

“RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to Dr.G.L.Sankaran, Cost Accountant, (Membership No.4482), who has been appointed by the Board of Directors as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2022, on a remuneration of Rs. 2.00 lakhs (Rupees Two Lakhs Only) plus taxes as applicable and reimbursement of out-of-pocket expenses incurred in connection with the audit, be and is hereby ratified and confirmed.”

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Being eligible for appointment as an Independent Director as per the criteria laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on July 31, 2021, had appointed Dr. Vinay Balaji Naidu (DIN: 09232643) as an Additional Director, with an intention to appoint him as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years with effect from August 04, 2021, subject to the approval of the shareholders in the Annual General Meeting (AGM) by way of a special resolution. Pursuant to Section 161(1) of the Companies Act, 2013, Dr. Vinay Balaji Naidu (DIN: 09232643) holds his office of Additional Director upto the date of this Annual General Meeting.

Dr.Vinay Balaji Naidu (DIN: 09232643), being the appointee Independent Director, has expressed his consent for appointment and has submitted necessary declaration to the effect that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that his name is included in the databank as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office of Director by order of the SEBI or any other statutory authority under any laws.

The Company has also received a notice in writing from a member signifying his intention to propose the candidature of Dr.Vinay Balaji Naidu (DIN: 09232643) for the office of Director.

Considering his knowledge, qualification, skills and varied experience, the Board of Directors is of the opinion that his appointment as an Independent Director would be highly beneficial to the Company. In the opinion of the Board, Dr. Vinay Balaji Naidu (DIN: 09232643) fulfils the conditions of appointment as specified under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the management. The disclosure as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

During the tenure of office as Non-Executive Independent Director, Dr. Vinay Balaji Naidu (DIN: 09232643) shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

A copy of the draft letter setting out the terms and conditions of appointment of Dr.Vinay Balaji Naidu (DIN: 09232643) as an Non-Executive Independent Director is available for inspection by the members electronically on the Company’s website (www.lgb.co.in) and also, at the Registered Office of the Company during the normal business hours of the Company till the ensuing Annual General Meeting.

None of the other Directors / Key Managerial Personnel of the Company / their relatives except Dr. Vinay Balaji Naidu (DIN: 09232643), is in any way, concerned or interested, financially or otherwise, in this special resolution.

ITEM NO. 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on June 10, 2021, had appointed Sri.Rajiv Parthasarathy (DIN: 02495329), who had signified his consent to act as a Director, as an Additional Director of the Company with effect from that date. Pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 Sri. Rajiv Parthasarathy (DIN: 02495329) holds his office of Additional Director up to the date of this Annual General Meeting of the Company and is eligible for appointment as Director of the Company.

The Company has also received a notice in writing from a member signifying his intention to propose the candidature of Sri. Rajiv Parthasarathy (DIN: 02495329) for the office of Director.

Considering his knowledge, qualification, skills and varied experience, the Board of Directors opine that the appointment of Sri. Rajiv Parthasarathy (DIN: 02495329) as Director would be greatly beneficial to the Company. Pursuant to Section 152 and 161 of the Companies Act, 2013, the Ordinary Resolution as set out under Item No.6 of the notice of the Annual General Meeting is being placed before the members for approval.

Accordingly, the Board of Directors recommends the Ordinary Resolution as set out in Item No.6 of this notice for the approval of the members.

Except Sri.Rajiv Parthasarathy (DIN: 02495329), being the appointee Director and Sri.B.Vijayakumar, (DIN: 00015583), Chairman and Managing Director and Smt.V.Rajsri, (DIN: 00018244) Director, being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

ITEM NO. 7

Based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors, at their meeting held on July 31, 2021, has appointed Sri.Rajiv Parthasarathy (DIN: 02495329) as a Whole-time Director (designated as Senior Vice President - Operations) of the Company for a period of 3 years with effect from August 01, 2021

on such terms and conditions as set out in Item No.7 of the Notice, subject to the approval of the shareholders of the Company.

Considering his knowledge, qualification, skills and varied experience, the Board of Directors opine that the appointment of Sri.Rajiv Parthasarathy (DIN: 02495329) as Whole-time Director (designated as Senior Vice President - Operations) would be greatly beneficial to the Company.

Pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Sri.Rajiv Parthasarathy (DIN: 02495329), as a Whole-time Director, (designated as Senior Vice President - Operations) shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence, the necessary special resolution has been set out in Item No. 7 of the Notice for the approval of the members.

The Board recommends the special resolution set out in Item No. 7 of the Notice for the approval of the members.

The details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Sri.Rajiv Parthasarathy (DIN: 02495329) and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this notice.

Members are informed that the appointment of Sri.Rajiv Parthasarathy (DIN: 02495329) as a Whole-time Director (designated as Senior Vice President - Operations) and the payment of remuneration, as set out under Item No.7 of the Notice, is in conformity with Schedule V of the Companies Act, 2013.

The particulars set out above can also be treated as Memorandum required to be circulated to every member under Section 190 of the Companies Act, 2013. The Board recommends the resolution for your approval.

Except Sri.Rajiv Parthasarathy (DIN: 02495329), being the appointee Whole-time Director and

Sri.B.Vijayakumar, (DIN: 00015583) Chairman and Managing Director and Smt.V.Rajsri, (DIN: 00018244) Director, being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the special resolution set out at Item No. 7 of the Notice.

ITEM NO. 8

Pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April, 2019, the remuneration payable to Executive Directors, who are promoters or members of the promoter group, shall be subject to the approval of the members by special resolution if, where there is more than one such Director, the aggregate annual remuneration payable to such Directors exceeds 5 percent of the net profits of the Company and that such approval of the members under the said regulation shall be valid only till the expiry of the term of such Director.

Sri.B.Vijayakumar (DIN: 00015583), Chairman and Managing Director and Sri.Rajiv Parthasarathy (DIN: 02495329), being the Appointee Whole-time Director, are the Executive Directors, who are promoters / members of the promoter group of the Company and the aggregate remuneration payable to them may or may not exceed 5% of the net profits of the Company.

However, in order to comply with Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members is being sought by way of Special Resolution as set out in Item No.8 to continue the payment of remuneration to Sri.B.Vijayakumar (DIN: 00015583), Chairman and Managing Director for the remaining period of his current tenure as Chairman and Managing Director till December 31, 2024 on such terms and conditions as approved by the members by a special resolution passed at the 63rd Annual General Meeting held on July 18, 2019 notwithstanding the fact that the aggregate annual remuneration payable to him in any year during the remaining period of his tenure together with the aggregate annual remuneration payable to Sri.Rajiv Parthasarathy (DIN: 02495329), Whole-time Director, (designated as Senior Vice President

- Operations), exceeds 5% of the net profits of the Company as calculated under Section 198 of the said Act or any other limits as may be specified in the Listing Regulations or the Companies Act, 2013 from time to time for the time being in force.

Members are informed that, except the above statutory requirement, there is no change in the terms and conditions of the appointment of Sri. B. Vijayakumar (DIN: 00015583), Chairman and Managing Director as approved by the members by a special resolution passed at the 63rd Annual General Meeting held on July 18, 2019.

Your Directors recommends the Special Resolution set out under Item No.8 for the approval of the members.

The general information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

Except Sri.B.Vijayakumar, (DIN: 00015583) Chairman and Managing Director and Sri.Rajiv Parthasarathy, (DIN: 02495329) Whole-time Director and Smt.V.Rajsri (DIN: 00018244) Director, being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the special resolution set out at Item No. 8 of the Notice

ITEM NO. 9

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Dr.G.L.Sankaran, Cost Accountant (Membership No.4482) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2021-2022, subject to ratification by the members. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing ordinary resolution as set out in Item No.9 of the notice for ratification of remuneration payable to the Cost Auditor for conducting the cost audit of the

Company for the financial year ending on March 31, 2022. The Board recommends the Ordinary Resolution as set out in Item No.9 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Ordinary Resolution as set out at Item No.9 of the Notice.

NOTES:

1. The Explanatory Statement pursuant to the provisions of section 102 of the Companies Act, 2013 (**"the Act"**), and the Secretarial Standards on General Meetings (SS-2), in respect of the businesses under Item Nos. 5 to 9 of the Notice is annexed hereto. The Board of Directors (**"the Board"**) have considered and decided to include Item Nos. 5 to 9 given above as special businesses in the Sixty Fifth Annual General Meeting (**"AGM"**), as they are unavoidable in nature.
2. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 (**"MCA Circulars for General Meetings"**) and SEBI vide its circulars dated May 12, 2020 and January 15, 2021 (**"SEBI Circulars for General Meetings"**), permitted the holding of the General Meetings through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the Listing Regulations"**), MCA Circulars for General Meetings and SEBI Circulars for General Meetings, the AGM of the Company is being held through VC / OAVM.

As the AGM is being held pursuant to the MCA Circulars for General Meeting and SEBI Circulars for General Meetings through VC / OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

3. Institutional /Corporate members (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy of (PDF / JPG format) its Board or governing body Resolution / Authorization etc. authorizing the representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to Sri.M.D.Selvaraj, the Scrutinizer appointed by the Company, by e-mail on his registered e-mail address to mds@mdsassociates.in with a copy marked to helpdesk.evoting@cdslindia.com.
4. The register of members and share transfer books of the Company will remain closed from Friday, September 3, 2021 to Thursday, September 9, 2021 (both days inclusive), for the purpose of determining the entitlement of member to the dividend for the financial year 2020-21, if declared at the meeting.
5. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Thursday, September 02, 2021.
6. Pursuant to the amendments in the Income Tax Act, dividend income is taxable in the hands of the members effective from April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at secretarial@lgb.co.in and investor@cameoindia.com.

For the information of the members, it is hereby

clarified that **No tax will be deducted on payment of dividend to the resident individual members if the total dividend to be paid during the financial year does not exceed Rs. 5,000/-, or if an eligible resident member has provided a valid declaration in Form 15G / Form 15H or other documents as may be applicable to different categories of members.** The rate of TDS will vary depending on the residential status of the member and documents registered with the Company.

The Company will issue soft copy of the TDS certificate to its members through e-mail registered with the Company / RTA post payment of the dividend. Members will be able to download the TDS details from the Income Tax Department's website <https://www.incometax.gov.in> (refer Form 26AS).

In case TDS is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, an option is still available with the member to file the return of income and claim an appropriate refund. No claim shall lie against the Company for such taxes deducted.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment / appellate proceedings before the Tax / Government Authorities.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them. If you are a member of the Company as on Thursday, September 02, 2021 and the dividend receivable by you is taxable under the IT Act, the Company shall be obligated to deduct tax at source on the dividend payable to you as per the applicable provisions under the IT Act.

Members holding shares in dematerialized mode, are requested to update their records such as tax

residential status, PAN and register their e-mail addresses, mobile numbers and other details with their relevant depositories through their DPs and members holding shares in physical mode are requested to furnish details to the Company's RTA.

The Company has sent necessary intimation with regard to TDS on dividend with all details to all the members through e-mail, whose e-mail IDs are registered with the Company / RTA.

7. Members who have not registered their Bank particulars with the Depository Participant(s) ("DP") / Company are advised to utilize the electronic solutions provided by National Automated Clearing House ("NACH") for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participant(s) for availing this facility. Members holding shares in physical form are requested to download the NACH form from the website of the Company viz., www.lgb.co.in and the same, duly filled up and signed along with original cancelled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent ("RTA").
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of Dividend are requested to write to the Company or its Registrar and Share Transfer Agents.
9. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the

elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

10. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April, 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.
11. **Change of Address:** Members are requested to notify any change of address and bank details to their Depository Participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the Secretarial Department at the registered office of the Company or to M/s Cameo Corporate Services Limited #1, Club House Road, Chennai 600 002, the Registrar and Share Transfer Agent of the Company.
12. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
 - a. the change in the residential status on return to India for permanent settlement or
 - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
13. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination

forms in respect of their physical shareholdings. Any member willing to avail this facility may submit to the Company's registrar & share transfer agent in the prescribed statutory form. Should any assistance be desired, members should get in touch with the Company's registrar and share transfer agent.

14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent, for consolidation into a single folio.
15. Members are requested to forward their communications in connection with shares held by them directly to the Registrar and Share Transfer Agent of the Company M/s Cameo Corporate Services Limited #1, Club House Road, Chennai 600 002
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his / her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.
18. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company / Registrar & Share Transfer Agent of the Company. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid/unclaimed dividend can be viewed on the Company's website. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed

any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of shareholders whose shares are liable to be transferred to IEPF are available at the Company website: www.lgb.co.in. The shareholders whose unclaimed dividend /share has been transferred to the 'Investor Education and Protection Fund', may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. Mr. M.Lakshmikanth Joshi, General Manager (Legal) and Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

19. In compliance with the MCA Circulars and SEBI Circulars, the Annual Report for FY 2020-21, the Notice of the 65th AGM and the Instructions for e-voting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / respective Depository Participants. Members may also note that the Annual Report for FY 2020-21 and the Notice convening the AGM are also available on the Company's website www.lgb.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited ("CDSL") (agency for providing the Remote e-voting facility) at www.evotingindia.com.
20. Members may note that M/s. Suri & Co., Chartered Accountants, Coimbatore, (FRN: 004283S), the Statutory Auditors of the Company were appointed by the Shareholders at their Annual General Meeting (AGM) held on 27th July, 2017, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2022, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide notification dated 7th May 2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Accordingly, the original resolution appointing the Statutory Auditors passed by the Shareholders at their AGM held on 27th July, 2017 was amended vide an ordinary resolution approved by the Shareholders at their

62nd AGM held on 30th August, 2018 and omitted the requirement for ratification of the appointment of statutory auditors by the shareholders at every AGM. Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this 65th Annual General Meeting

21. E-voting (voting through electronic means):

- i. The businesses as set out in the Notice may be transacted through electronic voting system.

In compliance with the provisions of section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, standard 8 of the Secretarial Standards on General Meetings, regulation 44 of the Listing Regulations and pursuant to MCA Circulars for General Meetings and SEBI Circulars for General Meetings, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with CDSL to facilitate the members to cast their votes from a place other than venue of the AGM ("remote e-voting"). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their vote by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as venue e-voting system on the date of the AGM will be provided by CDSL.

In terms of provisions of section 107 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.

- ii. In view of the massive outbreak of the COVID-19 pandemic, social distancing is still a norm to be followed and pursuant to MCA Circulars for General Meetings and SEBI Circulars for General Meetings, physical attendance of the members at the AGM venue is not required and AGM can be held through VC / OAVM.
- iii. The members can join the AGM through VC /

OAVM mode 30 minutes before the scheduled time of the AGM and within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will be in addition to large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- iv. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.
- v. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the depositories as on Thursday, September 02, 2021, being the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.

The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.

The members whose names appear in the Register of Members / List of Beneficial Owners as on Thursday, September 02, 2021 are entitled to vote on the resolutions set forth in the Notice.

Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for issuance of the User Id and Password for exercising their right to vote by electronic means.

vi. Process for those members whose e-mail ids / mobile numbers are not registered with the Company / Depositories:

- I. Members holding shares in physical mode-please provide necessary details like Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar Card (self-attested scanned copy of Aadhaar Card) by e-mail to **Company/RTA e-mail id**.
- II. Members holding shares in demat mode-please update your e-mail ID and mobile number with your respective DP.
- III. Individual members holding shares in demat mode-please update your e-mail ID and mobile number with your respective DP which is mandatory for e-voting and joining the AGM through VC / OAVM through Depository.

vii. Instructions for members for remote voting, e-voting during AGM and joining the AGM through VC / OAVM are as under:

- I. The remote e-voting period commences at 9:00 a.m. (IST) on Monday, September 06, 2021 and ends at 5:00 p.m. (IST) on Wednesday, September 08, 2021. During this period members of the Company, holding shares either in physical mode or in dematerialized mode, as on the cut-off date i.e. Thursday, September 02, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- II. The members who have already voted prior to the AGM date would not be entitled to vote during the AGM.

III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions.

Currently there are multiple e-voting service providers (“ESPs”) providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, SEBI has decided to enable e-voting for all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / DPs. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

IV. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. **Members are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.** Pursuant to the aforesaid SEBI Circular dated December 9, 2020, login method for e-voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL’s Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login, the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL / NSDL / Karvy / Link Intime as per information provided by Issuer / Company. Additionally, we are providing links to ESPs, so that the user can visit the e-voting service providers’ site directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail ID as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Type of shareholders	Login Method
Individual member (holding shares in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/ CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/ CDSL site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

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

V. Login method for e-voting and joining AGM through VC / OAVM for members other than individual members holding shares in demat mode and physical members is as under:

- The members should login on to the remote e-voting website www.evotingindia.com.
 - Click on Shareholders.
 - Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 digits Client ID,
 - Members holding shares in physical mode should enter Folio Number registered with the Company

Or

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from login myeasi using your login credentials. Once you successfully login to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.
- Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat mode and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat mode will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in the Notice.
- Click on the EVSN for L.G.BALAKRISHNAN & BROS LIMITED on which you choose to vote.

- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the vote cast by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- Members can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.

18. Note for Non-Individual Members and Custodians:

- Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (“POA”) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual members are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the scrutinizer and to the Company, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

A member can opt for only one mode of voting i.e. either through remote e-voting or during the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

The Company has appointed Mr. M.D.Selvaraj, Practising Company Secretary (Membership No. FCS 960 CP No. 411) of MDS & Associates., Company Secretaries, to act as the Scrutinizer for conducting the e-voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM shall be announced by the Chairman or any other person authorised by him within the prescribed time.

The results declared along with the Scrutinizer’s Report, will be posted on the website of the Company www.lgb.co.in and on the website of CDSL www.cdslindia.com immediately after the declaration of the results by the Chairman or any other person authorised by him and the same shall be communicated to the Stock Exchanges.

viii. Instructions for members attending the AGM through VC / OAVM and e-voting during AGM are as under:

- The procedure for attending the AGM and e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.
- The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
- Members are encouraged to join the AGM through Laptops /IPads for better experience.
- Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

VII. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 (seven) days prior to the AGM mentioning their name, demat account number / folio number, e-mail id, mobile number at lk.joshi@lgb.co.in. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to the AGM mentioning their name, demat account number / folio number, e-mail id, mobile number at the lk.joshi@lgb.co.in. These queries will be replied to by the Company suitably by e-mail.

VIII. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

IX. Only those members, who are present in the AGM through VC/OAVM facility and have not

cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

X. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

REQUEST TO THE MEMBERS:

Members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 7 (seven) days in advance of the date of AGM through e-mail on lk.joshi@lgb.co.in. The same will be replied by the Company suitably.

Coimbatore
31.07.2021

By Order of the Board,
M. LAKSHMI KANTH JOSHI
General Manager (Legal) and
Company Secretary
ACS No. 14273

Brief profile of Director(s) seeking appointment/re-appointment at the forthcoming Annual General Meeting of the company pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India.

Name of Director	V.Rajsri	P.Prabakaran	Dr. Vinay Balaji	Rajiv Parthasarathy	B. Vijayakumar
Director Identification Number	00018244	01709564	09232643	02495329	00015583
Date of Birth	11.09.1981	01.02.1959	04.04.1979	03.11.1977	22.01.1953
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment	30.10.2006	30.05.2008	04.08.2021	10.06.2021	25.11.1986
Expertise in specific functional areas	More than 22 years experience in General Administration	More than 31 years experience in manufacturing & marketing	Doctor	More than 20 years with specialization in Industrial Management and has wide experience in Operations and marketing	More than 40 years as an industrialist and more than 34 years as Managing Director of the Company
Qualifications & experience	B. B. A.,	B. E.,	MDS.,	B. S., (IE)	B. Sc.,
Terms and conditions of appointment/ re-appointment	Liable to retire by rotation.	Liable to retire by rotation	Not liable to retire by rotation	Liable to retire by rotation	Liable to retire by rotation
Remuneration to be paid	Sitting Fees Only	As per terms of the re-appointment	Sitting Fee Only	Sitting Fee Only	As per terms of the re-appointment
Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company	Sri. B. Vijayakumar Father Sri. V. Rajvirdhan Brother Rajiv Parthasarathy Spouse	Not related to any Director / KMP	Not related to any Director / KMP	Smt. V. Rajsri - Spouse	Smt. V. Rajsri - Daughter Sri. V. Rajvirdhan - Son Rajiv Parthasarathy Daughter's Husband
Details of shares held in the Company (including shareholding as a beneficial owner)	2179152	4750	12000	4	3454000

Name of Director	V.Rajsri	P.Prabakaran	Dr. Vinay Balaji	Rajiv Parthasarathy	B. Vijayakumar
No. of Board Meetings attended during the financial year 2021	4	4	-	-	4
List of companies in which directorship held as on March 31, 2021	1. L.G.B. Auto Products Private Limited 2. Elgi Automotive Services Private Limited 3. Silent Chain India Private Limited 4. LG Farm Products Private Limited 5. Super Speeds Private Limited 6. Paatimaachi Private Limited 7. Rajvirdhan Private Limited 8. Super Transports Private Limited	1. Silent Chain India Private Limited 2. Netcon Technologies India Private Limited 3. Thiran Hub Private Limited	NIL	1. Oriental Hydraulics Private Limited 2. Metal Forms Private Limited 3. Metal Forms Aegis Private Limited 4. Illumo Tech Solutions Private Limited	1. LGB Forge Limited 2. Elgi Equipments Limited 3. South Western Engineering India Private Limited 4. LG Sports Private Limited 5. L.G.B. Auto Products Private Limited 6. LG Farm Products Private Limited 7. Super Speeds Private Limited 8. Super Transports Private Limited
Chairman / Member of the Committees of other public Companies as March 31, 2021 (includes Audit Committee and Stakeholders' Relationship Committee only)	NIL	Nil	NIL	NIL	NIL

DIRECTORS' REPORT
DEAR SHAREHOLDERS,

Your Directors take pleasure in presenting the Sixty Fifth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2021.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March, 2021 as compared to the previous year is as below:

Particulars	Consolidated		Standalone	
	31.03.2021 (Rs. In Lakhs)	31.03.2020 (Rs. In Lakhs)	31.03.2021 (Rs. In Lakhs)	31.03.2020 (Rs. In Lakhs)
TOTAL REVENUE	1,61,596.10	154,649.25	1,53,844.24	144,793.68
Profit before interest, depreciation & Tax	25,985.39	18,990.04	26,855.91	18,957.33
Less : Interest	1,004.20	1,524.08	920.71	1,408.51
Depreciation	8,331.80	7,865.59	7,749.26	7,418.28
PROFIT BEFORE TAX	16,649.39	9,601.27	18,185.94	10,130.54
Add : Exceptional items	1,362.26	1,882.51	1,362.26	2,524.45
Less : Provisions for Taxation				
Current Income Tax / Mat	4,950.90	3,147.18	4,950.90	3,147.18
Deferred Tax (Credit / charge)	(223.43)	(675.64)	(223.43)	(675.64)
PROFIT AFTER TAX BEFORE SHARE IN PROFIT OF ASSOCIATE	13,284.19	9,012.24	14,820.73	10,183.45
Add : Share in Profit of Associate	-	116.00	-	-
PROFIT AFTER TAX	13,284.19	9,128.24	14,820.73	10,183.45

PERFORMANCE OF THE COMPANY

On consolidated basis, revenue from operations and other income for the financial year under review were Rs. 1,61,596.10 Lakhs as against Rs.1,54,649.26 Lakhs for the previous financial year registering an increase of 4.50%. The profit before tax and exceptional item was Rs.16,649.39 Lakhs and the profit after tax, after share of profit of Associate was Rs. 13,284.19 Lakhs for the financial year under review as against Rs. 9,128.24 Lakhs, respectively for the previous financial year.

On standalone basis, revenue from operations and other income for the financial year under review were Rs.1,53,844.24 lakhs as against Rs.1,44,793.68 Lakhs for the previous financial year registering an increase of 6.25%. The profit before tax and exceptional item was Rs.18,185.94 Lakhs and the profit after tax was Rs.14,820.73 Lakhs for the financial year under review as against Rs. 10,183.45 Lakhs, respectively for the previous financial year.

TRANSFER TO RESERVES

The Company has transferred an amount of Rs. 10,000 Lakhs to the General Reserves out of the amount available for appropriations and the remaining amount of Rs. 6,569.82 Lakhs has been retained in the Surplus in Profit and Loss Account.

DIVIDEND

Your Company has a steady dividend payment history and continuing with this trend and considering the financial performance of the year 2020-2021 the Board of Directors of the Company is pleased to recommend a dividend of Rs.10/- per equity share of face value of Rs. 10/- each amounting to Rs.3,139.24 lakhs for the financial year ended March 31, 2021 subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting scheduled to be held on September 09, 2021.

The dividend, if approved by the members at the forthcoming Annual General Meeting, will be paid in compliance with applicable provisions of the Act.

Pursuant to the Finance Act, 2020, the dividend income is taxable in the hands of the shareholders effective from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

During the year under review, the dividend for the financial year 2012-13 amounting to Rs.5,98,179/- being unclaimed consecutively for the period of seven years from the date it was lying in the unpaid dividend account, had been transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government, in terms of Section 124(5) of the Companies Act, 2013 and also, it has transferred the corresponding 2260 equity shares to the designated demat account of the Investor Education and Protection Fund Authority within the due dates and complied with the provisions of the Act.

The unclaimed dividend relating to the financial year 2013 - 14 will be transferred to the IEPF on or before the due date as prescribed under the provisions of the said Act. The Company has uploaded the details of unclaimed dividend amounts lying with the Company and the corresponding shares on the website of the Company, www.lgb.co.in. The same are also available on the website of the Ministry of Corporate Affairs, www.mca.gov.in.

SHARE CAPITAL

The authorised share capital of the Company as on 31st March, 2021 was Rs.47,00,00,000/- comprising of 4,70,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up equity share capital as on 31st March, 2021, was Rs.31,39,24,160/- comprising of 3,13,92,416 equity shares of Rs.10/- each.

There was no public issue, rights issue, bonus issue or preferential issue, etc., during the year under review. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted

any employee stock options nor issued any convertible securities.

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

During the year under review, the Board had met four times. A detailed update on the Board, its composition and attendance of the Directors at each meeting is provided in the Corporate Governance Report.

The Board has constituted four committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All recommendations made by the Committees of Board including the Audit Committee were accepted by the Board.

A detailed chart including terms of reference of various Board constituted Committees, number of Committee meetings held during the financial year 2020-2021 and attendance of members at each meeting, are disclosed in the Corporate Governance Report which forms part of the Directors' Report.

SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors and its Committees' and 'General Meetings', respectively.

DIRECTORS & KEY MANAGERIAL PERSONNEL
Directors liable to retirement by rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Smt.V.Rajsri, (DIN: 00018244) and Sri.P.Prabakaran (DIN:01709564), Directors, being longest in the office, are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, they have offered themselves

for re-appointment. Necessary agenda for their re-appointment are included in the Notice of AGM for seeking the approval of Members. The Board of Directors recommend their reappointment.

The retirement and the re-appointment of Sri.P.Prabakaran as Director on rotation would not be deemed to be a break in his term of office as Managing Director.

Appointment of Directors

On recommendation of Nomination and Remuneration Committee, the Board appointed Sri.Rajiv Parthasarathy (Din: 02495329) as an Additional Director (non Independent) of the Company

CESSATION

During the year under review, Sri. V. Rajvirdhan resigned as a Director of the Company w.e.f. June 10, 2021. The Board places on record its appreciation for the invaluable contribution and guidance rendered by Sri. V. Rajvirdhan.

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Board of Directors has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. During the year, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s). The details of remuneration and/or other benefits of the Independent Directors are mentioned in the Corporate Governance Report.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Board of Directors have evaluated the Independent Directors during the year 2020-21 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

There was no appointment of Independent Director during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Act, the Directors state that to the best of their knowledge and belief and according to the information and explanations obtained by them:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis;
5. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws

and that such systems were adequate and operating effectively.

ANNUAL BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and Directors pursuant to the requirements of the Companies Act, 2013, Listing Regulations and as per the Guidance Note issued by SEBI. Further, the Independent Directors, at their exclusive meeting held during the year, reviewed the performance of the Board as a whole, its Chairman and Non-Executive Non-Independent Directors and other items as stipulated under Schedule IV of the Companies Act, 2013 and the Listing Regulations. The criteria of evaluation has been explained in the Corporate Governance Report.

FAMILIARIZATION PROGRAMMES

The Company follows a structured orientation programme including presentations by key personnel, information about the various codes, policies, etc. to familiarize the Independent Directors with the Company's operations and their roles, rights and responsibilities. In addition, Plant visits were organised to familiarise the Directors with the Company's products, production process, etc. Presentations made at the Board / Committee Meetings, inter alia, covered the business strategies, human resource matters, budgets, initiatives, risks, operations of subsidiaries, etc. where the Directors had an opportunity to interact with the Senior Management.

The Independent Directors' Familiarisation Programme is displayed on the Company's website www.lgb.co.in.

NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations the Company has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and senior management which inter-alia provides the diversity of the Board and provides the criteria for performance evaluation of the Directors. The salient features of the said policy have been outlined in the Corporate

Governance Report which forms part of this Report and the said policy can also be accessed on the Company's website www.lgb.co.in.

COPY OF ANNUAL RETURN

As per the requirements of Section 92(3) and rule 12(1) of the Companies (Management and Administration) Rules, 2014 the copy of annual return in the prescribed Form MGT-7 for FY 2020-21 is placed on the website of the company www.lgb.co.in.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of The Companies Act, 2013.

AUDITORS

STATUTORY AUDITORS

M/s. Suri & Co, Chartered Accountants (Firm Registration No. 004283S) were appointed as Statutory Auditor of the Company at the 62nd AGM held on July 27, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 66th AGM to be held in 2022 subject to ratification of their appointment by the Members at every intervening AGM held thereafter. However, the Ministry of Corporate Affairs vide notification dated 7th May 2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Accordingly, the original resolution appointing the Statutory Auditors passed by the Shareholders at their AGM held on 27th July, 2017 was amended vide an ordinary resolution approved by the Shareholders at their 62nd AGM held on 30th August, 2018 and omitted the requirement for ratification of the appointment of statutory auditors by the shareholders at every AGM. Hence, the resolution seeking ratification of the Members for their appointment is not being placed at the ensuing AGM. The Company has obtained necessary certificate from the Statutory

Auditors to the effect that their appointment would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report for the year ended March 31, 2021.

COST AUDITORS & MAINTENANCE OF COST RECORDS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with notifications/ circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated June 10, 2021 has appointed Dr. G.L. Sankaran, Cost Accountant, as Cost Auditor of the Company for the financial year 2021-2022.

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable to the Cost Auditor for the financial year 2021-2022 is subject to the ratification by the shareholders at the ensuing annual general meeting. Necessary resolution has been included in the notice of the ensuing annual general meeting for the approval of the members. The Board recommends the ratification of their remuneration.

The Cost Audit Report for the financial year 2020-2021 will be filed with the Central Government within the period stipulated under the Companies Act, 2013.

The Company has made and maintained cost records as prescribed by the Central Government under Section 148 of the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed Mr. M.D. Selvaraj, FCS of M/s. MDS & Associates, Company Secretaries in practice, Coimbatore as Secretarial Auditor to carry out the Secretarial Audit of the Company for the financial year 2020-21. The report given by the Secretarial Auditor for the said financial year in the prescribed format is annexed to this report as **Annexure 'A'**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

During the financial year ended March 31, 2021 no loan or guarantee or security under Section 186 of the Companies Act, 2013 were given by the Company. The details of the investments made during the year under review and the investments made in earlier years has been disclosed under the relevant notes to standalone financial statements.

RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPTs) entered during the financial year were in the ordinary course of business except the takeover of Heat Treatment Business Operations from M/s. South Western Engineering India Private Limited, were on an arm's length basis. In compliance with applicable provisions of the Act and Listing Regulations, for the RPTs which are foreseen and repetitive in nature, Omnibus Approval of the Audit Committee is obtained at the beginning of the financial year, as per the RPT policy of the Company. All the RPTs effected during the year are disclosed in the notes to the Financial Statements.

There are no materially significant RPTs made by the Company which have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC- 2 is not required.

During the year under review, the Heat Treatment Business operations at Pondicherry has been taken over by the Company with its entire assets and liabilities as a going concern basis from M/s. South Western Engineering India Private Limited, a related party and complied with the provisions of the Act.

COVID-19

Year 2020 was an unprecedented year, with the Covid-19 pandemic affecting countries, businesses and individuals across the world. Lockdown and restrictions imposed on various activities due to the pandemic called for extraordinary changes in the way operations were managed at the Company. However, the disruptions in the business operations caused due to the lockdown and other restrictions does not affect the Company's ability to meet out its debt and other financial commitments.

MATERIAL CHANGES AND COMMITMENTS OCCURRED, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF REPORT

There have been no material changes and commitments, which affect the financial position of the Company, having occurred since the end of the year and till the date of Report.

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

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts of Companies) Rules, 2014 are set out in an **"Annexure-B"** to this report.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enhancing Shareholder's value and providing an optimum risk-reward trade off. The risk management approach is based on the clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation reserves.

CORPORATE SOCIAL RESPONSIBILITY

As a part of its CSR initiatives, the Company had took various initiatives towards financial, medical and community support in the fight against Covid-19 pandemic. This included financial support towards the relief funds of state governments, providing sodium hydrochloride, hand sanitizers, medical infrastructure, supply of dry ration, driver kit, hygiene kit, distribution of masks, awareness drives, etc.

A detailed report on LGB's various CSR initiatives has been annexed in the Report as **"Annexure - C"**. The CSR Policy is available on the website <http://www.lgb.co.in/pdf/corporatesocial-responsibility-policy.pdf> of the Company.

The composition of the Corporate Social Responsibility Committee and the details of the meetings held during

the year are disclosed in the Corporate Governance Report and form part of this report.

FIXED DEPOSITS

As at 31st March, 2021, the fixed deposits accepted by the Company from public and shareholders aggregated to Rs. 1824.61 Lakhs, which are within the limits prescribed under the Companies Act, 2013 and the rules framed there under.

With the notification of applicable provisions of the Companies Act, 2013 governing deposits, with effect from 1st April, 2014, approval of shareholders was obtained by way of Special Resolution for inviting/ accepting/ renewing deposits.

The provisions of the Companies Act, 2013 also mandate that any Company inviting/ accepting/ renewing deposits is required to obtain Credit Rating from a recognized credit rating agency. Your Company has obtained a credit rating "MAA" for its fixed deposit from ICRA.

The details relating to deposits covered under Chapter V of the 2013 Act are given here under:

	Rs. in lakhs
Amount of deposits as on 01.04.2020	1340.51
Deposits accepted during the year	670.85
Deposits repaid during the year	186.75
Amount of deposits as on 31.03.2021	1824.61
a. At the beginning of the year	1340.51
b. Maximum during the year	1853.41
c. At the end of the year	1824.61
Deposits remaining unpaid or unclaimed as at the end of the year	Nil
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	Nil
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

In accordance with Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014, the monies received from the Directors, if any, has been disclosed under relevant notes to the financial statements.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

No Significant and Material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions during the year under review.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has sufficient Internal Control mechanisms in place including Internal Financial Controls. The Internal Control Framework is implemented by written policies, rules, and protocols to maintain adherence with laws and regulations, processes, and legislation, and that all resources are secured and protected against loss from unlawful use or disposal, and that such transactions are appropriately permitted, registered, and documented.

During the year, the Internal Auditor performed comprehensive assessments at all locations and across all functional departments. The Audit Committee regularly reviews the audit findings and corrective measures taken thereon to ensure the efficacy of the Internal Control process. The system of Internal Control is structured to verify that financial and other documents are accurate in compiling financial reports and other data, and in maintaining transparency for individuals. Statutory Auditors' Report on Internal

Financial Controls as required under Clause (i) of Sub-Section 3 of Section 143 of the Act, is annexed with the Independent Auditors' Report.

DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as "Annexure - D"

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

At LGB, Internal Controls are a key pillar of Corporate Governance. The Company has an internal control mechanism, which is aligned with its evolving needs. It operates through ERP system - SAP and has implemented adequate internal controls, which safeguards the Company's resources and ensures efficiency in operations, effective monitoring systems, and compliance with laws and regulations.

The Internal Control system is commensurate with the nature, size, and complexity of the business, both at entity and process levels. The system assures integrated, objective and reliable financial information. The Internal Audit department conducts audits at its various locations and covers all the major functions, with a focus on various operational areas and internal control systems.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2021 the Company has three subsidiaries viz., LGB USA INC,. (Direct Overseas Subsidiary), GFM Acquisition LLC and GFM LLC (Step down overseas subsidiaries) in USA and the Company does not have any joint ventures or associate companies during the year.

ACCOUNTS OF SUBSIDIARIES

In accordance with Section 129(3) of the Act read with rules made thereunder, a statement containing salient features of the financial position of Subsidiaries is given in Form AOC-1 attached as an "Annexure E" forming integral part of this Report. As required under Section 134 of the Act, the said form also highlights performance of the subsidiaries.

Further, in accordance to the provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein Audited Financial Statements of the Company and also the Audited Financial Statements of each of the Subsidiary Companies have been placed on the website of the Company at www.lgb.co.in. A copy of separate audited financial statements of the subsidiaries will be provided to the shareholders at their request.

The Company has laid down policy on material subsidiary and the same is placed on the website <http://www.lgb.co.in/pdf/policy-on-material-subsidiaries.pdf>. None of the subsidiaries are material subsidiary for the financial year ended 31st March, 2021 as per the provisions of SEBI (LODR) Regulations, 2015.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2021.

MANAGEMENT DISCUSSION & ANALYSIS

As per requirements of Listing Regulations, a detailed review of the developments in the industry, performance of the Company, opportunities and risks, internal control systems, outlook etc. of the Company is given under the head Management Discussion and Analysis Report as Annexure F, which forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the Listing Regulations, your Company has complied with the requirements of Corporate Governance. A Corporate Governance Report along with requisite certificate from Sri. M.D. Selvaraj of M/s. MDS & Associates, Company Secretaries in Practice confirming compliance of Corporate Governance for the year ended March 31, 2021 is provided separately as Annexure G and forms integral part of this Annual Report.

AUDIT COMMITTEE

Audit Committee of the Company meets the requirements of Section 177 of the Companies Act, 2013

and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

VIGIL MECHANISM

The Company has established a robust Vigil Mechanism and adopted a Whistle Blower Policy in accordance with provisions of the Act and Listing Regulations, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. In terms of the Policy of the Company, no employee of the Company has been denied access to the Chairman of the Audit Committee of the Board. During the year under review, no concern from any whistle-blower has been received by the Company. The Whistle Blower Policy is available on Company's Intranet along with other policies for easy access and information of Employees. It can also be accessed at the Company's website at <http://www.lgb.co.in>

LISTING OF EQUITY SHARES

The Company's equity shares continue to be listed at National Stock Exchange of India Limited and BSE Limited. We confirm that the Listing fee for the financial year 2021-2022 has been paid to them.

BUSINESS RESPONSIBILITY REPORT

Listing Regulations mandates the top 1000 listed companies by market capitalization, to make Business Responsibility Report ("BR Report") part of their Annual Report describing the initiatives taken by the Company from an Environmental, Social and Governance perspective in the format specified by the SEBI.

The concept of Business Responsibility Report lays down nine (9) core principles which a Listed Company shall follow while undertaking its business operations. In terms of aforesaid Regulations, a separate Section on “Business Responsibility Report” with a detailed compliance report forms part of this Annual Report and is given in ‘Annexure - H’.

HUMAN RESOURCE

The Company believes that people excellence is a strong enabler of business growth. For this reason, the Company is committed to creating an ecosystem that encourages overall growth of employees along with fulfilment of organization’s objectives. Numerous learning and development activities are conducted that enable the employees to gain the required skills and knowledge. The HR policy of the Company is aimed at recruiting, attracting, training and retaining the right set of talent to ensure best-in-class performance. Steadfast focus is given on nurturing a culture of diversity, inclusion, innovation, care and respect. In addition to this, the Company strives to infuse enthusiasm among its personnel and keep them motivated through employee engagement activities and competitive benefits. Employee relations continued to be cordial and harmonious across all levels and at all the units of the Company.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

Your Company always endeavours and provide conducive work environment that is free from discrimination and harassment including sexual harassment. Your Company has zero tolerance towards sexual harassment at workplace and has adopted a policy for prevention of Sexual Harassment of Women at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment of women at workplace.

During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on March 31, 2021.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from Government Authorities, Financial Institutions, Bankers and shareholders for helping us to get through possibly the most challenging year in our history. Furthermore, we would like to express our heartfelt appreciation for our employees at all levels, who worked hard, relentlessly, and with determination.

For and on behalf of the Board of Directors

Coimbatore
10.06.2021

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

ANNEXURE - A

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
L G BALAKRISHNAN & BROS LIMITED,
(CIN: L29191TZ1956PLC000257)
6/16/13 Krishnarapuram Road
Ganapathy, Coimbatore -641006

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. L G BALAKRISHNAN & BROS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. L G BALAKRISHNAN & BROS LIMITED’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

- c) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment.
- e) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - e. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);
- b. The Listing Agreement entered into by the Company with BSE Limited and the National Stock Exchange of India Limited;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations and

Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuance of the following Rules/Regulations requiring compliance thereof by the Company:

- a. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial

auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. There was no change in the composition of the Board of Directors during the period under review.

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

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

I further report that there were no instances of;

- Public / Rights / Preferential issue of shares / debentures / sweat equity
- Redemption / Buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations

M D SELVARAJ
MDS & Associates
 Company Secretaries
 FCS No.: 960; C P No.: 411
 UDIN: F000960C000430829
 Peer Review No. 985/2020

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

To

The Members,
L.G. BALAKRISHNAN & BROS LIMITED,
 (CIN: L29191TZ1956PLC000257)
 6/16/13 Krishnarayapuram Road
 Ganapathy, Coimbatore -641006

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

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

Place : Coimbatore
 Date : 10.06.2021

M D SELVARAJ
MDS & Associates
 Company Secretaries
 FCS No.: 960; C P No.: 411
 UDIN: F000960C000430829
 Peer Review No. 985/2020

Place : Coimbatore
 Date : 10.06.2021

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

ANNEXURE B

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
 [Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

LGB is making continuous efforts to conserve and optimize the energy wherever possible by economizing on fuel and power.

During the year, LGB taken lot of effects to introduced energy conservation methods and achieved some considerable amount of saving in power & fuel cost. The Company implemented various latest technologies in manufacturing activities and thereby improving the production efficiency without consuming additional energy. Also replaced the old version lighting system into latest technology Induction lamps in shop floor as well as outdoor lighting. The Company also installed LED lights in new project for outdoor application. Based on the findings, various formation of conservation measures has been taken to reduce power and fuels used by production equipment's and utilities system. For new AC requirements, gone for latest technology with high energy efficiency Inverter model / 5 Star rating AC's .

Green Power:

LGB has installed 22 number of windmills with a total rated capacity of 7.16 MW. The total number of units of energy generated from these windmills was around 107.17 lakhs units which were used for captive consumption.

Also the Company has installed 3 number of ON GRID ground mounted solar power plants for a rated capacity of 100 KW each. The number of units generated through this solar system was around 1.30 lakhs units/Per 100 KW Solar Plant/Annum.

All the above green power has supported the energy requirement of company and minimized the power cost certainly

Further LGB has installed Roof Top Solar system at one of Coimbatore plant with capacity of 1.45 MW and Gudalur plant with capacity of 0.8 MW & Jalna plant with capacity of 0.83 MW. All these solar power plants are commencing the generation now and expected green energy generation from these solar plants will be around 32 lakhs Units / Annum which is utilizing for captive consumption.

Also, further proposal to setup Roof Top Solar system in another two manufacturing units which is now under discussion with solar power producers. Tentative time plan for commissioning the proposed solar plants will be on end of December 2021.

(B) TECHNOLOGY ABSORPTION-

(i) the efforts made towards technology absorption -

- * Development of Rocker pin type Silent Timing Chain
- * Development of special surface treatment for Chain pins
- * Development of different types of Chain Tensioners for export market

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

- * Opening of new avenue of sales with new products
- * Development of chains systems as Import Substitute for engines made in India by foreign OEM

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

- Continuous heat treatment system
- High volume shot peening
- Laser structuring for sprockets

(iv) the expenditure incurred on Research and Development

The Company has incurred a total expenditure of Rs. 566.53 Lakhs (includes capital and recurring expenses) towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned : Rs.19,029.73 Lakhs

Foreign Exchange used : Rs.5,672.49 Lakhs

For and on behalf of the Board of Directors

Place : Coimbatore
 Date : 10.06.2021

B. VIJAYAKUMAR
 Chairman and Managing Director
 DIN: 00015583

P.PRABAKARAN
 Managing Director
 DIN:01709564

ANNEXURE C

Annual report on Corporate Social Responsibility (CSR) activities for the year 2020-21

1. Brief outline on CSR Policy of the Company.

The Company has been engaged in Education and Community development projects in and around Coimbatore. The Company has always contributed its mite to enhancing societal sustainability along with economic and environment sustainability. The Company's CSR Policy and programs are directed mainly towards education, medical, rural development, and uplift of weaker society. The Company through Registered Trusts supports a school financially as well as through involvement in its Management and Administration.

Web-link to the Company's CSR Policy is "http://www.lgb.com/wp-content/uploads/CSR-policy.pdf".

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. B Vijayakumar	Chairman	4	4
2.	Mr R Vidhyashankar	Member	4	4
3.	Mrs. Rajsri V	Member	4	4

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

www.lgb.com/corporate-social-responsibility

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

Not Applicable

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

Sl.No	Financial Year	Amount available for Set Off from Preceding financial years (in Rs)	Amount required to be Set Off for the Financial year, if any (In Rs)
1	2020-21	Nil	Nil

6. Average Net Profit of the Company as per Section 135(5) : Rs In Lakhs: 11,990.30

(a) Two Percent of average net profit of the Company as per Section 135(5): Rs. In Lakhs: 239.81

(b) Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years : Nil

(c) Amount Required to be set off for the financial year, if any : Nil

(d) Total CSR Obligation for the Financial year (7a+7b+7c) : Rs. In Lakhs: 239.81

8.A) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year, (in Lakhs.)	Total Amount transferred to unspent CSR Account as per Section 135 (6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5).		
	Amount.	Date of transfer	Name of the fund	Amount	Date of transfer
240.05	-	-	-	-	-

B) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number.
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total											

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

Sl. No	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation Direct - (Yes/No.)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1.	Chief Minister's Public Relief Fund	Disaster Relief (Covid 19)	Y	Tamilnadu	Coimbatore	50,00,000	Y	NA	NA
2	LRG & GD Trust	Promoting Education including Special Education	Y	Tamilnadu	Coimbatore	10,00,000	Y	NA	NA
3	CCTV Camera	Rural Development	Y	Tamilnadu	Coimbatore	3,03,204	Y	NA	NA
4	School Building	Promoting Education including Special Education	Y	Karnataka	Mysore	9,92,899	Y	NA	NA

Sl. No	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation Direct - (Yes/No.)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
5	Covid 19 Relief - Supply of Food Items- Vaiyampalayam, RSPD, Annur, P Palayam, Karur, Chennai, Ganapathy, Corporate, Bangalore, Annur Panchayat	Disaster Relief (Covid 19)	Y	Tamilnadu, Karnataka, Maharashtra	Coimbatore, Mysore, Jalna.	20,37,136	Y	NA	NA
6	Garbage Trolley to Coimbatore Corporation	Rural Development	Y	Tamilnadu	Coimbatore	90,000	Y	NA	NA
7	Educational Aid to Students (Scholarship)	Promoting Education including Special Education	Y	Tamilnadu	Coimbatore	52,59,522	Y	NA	NA
8	65 Inch TV supplied to School at Jalna	Promoting Education including Special Education	Y	Maharashtra	Jalna	1,59,000	Y	NA	NA
9	Lenovo Desktop to Gandhipuram Police Station	Rural Development	Y	Tamilnadu	Coimbatore	33,450	Y	NA	NA
10	Traffic Sign Board - UYIR	Rural Development	Y	Tamilnadu	Coimbatore	24,780	Y	NA	NA
11	Camera Supplied to Kovilpalayam Police Station	Rural Development	Y	Tamilnadu	Coimbatore	1,11,100	Y	NA	NA
12	Furnitures to Govt School - Idigarai	Promoting Education including Special Education	Y	Tamilnadu	Coimbatore	1,62,840	Y	NA	NA

Sl. No	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation Direct - (Yes/No.)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
13	Car Shed to Annur Police Station	Rural Development	Y	Tamilnadu	Coimbatore	3,31,691	Y	NA	NA
14	Amrit Centre for Special Needs	Promoting Health Care including Preventive Health Care and sanitation	Y	Tamilnadu	Coimbatore	10,00,000	Y	NA	NA
15	LGB Educational Foundation- Race Track	Training to provide rural sports nationally recognised sports para and infrastructure development	Y	Tamilnadu	Coimbatore	75,00,000	Y	NA	NA
	Total					2,40,05,622			

d) Amount spent in Administrative Overheads - Nil

e) Amount spent on Impact Assessment, if applicable - Nil

f) Total amount spent for the Financial Year 2020-2021 - Rs. 2,40,05,622/- (8b+8c+8d+8e)

g) Excess amount for set off, if any

Sl.No	Particular	Amount (in lakhs.)
i)	Two percent of average net profit of the company as per Section 135 (5)	239.81
ii)	Total amount spent for the Financial Year	240.05
iii)	Excess amount spent for the financial year [(ii-i)]	0.24
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	0.24

(a) Details of Unspent CSR amount for the preceding three financial years:

Sl.No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1	2017-2018	Nil	Nil	Nil	Nil	Nil	Nil
2	2018-2019	Nil	Nil	Nil	Nil	Nil	Nil
3	2019-2020	Nil	Nil	Nil	Nil	Nil	Nil

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

Sl.No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project -Completed/ ongoing.
- NIL -								

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

- (a) Date of creation or acquisition of the capital asset(s). NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135 (5)

NA

Place : Coimbatore
Date : 10.06.2021

B Vijayakumar
CHAIRMAN OF THE COMMITTEE
(DIN: 000015583)

A. Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2021 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2021:

Sr. No	Director	Category	Remuneration ₹ in lakhs	Median Remuneration	Ratio	% increase / (decrease)
1	Sri.B.Vijayakumar	Chairman and Managing Director	518.22	3.04	170:1	57%
2	Sri.P.Prabakaran	Managing Director	179.13	3.04	59:1	40%
3	Smt.Rajsri Vijayakumar	Non-Executive Promoter	-	-	-	-
4	Sri.V.Rajvirdhan	Non-Executive Promoter	-	-	-	-
5	Sri.S.Sivakumar	Non-Executive Non-Independent	-	-	-	-
6	Smt.Kanchana Manavalan	Non- Executive Independent	-	-	-	-
7	Sri.G.D.Rajkumar	Non-Executive Independent	-	-	-	-
8	Sri.V.Govindarajulu	Non- Executive Independent	-	-	-	-
9	Sri.P.Shanmugasundaram	Non- Executive Independent	-	-	-	-
10	Sri.R.Vidhya Shankar	Non- Executive Independent	-	-	-	-
11	Sri.N.Rengaraj	Chief Financial Officer	47.32	-	-	5%
12	Sri.M.Lakshmikanth Joshi	General Manager (Legal) & Company Secretary	34.12	-	-	5%

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration

- 2. Percentage increase in the median remuneration of employees in the financial year : 5%
- 3. Number of permanent employees on the rolls of Company as on 31st March, 2021 : 2277
- 4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration
- 5. Affirmation that the remuneration is as per the remuneration policy of the Company

Average percentile increase in remuneration other than managerial personnel is -6% and average percentile increase / (decrease) in remuneration for managerial personnel is 52%

Your director affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.

(a) Details of Top ten employees in terms of CTC paid during the year ended March 31, 2021

S. No	Name of Employee	Designation	Remuneration Received Rs. In Lakhs	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Share held
1	B Vijayakumar	Chairman and Managing Director	518.22	Permanent	BSC	43	25-11-1986	68	Nil	11.00
2	P Prabakaran	Managing Director	179.13	Permanent	BE	33	21-03-1988	62	Shanthi Gears Limited	0.00
3	N Rengaraj	Chief Financial Officer	47.32	Permanent	BBA., FCA. MBA	23	01-03-2004	51	Rubfla International Limited	0.00
4	P Subbiah	General Manager	36.65	Permanent	BE	33	02-07-2007	55	PHC Manufacturing Private Limited	0.00
5	M Lakshmi Kanth Joshi	General Manager (Legal) and Company Secretary	34.12	Permanent	B.Com. ACS. MBA, LLB	23	30-03-2005	53	Veejay Lakshmi Engineering Works Limited	0.00
6	N Suresh Kumar	General Manager	33.98	Permanent	DME,BBA	30	01-02-1995	49	Milltex Engineering Private Limited	0.00
7	A M Mohammed Yasin	Head-Manufacturing & Admin	28.86	Permanent	BE	25	18-01-2019	44	Rockman Industries Ltd	0.00
8	J Prakash	General Manager	27.49	Permanent	DME	31	17-01-2000	49	Lakshmi Synthetic Machinery Private Limited	0.00
9	M Dhanasekar	General Manager	27.16	Permanent	BE	29	29-11-1998	49	Sunjat Engineering Private Limited	0.00
10	R SenthilKumar	General Manager	26.08	Permanent	BE	30	24-04-1991	51	Nil	0.00

(b) Details of every employee, who was employed throughout the financial year, was in receipt of gross remuneration for that year which, in the aggregate, was not less than One Crores Two Lakhs rupees;

S. No	Name of Employee	Designation	Remuneration Received Rs. In Lakhs	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Share held
1	B Vijayakumar	Chairman and Managing Director	518.22	Permanent	BSc	43	25-11-1986	68	Nil	11.00
2	P Prabakaran	Managing Director	179.13	Permanent	BE	33	21-03-1988	62	Shanthi Gears Limited	0.00

For and on behalf of the Board of Directors

Coimbatore
10.06.2021

B. VIJAYAKUMAR

Chairman and Managing Director
DIN: 00015583

P.PRABAKARAN

Managing Director
DIN:01709564

FORM AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures.

Part "A" : Subsidiaries

Figures in Lakhs

1.	Name of the Subsidiary Company	LGB USA INC	
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting to period	01.01.2020 to 31.12.2021	01.01.2020 to 31.12.2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR	USD
4.	Share Capital	3,392.85	52.40
5.	Reserves & Surplus	1,006.32	14.74
6.	Other Liabilities	4,055.28	55.51
7.	Total Liabilities	8,454.45	122.65
8.	Total Assets	8,454.45	122.65
9.	Investments (Excl. investment in subsidiaries)	Nil	Nil
10.	Turnover & Other Income	7,751.85	104.67
11.	Profit / (Loss) Before Taxation	(1,536.54)	(21.30)
12.	Provision for Tax (incl: Deferred Tax)	-	-
13.	Profit / (Loss) after Taxation	(1,536.54)	(21.30)
14.	Proposed Dividend	Nil	Nil
15.	% Share Holding	96.00%	96.00%

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT
INDUSTRY STRUCTURE AND DEVELOPMENT**

The Pandemic has caused a shock for the Indian economy. The four legs i.e. consumption, manufacturing, exports, capital flows, on which the Indian economy had been growing, have all been impacted adversely. Consumption, because of the demand shock caused by lockdown and social distancing, manufacturing sector has been hit by large scale supply chain disruptions, exports are halted as global consumers have paused and capital flows are impacted due to pandemic which causes risk aversion and emerging markets have felt the impact of capital outflows or slowdowns in capital inflows.

These measures adversely impacted the supply chain and product demand in the automotive sector. Government’s medium and long term goals have become clear and its policy actions reflective of those goals. Its objective is to take the soft-landed economy and reboot and restart it in as smooth a manner as possible and as quickly as possible without diluting the healthcare and pandemic surveillance and management.

COMPANY AND BUSINESS OVERVIEW

LGB is a leading supplier of Transmission Chain’s, Sprockets and Metal formed Parts for automotive applications. The Company products are marketed under the proprietary brand “Rolon”, the most trusted and reputed supplier of Original Equipment Manufacturers (OEM) and also caters to export, after market and spares segments. We continue focusing on creating new products as well as expanding uses of existing offerings that are tailored to the different needs of our global customers.

OPPORTUNITIES

A stable government framework, increased purchasing power, large domestic market, and an ever-increasing development in infrastructure have made India a favourable destination for investment. Rising middle class population, safety concerns attracted many first-time buyers looking to avoid public transport, good monsoons helped improve rural sentiments and the new vehicle scrappage policy is said to help boost demand

ANNEXURE F

for new vehicles .We strongly believe that as the current economic revival helped to sustain the sales momentum in 2021 and we are hopeful that 2022 will see a V-shaped recovery of the economy thereby helping the industry to bounce back,”

THREATS

Indian automotive market are been affected due to the second wave of the virus could slow down this momentum considerably. Our operations and financial performance have been negatively impacted by the COVID-19 pandemic that has caused, and is expected to continue to cause, the slowdown of economic activity. We have experienced and expect to continue to experience operational challenges from the need to protect employee health and safety, plant shutdowns, workplace disruptions and restrictions on the movement of people, raw materials and goods, both at our own facilities and at those of our customers and suppliers. We also have experienced, and expect to continue experiencing, lower demand and volume for products, and other factors related directly and indirectly like increasing fuel costs and raw material price and availability that adversely impact our businesses.

RISKS AND CONCERNS

The Company has a structured approach for handling risks. It has a risk management framework in place, defined roles and responsibilities at different levels. Risk management team reviews the overall risks and identifies the critical risks such as price risk, forex risk, and environment risk, among others. All inherent risks are measured, monitored and regularly reported to the management. The Company has adequate mitigation plans for the risks based on the probability of their occurrence, potential impact and volatility. The emerging risks are discussed periodically with the management to ensure implementation of proper control mechanism..

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal controls form an integral part of the Company’s general organisational structure. It includes a range of personnel who act in a coordinated manner while executing their respective responsibilities. These

internal controls ensure strict adherence to the applicable laws and regulations, safeguarding of assets, prevention of frauds/errors and proper recording and reporting of financial transactions. The efficacy of the internal control systems is verified by the internal and statutory auditors of the Company. The Audit Committee of the Board reviews the internal audit plan and ensures the adequacy and effectiveness of the internal control system. It also reviews the functioning of the whistleblower mechanism and monitors the action taken on the cases reported

HEALTH, SAFETY, SECURITY ENVIRONMENT

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct

HUMAN RESOURCES / INDUSTRIAL RELATIONS

LGB recognises that human capital is its cardinal asset. Prudent HR practices have helped nurture the skills and growth of its employees. The Company extensively invests in training programmes and learning modules. It reinforces engagement with employees across levels by providing an enriched workplace and transparent communication. With new ways of working during the pandemic, the Company is now geared to create a

digitally-enabled workplace to the extent possible, with seamless virtual collaboration. The Company consciously works and maintains harmonious industrial relations at its offices and plants. It believes and nurtures a culture of complete transparency through open communication channels with easy access. The Company further refines its policies in alignment with its organisational interest, benefitting everyone at the same time.

RISK MANAGEMENT

The Board of Directors and the Audit Committee of the Board review the business risks to which your Company is exposed and the various mitigation measures. The senior management team led by Chairman and Managing Director is responsible to manage risks pro-actively, developing and implementing appropriate mitigation measures.

CAUTIONARY STATEMENT

This management discussion and analysis may contain Forward looking statements within the meaning of the applicable laws, rules and judicial pronouncements, relating to the business strategies, prospects, financial performance etc. The actual results may vary significantly or materially than those contemplated / implied in the analysis for various reasons including but not limited to the Government policy, macro-economic situation, Business cycles, Financial & liquidity situation, demand slowdown, performance risk, material costs, interest costs, exchange rates etc. The Company does not undertake to make any declarations / pronouncements of any such eventuality.

For and on behalf of the Board of Directors

Coimbatore
10.06.2021

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

CORPORATE GOVERNANCE REPORT

ANNEXURE G

[Pursuant to Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) (“Listing Regulations”)]

1. Company’s Philosophy on Corporate Governance:

The Company believes that sound Corporate Governance is crucial for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders’ value. The Company has adopted many ethical and transparent governance practices even before they were mandated by law. The Company has always worked towards building trust with shareholders, employees, customers and suppliers based on the principles of good corporate governance.

2. Board of Directors:

As on March 31, 2021, the Board of the Company comprises of ten members, consisting of one Executive Chairman (Promoter) (designated as Chairman and Managing Director), one Executive Director (designated as Managing Director), three Non-Executive Non-Independent Directors and five Non- Executive - Independent Directors including two Women Directors. Accordingly, the size and composition of the Board meets the requirement of Section 149 of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The details of composition, category of the Directors during the year along with the attendance of each Director at the Board meetings/Annual General Meeting held on August 20, 2020(“AGM”) and the number of other Directorship(s), Committee(s) Membership(s)/Chairmanship(s) in other companies as on March 31, 2021 (as applicable) are given below:

Name and DIN	Category & Designation	Attendance			No. of Directorship in other Public Companies*	Number of Committee Positions held in all Companies **	
		No. of Board Meetings Held during the year	Board Meetings attended during the year	AGM		Chairman ship	Member ship
Sri. B. Vijayakumar # DIN:00015583	Executive - Promoter Chairman and Managing Director	4	4	Yes	2	-	-
Sri. P. Prabakaran DIN:01709564	Executive Managing Director	4	4	Yes	-	-	-
Smt.Rajsri Vijayakumar # DIN: 00018244	Non-Executive Promoter	4	4	Yes	-	-	-
Sri.Rajvirdhan Vijayakumar # DIN: 00156787	Non-Executive Promoter	4	4	Yes	1	-	2
Sri. S. Sivakumar DIN: 00016040	Non-Executive Non-Independent	4	4	Yes	-	-	-
Smt.Kanchana Manavalan DIN: 07497403	Non-Executive Independent	4	4	Yes	-	-	-

Name and DIN	Category & Designation	Attendance			No. of Directorship in other Public Companies*	Number of Committee Positions held in all Companies **	
		No. of Board Meetings Held during the year	Board Meetings attended during the year	AGM		Chairman ship	Member ship
Sri. V. Govindarajulu DIN: 00016108	Non-Executive Independent	4	4	Yes	-	1	1
Sri.P. Shanmugasundaram DIN: 00119411	Non-Executive Independent	4	4	Yes	2	3	-
Sri.R. Vidhya Shankar DIN: 00002498	Non-Executive Independent	4	4	Yes	1	1	2
Sri. G.D. Rajkumar DIN: 00197696	Non-Executive Independent	4	4	Yes	-	-	-

* Exclude directorship in Private Companies and Foreign Companies.

** Only Audit Committee and Stakeholders Relationship Committee has been considered.

Sri. B. Vijayakumar is Father of Smt. V. Rajsri and Sri. V. Rajvirdhan

Details of Directorship of Directors in other Listed Entities and the category of their Directorship as on March 31, 2021:

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Category of Directorship
Sri.B.Vijayakumar DIN:00015583	LGB Forge Limited	Non-Executive Promoter Chairman
	Elgi Equipments Limited	Non-Executive Independent Director
Sri.P.Prabakaran DIN:01709564	NIL	NA
Smt.V.Rajsri DIN: 00018244	NIL	NA
Sri.V.Rajvirdhan DIN: 00156787	LGB Forge Limited	Managing Director, Promoter
Sri.S.Sivakumar DIN: 00016040	NIL	NA
Smt.Kanchana Manavalan DIN: 07497403	NIL	NA
Sri.V.Govindarajulu DIN: 00016108	NIL	NA
Sri.P.Shanmugasundaram DIN: 00119411	LGB Forge Limited	Non-Executive Independent Director
	Pricol Limited	Non-Executive Independent Director
Sri.R.Vidhya Shankar DIN: 00002498	Pricol Limited	Non-Executive Independent Director
Sri. G D Rajkumar DIN: 00197696	NIL	NA

1. None of the Directors of the Company as mentioned above is:

- (a) a Director in more than 10 (ten) Public Limited Companies - As per Section 165 of the Companies Act, 2013;
- (b) a Director in more than 7 (Seven) Listed Companies- As per Regulation 17(A) of the Listing Regulations;
- (c) not a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees across all the Indian Public Limited Companies in which he / she is a Director - As per Regulation 26 of the Listing Regulations.

The functions, responsibility, role and accountability of the Board are well defined. The detailed reports of the Company activities and performances are periodically placed before the Board for effective decision making.

Details of the Board meetings held during the financial year 2020-2021

The Board of Directors met 4 (four) times during the year under review. The Company has held at least one Board meeting in every quarter and the gap between two consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were placed before the Board from time to time. The dates on which the Board meetings were held during FY 2020-2021 are as follows:

June 05, 2020, July 30, 2020, October 26, 2020 and January 28, 2021

Number of shares and convertible instruments held by Non-Executive Directors:

The details of shares held by the Non-Executive Directors as on March 31, 2021 are given under the table below

Name	No of Shares held	% of Holding
Smt.V.Rajsri	2179152	6.94
Sri.V.Rajvirdhan	2740065	8.73
Sri.S.Sivakumar	1194	0.00
Sri.V.Govindarajulu	-	-
Sri.P.Shanmugasundaram	-	-
Sri.R.Vidhya Shankar	-	-
Smt.Kanchana Manavalan	516	0.00
Sri.G.D.Rajkumar	-	0.00

The Company has not issued any type of Convertible instruments to Non-Executive Directors.

None of the Directors were issued any stock options.

Familiarization Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time (“Listing Regulations”), the Company has been conducting various familiarization programmes for Independent Directors about the business, business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc.

The details of such familiarization programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <http://www.lgb.co.in/pdfs/familiarization-programme.pdf>.

Directors Inter-se Relationship:

Sri. B. Vijayakumar, Chairman and Managing Director is father of Smt. V. Rajsri and Sri.V.Rajvirdhan, Directors. None of the other Directors is related to each other.

Chart/Matrix setting out the skills/expertise/competence of the Board of Directors

The Board of Directors of the Company comprises of qualified members who possess relevant skills, expertise and competence for the effective functioning of the Company. In compliance with the Listing Regulations, the Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company:

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company in the context of the Company’s business verticals:

General management, HR and Leadership	General know-how of business management, talent management and development, workplace health & safety
Technical	Technical / professional skills and specialised knowledge to assist with ongoing aspects of the Board’s role.
Strategy & Business Planning	Comprehensive the socio-economic, political, legal, regulatory and competitive environment in which the Company is operating and provide insights to identify opportunities and threats for the Company’s businesses
Finance and Accounts	Analyse the Company’s financial performance and provide oversight of capital allocation and returns
Corporate Governance	Protection of stakeholders’ interest, observing best governance practices and identifying key governance risks
Stakeholder Value Creation	Enable shareholders value creation while ensuring interventions that create a positive and sustainable impact on society

In the table below, the primary/dominant area(s) of expertise of individual Board members have been highlighted. However, the absence of a mark against a member’s name does not mean that the member does not possess the corresponding qualification or skill.

S. No	Name of Director	General management, HR and Leadership	Technical	Strategy & Business Planning	Finance and Accounts	Corporate Governance	Stakeholder Value Creation
1	Sri.B.Vijayakumar DIN:00015583	✓	✓	✓	✓	✓	✓
2	Sri.P.Prabakaran DIN:01709564	✓	✓	✓	✓	✓	✓
3	Smt.V.Rajsri DIN: 00018244	✓	✓	✓	✓	✓	✓
4	Sri.V.Rajvirdhan DIN: 00156787	✓	✓	✓	✓	✓	✓
5	Sri.S.Sivakumar DIN: 00016040	✓	✓	✓	✓	✓	✓
6	Smt.Kanchana Manavalan DIN: 07497403	✓	-	✓	✓	✓	✓
7	Sri.V.Govindarajulu DIN: 00016108	✓	-	✓	✓	✓	✓

S. No	Name of Director	General management, HR and Leadership	Technical	Strategy & Business Planning	Finance and Accounts	Corporate Governance	Stakeholder Value Creation
8	Sri.P.Shanmugasundaram DIN: 00119411	✓	-	✓	✓	✓	✓
9	Sri.R.Vidhya Shankar DIN: 00002498	✓	-	✓	✓	✓	✓
10	Sri. G D Rajkumar DIN: 00197696	✓	✓	✓	✓	✓	✓

Separate meeting of Independent Directors

Pursuant to requirements of the Act and SEBI Listing Regulations, Independent Directors of the Company met on 29.03.2021, without the presence of Non-executive Directors, Executive Directors and the Management team of the Company to discuss the matters prescribed under the relevant Schedule IV of the Act. All the Independent Directors had attended the said meeting.

Confirmation on the fulfillment of the conditions of Independence of Directors

Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that all the Independent Directors fulfil the criteria prescribed under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act read with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended) and are independent of the management of the Company.

Resignation of Independent Director(s) before expiry of tenure, if any:

None of the independent Directors has resigned before the expiry of his / her tenure during the year under review.

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference:-

The primary objective of the Audit Committee is to act as a catalyst in helping your Company to achieve its objectives by overseeing the Integrity of your Company's Financial Statements; Adequacy & reliability of the Internal Control Systems of your Company; Review of compliance with legal and regulatory requirements and your Company's Code of Conduct; Performance of your Company's Statutory and Internal Auditors. Audit Committee monitors and provides an effective supervision of the financial reporting process of your Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality. The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and discharges such duties and functions as generally indicated under there under apart from such other functions as may be specifically assigned to it by the Board from time to time.

Composition & Meetings:-

The Audit Committee comprises of three Non-Executive Independent Directors and all the members of the Committee possess experience and expertise in financial and corporate laws and the Chairman of the Committee possess financial management expertise. During the financial year ended March 31, 2021, four Audit Committee

Meetings were held on June 05, 2020, July 30, 2020, October 26, 2020 and January 28, 2021. The necessary quorum was present at these meetings. The details of the composition and attendance at the aforementioned meetings are as follows:

Name of the Members	Category	Designation	No. of Meetings	
			Held	Attended
Sri.P.Shanmugasundaram	Independent, Non-Executive	Chairman	4	4
Sri.V.Govindarajulu	Independent, Non-Executive	Member	4	4
Smt Kanchana Manavalan	Independent, Non-Executive	Member	4	4

Chairman of the Audit Committee had attended the last Annual General Meeting held on 20.08.2020.

The Audit Committee invites the Managing Director, Chief Financial Officer, representatives of Statutory Auditors, Internal Auditors and Cost Auditors for meeting(s), to provide inputs on issues relating to accounts, taxation, internal audit finding, internal controls, risk managements etc.

The minutes of the Audit Committee meetings were circulated to the Board, and the Board discussed and took note of the same. The Audit Committee has considered and reviewed the Annual Financial Statements for the year 2020-21, before it was placed before the Board of Directors.

Sri.M.Lakshmi Kanth Joshi, General Manager (Legal) and Company Secretary, acts as the Secretary of the Audit Committee.

4. Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is in line with the applicable provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

Terms of reference:

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under the applicable provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of whole-time directors and senior management personnel, to recommend to the Board all remuneration, in whatever form, payable to senior management, adherence to and review of the remuneration / employment policy as approved by the Board of Directors, formulating the criteria and identify persons who may be appointed as directors or senior management of the Company, evaluation of every Director's performance, as referred to in Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other matters which the Board of Directors may direct from time to time.

Composition and Attendance at the Meeting

The Nomination and Remuneration Committee of the Company as on March 31, 2021 comprised of the following members:

Name of the Members	Category	Designation
Sri.R.Vidhya Shankar	Independent, Non-Executive	Chairman
Sri.V.Govindarajulu	Independent, Non-Executive	Member
Sri.B.Vijayakumar	Executive Chairman	Member
Smt Kanchana Manavalan	Independent, Non-Executive	Member

The Committee met on 29.03.2021 and all the members were present at the meeting.

Remuneration payable to the Key Managerial Personnel and Senior Management of the Company is being considered/

discussed/ finalized after considering various factors such as financial position of the Company, trend in industry, and past remuneration etc., which is onward submitted to Board for respective approval(s).

Non-Executive Independent Directors of the Company do not have any pecuniary relationship or transaction with the Company. They do not draw any remuneration, except sitting fees for attending meetings of Board/ Committee.

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 20.08.2020.

Performance Evaluation criteria for Independent Directors:

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates evaluation of performance of Independent Directors, Non-Independent Directors and Chairperson. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. The Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of the performance of the Independent Directors is based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the company and ability to articulate independent views and judgement. Accordingly, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance of the Board as a whole was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees of the Board was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Nomination and Remuneration Committee (“NRC”) has evaluated the performance of every individual directors on the basis of the criteria approved by the Board.

5. Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management and the said Policy is directed towards rewarding performance, based on review of achievements periodically and is in consonance with the existing industrial practices.

The remuneration policy of the Company is annexed to the Board’s Report and can also be accessed on the Company’s website at www.lgb.co.in.

Remuneration of Directors

Remuneration paid to the Executive Directors for the financial year ended March 31, 2021 is given as under:

Name of Directors	Service Contract	Salary & Allowances	Commission	Employees Stock Option Plan	In lakhs
					Total
Sri.B.Vijayakumar Chairman cum Managing Director	01.01.2020 to 31.12.2024	118.69	399.53	-	518.22
Sri.P.Prabakaran Managing Director	01.06.2019 to 31.05.2024	79.25	99.88	-	179.13

Salary & allowances includes salary and Company’s contribution to Provident Fund

Remuneration paid to the Non-Executive Directors for the financial year ended March 31, 2021 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 Directors	Sitting Fees	Commission	Employees Stock Option Plan	Total
Smt.V.Rajsri	84000	-	-	84000
Sri.S.Sivakumar	84000	-	-	84000
Sri.V.Govindarajulu	189000	-	-	189000
Sri.P.Shanmugasundaram	189000	-	-	189000
Sri.V.Rajviridhan	84000	-	-	84000
Sri.R.Vidhya Shankar	105000	-	-	105000
Smt.Kanchana Manavalan	189000	-	-	189000
Sri.G.D.Rajkumar	105000	-	-	105000
Total	1029000	-	-	1029000

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

The Company does not have any Employee Stock Option Scheme.

6. Stakeholders’ Relationship Committee:

The composition of the Stakeholders Relationship Committee is in line with the applicable provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations.

Terms of reference:

The Stakeholders Relationship Committee reviews and ensures the existence of a proper system for timely resolution of grievances of the security holders of the Company inter alia including complaints related to transfer of shares, non-receipt of annual reports, declared dividends, etc.

The terms of reference of the Committee are aligned with those provided under Section 178 of the Act and Para B of Part D of Schedule II of the Listing Regulations.

Composition and names of members and chairperson

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

During the year under review, the Committee met 11 times to deliberate on various matters referred above and for review and redressal of investors complaints, if any.

Sri. M. Lakshmi Kanth Joshi, General Manager (Legal) and Company Secretary acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to Regulation 6 of the Listing Regulations.

Chairman of the Stakeholders Relationship Committee had attended the last Annual General Meeting held on 20.08.2020.

The Committee ensures that the shareholders' / investors' grievances and correspondence are attended and resolved expeditiously within the time frames laid down by SEBI. During the year under review, there were no investor grievances were received.

There was no investor grievance remaining unattended and pending as on March 31, 2021.

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account

In terms of Regulation 39(4) of Securities of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style "L.G.Balakrishnan & Bros Limited - Unclaimed Shares Suspense Account". The disclosures with respect to demat suspense account are as follows:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	224	48367
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	2	400
Number of shareholders to whom shares were transferred from suspense account during the year	2	400
Aggregate number of shareholders and outstanding shares in the suspense account lying as on March 31, 2021.	222	47967

The voting rights on the outstanding unclaimed shares as on March 31, 2021 shall remain frozen till the rightful owners of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

All corporate benefits on such shares shall be credited to the unclaimed suspense account, as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Section 124(5) and Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules).

7. Corporate Social Responsibility Committee (CSR Committee)

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

Terms of reference

The terms of reference of the Corporate Social Responsibility Committee are aligned with those provided under Section 135 of the Act.

The CSR Committee has met four times during the year on 03.06.2020, 27.07.2020, 22.10.2020 and 25.01.2021. The necessary quorum was present for all Meetings. The details of composition of the Committee and the attendance of the members are as follows;

Name of the Members	Category	Designation
Sri.B.Vijayakumar	Executive-Promoter	Chairman
Sri.R.Vidhya Shankar	Independent, Non-Executive	Member
Smt. V.Rajsri	Non Independent, Non-Executive	Member

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company viz. <http://www.lgb.co.in>.

The Annual Report on CSR activities for the financial year 2020-21 forms a part of the Board's Report.

8. Management Discussion and Analysis Report

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

9. General Body Meetings:

Details of the last three Annual General Meetings are given as under:

Financial Year	Date	Time	Venue	Special Resolution passed, if any
2018	30.08.2018	10.15 A.M	Ardra, "Kaanchan", 9, North Huzur Road, Coimbatore - 641018	NIL
2019	18.07.2019	10.45 A.M	Ardra, "Kaanchan", 9, North Huzur Road, Coimbatore - 641018	1. Approval for re-appointment of Sri.V.Govindarajulu as Independent Director for the second term w.e.f 01.09.2019 2. Approval for re-appointment of Sri.P.Shanmugasundaram as Independent Director for the second term w.e.f 01.09.2019 and to continue his directorship beyond the age of 75 years.

Financial Year	Date	Time	Venue	Special Resolution passed, if any
2019	18.07.2019	10.45 A.M	Ardra, "Kaanchan", 9, North Huzur Road, Coimbatore - 641018	3. Approval for re-appointment of Sri.R.Vidhya Shankar as Independent Director for the second term w.e.f 01.09.2019 4. Approval for the re-appointment of Sri.B.Vijayakumar as Chairman & Managing Director for a further period of 5 years w.e.f 01.01.2020 and to continue him as the Managing Director beyond the age of 70 years.
2020	20.08.2020	3:30 pm	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM),	NIL

Extra Ordinary General Meeting and Postal Ballot process, if any:

During the year under review, there was no Extra-Ordinary General Meeting and no resolution was passed through postal ballot process.

Currently, no resolution is proposed to be passed through postal ballot process. However, if required, the same shall be passed in compliance with the provisions of Companies Act, 2013, Listing Regulations or any other applicable laws.

10.Means of Communication

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 copies are also sent to concerned stock exchanges immediately after they are approved by the Board so as to enable them to display 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.
Official News Releases:	Official news releases are made whenever it is considered necessary
The presentation made to institutional investors or to the analysts	There was no specific presentation made to the investors or analysts during the year under review.

11.General Shareholders' Information

Annual General Meeting (date, time and venue)	Annual General Meeting is proposed to be held at 9th September, 2021 through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose, the Registered Office of the Company situated at 6/16/13 Krishnarayapuram road, Ganapathy Post, Coimbatore - 641 006 shall be deemed as the venue for the Meeting.
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Financial Calendar	April 1 to March 31 For the quarter and year ended March 31st, 2021, the financial results were announced on June 10, 2021.	
Financial Year 2020 - 2021 * Tentative	Quarter ending June 30, 2021	End of July 2021*
	Quarter ending September 30, 2021	End of October 2021*
	Quarter ending December 31, 2021	End of January 2022*
	Year ended March 31st,2022	End of April 2022*
Date of Book Closure	The dates of Book Closure are from 03.09.2021 to 09.09.2021 (both days inclusive)	
Dividend payment date	Will be paid within 30 days from the date of approval.	
a) Listing on Stock Exchanges:	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra East, Mumbai- 400051	
b) Securities Code	BSE Ltd Equity 500250 The National Stock Exchange of India Ltd - LGBBROSLTD	
The International Security Identification Number (ISIN)	INE337A01034	

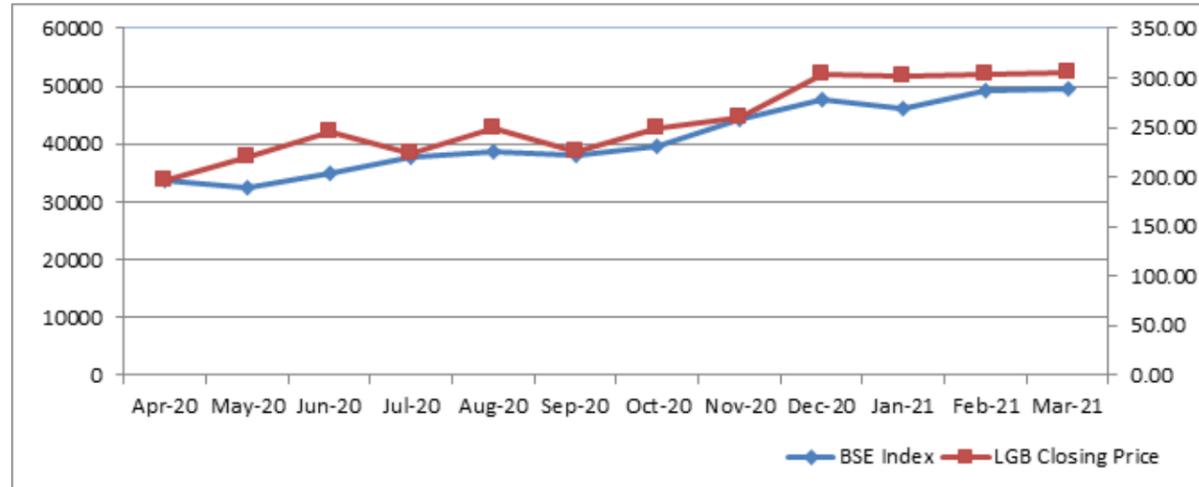
The Company has paid the Listing Fees for the year 2021 - 2022 to the above Stock Exchanges

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

Stock market data for the year 2020-2021

	NSE		BSE	
	Month's High (Rs)	Month's Low (Rs)	Month's High (Rs.)	Month's Low (Rs.)
April - 2020	217.30	150.00	217.45	151.00
May	244.70	180.00	244.40	181.50
June	259.50	195.00	258.40	200.00
July	245.85	221.15	251.90	219.30
August	287.90	200.00	287.95	203.35
September	272.00	209.50	275.00	209.45
October	277.00	224.70	277.05	224.00
November	283.00	247.00	282.75	242.00
December	307.05	242.50	306.95	245.25
January - 2021	323.80	278.05	323.60	278.95
February	349.70	292.10	349.00	292.55
March	361.50	290.35	361.55	291.25

(Source: BSE and NSE website)

Performance in comparison to broad-based indices such as BSE Sensex.


The shares of the company are regularly traded and in no point of time the shares were suspended for trading in any of the stock exchanges.

Registrar & Transfer Agents

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

Share Transfer System:

Trading of Company’s equity shares is possible only in dematerialized form. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. The shareholders have the option to hold Company’s shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

Distribution of Shareholding:

The shareholding distribution of the equity shares as on March 31, 2021 is given below:-

Range	No.of Holders	No. of Shares [Face Value of Rs. 10/-]	% of Shares
1 - 100	16417	622686	1.98
101 - 500	6665	1681532	5.36
501 - 1000	1333	1012856	3.23
1001 - 2000	722	1078634	3.44
2001 - 3000	256	643472	2.05
3001 - 4000	146	518778	1.65
4001 - 5000	80	367431	1.17
5001 - 10000	190	1400301	4.46

Range	No.of Holders	No. of Shares [Face Value of Rs. 10/-]	% of Shares
10001 - and above	181	24066726	76.66
Total	25990	31392416	100.00

Pattern of Shareholding as on March 31st, 2021

Sl. No	Category	No of Holders	No. of Shares held	% to paid-up capital
1.	Promoters and promoter group	17	13611165	43.36
2.	Mutual Funds/UTI	3	4218594	13.44
3.	Financial Institutions/Banks	2	12	0.00
4.	FII/NRI/OCB	517	310601	0.99
5.	Bodies Corporate / Clearing Member	267	620339	1.98
6.	Investor Education & Protection Fund	1	51639	0.16
7.	Public	25183	12580066	40.07
	Total	25990	31392416	100

Dematerialization of Shares and Liquidity

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	2,74,57,663	87.47
Central Depository Services (India) Limited	33,06,917	2.00
Physical	6,27,836	10.53
Total	3,13,92,416	100.00

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.

Commodity Price Risk/ Foreign Exchange Risk and Hedging

The Company did not engage in hedging activities.

Plant Location & Addresses

- Coimbatore : 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore Pincode - 641 006.
- Vaiyampalayam : SF. No. 47 & 50, Kondayampalayam Village, Vaiyampalayam PO, Coimbatore Pincode - 641 110.
- Dindigul : SF. No. 5691/2, 5701/2, Karur Dindigul Road, D-Gudalur Pincode - 624 620
- Karur: Mochakottampalayam, Vishwanathapuri, Karur Pincode - 639 002.
- Mysore: No. 24, industrial Suburb Mysore Pincode - 570 008.
- Annur: 269/1, Ganesapuram, Kattampatti Post, Annur, Coimbatore Pincode - 641 107.
- Pongalur: 1/175, Sathy Road, Pongalur, Puliampatti Post, Pongalur Pincode - 638 459
- Bangalore: No.4-A, Bommasandra Industrial Area, Anekal Taluk, Bangalore Pincode - 560 009.
- Chakan: Gat No. 343-4, Industrial Shed, behind Hotel Marriot, Chakan Talegaon Road, Mahalunge, Pune, Pincode - 410 501.

- 10 Kondaiyampalayam Village, SF No. 195, Pillaiyar Kovil Street, Near Power House, Kottaipalayam Post Coimbatore Pincode - 641 110.
- 11 Manesar: Plot No. 17, Section - 3, IMT Manesar Gurgaon Pincode 122 050.
- 12 Chennai: No. 49, Sidco Industrial Estate, Ambattur Chennai Pincode 600098
- 13 Annur: 3/145, Kovai Road, Ottrapalayam Village, Annur, Coimbatore Pincode - 641 653
- 14 Rudrapur: Khasra No. 390, Village- Danpur, Kashipur Road, Rudrapur, Pincode - 263 153 Uttrankhand
- 15 Pant Nagar: Plot No. 16, Sector 9, II E, Sidgul, Pant Nagar, Uddamsingh Nagar, Pincode - 263 153. Uttrankhand
- 16 Kushkhera, G-1, 356 RIICO Industrial Area, Alwar District Pincode - 301707, RAJASTHAN
- 17 Kariampalayam: SF. No. 266/1B & 1C, RD Building. Kumarapalaym Road, Kariampalayam Post, Annur, Coimbatore Pincode - 641 653.
- 18 Pillaippampalayam: SF.NO.225 - 227 - 123 D, Annur Road, Annur VIA Pillaippampalayam, Coimbatore Pincode - 641 653.
- 19 SF.NO.225 - 227 - 223 D, Annur VIA Pillaippampalayam, Coimbatore Pincode - 641 653.
- 20 Jalna: Plot No. A -7, Jalna Phase III, Industrial Area (MIDC) Maharashtra - 431 213
- 21 Ahmed Nagar: MIDC, Supa Area, Supa Parner Industrial Area, Ahmed Nagar, Maharashtra Pincode - 414 301
- 22 Pillaippampalayam: SF.No. 225, 226, 227/1,2,3 A, Annur (Via), Pillaippampalayam, Coimbatore Pincode - 641 653.
- 23 Rajasthan :Plot No E 1 Industrial Area, Epip(Riico), Alwar, Neemrana (Behror) Alwar - 301705,
- 24 Pondicherry : Koodapakkam Post, Pathukannu, Pondicherry - 605502

Address for Correspondence

M.Lakshmikanth Joshi,
General Manager (Legal) and 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

Exclusive e-mail id for Investor Grievances: The following e-mail ID has been designated for communicating investors' grievances:- secretarial@lgb.co.in

CREDIT RATING

ICRA has reaffirmed the credit rating of ICRA AA for the long term and ICRA A1+ for short term assigned for bank line and medium term rating of MAA assigned for fixed deposit Programme.

12. Disclosures

a. Related Party Transactions:

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. The details of the transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website <http://www.lgb.co.in/pdf/related-party-transactions-policy.pdf>

b. Strictures and Penalties

There were no instances of non-compliance by the Company or any penalties or strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

c. Vigil Mechanism and Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company www.lgb.co.in.

Your Company hereby affirms that no complaints were received during the year under review.

d. Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements laid down under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of compliance of non-mandatory requirements

The Company has adopted the non-mandatory requirement of Reporting of internal auditors to Audit Committee as recommended under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

The Company has not adopted any other non- mandatory requirements.

e. Policy for determining 'material' subsidiaries

As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy for determining 'material' subsidiaries which has been put up on the website of the Company at <http://www.lgb.co.in>

Material unlisted subsidiary

During the year, the Company did not have any material unlisted subsidiary companies which are subject to special governance norms in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Commodity price risks and Commodity hedging activities

During the financial year ended March 31st, 2021 the Company has not engaged in commodity hedging activities.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the applicable Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Other Disclosures

- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The Company has paid a sum of Rs. 15.56 lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2020-21, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

13. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Listing Regulations.

Certificate from CEO/CFO

The CEO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on June 10, 2021 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Code of conduct for prevention of insider trading

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. 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. The company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The company has also adopted structured data base system to monitor and control the Prohibition of Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Code of Conduct

The Board of Directors have laid down a code of conduct for all Board members and senior management of the company. The same has been posted on the website of the company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review.

14. DECLARATION - CODE OF CONDUCT

I, B.Vijayakumar, Chairman and Managing Director of L.G.Balakrishnan & Bros Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31st, 2021 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Coimbatore

Date : 10.06.2021

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of L G Balakrishnan & Bros Limited

I have examined the compliance conditions of Corporate Governance by M/s. L G Balakrishnan & Bros Limited (“the Company”) for the financial year ended March 31, 2021 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 explanation given to me and based on the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place : Coimbatore
Date : 10.06.2021

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960; C P No.: 411
UDIN: F000960C002436329
Peer Review No. 985/2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
L G Balakrishnan & Bros Limited
CIN: L29191TZ1956PLC000257
6/16/13 Krishnarayapuram Road
Ganapathy, Coimbatore -641006
Tamil Nadu, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. L G Balakrishnan & Bros Limited having CIN: L29191TZ1956PLC000257 and having registered office at 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore -641006, Tamil Nadu, India (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ending on 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl.No.	Name of the Director	DIN	Date of Appointment in Company
1.	Mr. Balakrishnan Vijayakumar Chairman and Managing Director	00015583	25-11-1986
2.	Mr. Palanisamy Prabakaran Managing Director	01709564	30-05-2008
3.	Mr. Vijayakumar Rajviridhan	00156787	04-11-2010
4.	Mrs. Rajsri Vijayakumar	00018244	30-10-2006
5.	Mr. Sitharaman Sivakumar	00016040	28-06-1996
6.	Mr. Palanisamy Shanmugasundaram	00119411	24-05-2001
7.	Mr. Venkatesalu Govindarajulu	00016108	29-06-1998
8.	Mr. Ramani Vidhya Shankar	00002498	30-05-2008
9.	Mrs. Kanchana Manavalan	07497403	31-01-2019
10.	Mr. Rajkumar Doraisamy Gopalasamy	00197696	29-04-2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : 10.06.2021

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960; C P No.: 411
UDIN: F000960C000430851
Peer Review No. 985/2020



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ANNEXURE-H

BUSINESS RESPONSIBILITY REPORT

[pursuant to regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L29191TZ1956PLC000257						
2	Name of the Company	L.G. Balakrishnan & Bros Limited						
3	Registered address	6/16/13 Krishnarayapuram road, Ganapathy Post, Coimbatore 641 006						
4	Website	www.lgb.co.in						
5	E-mail id	info@lgb.co.in						
6	Financial Year reported	March 31, 2021						
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code of product/service <table border="1"> <tr> <td>Transmission</td> <td>2814</td> </tr> <tr> <td>Metal Forming</td> <td>2592</td> </tr> <tr> <td colspan="2">Description: Manufacturing of Auto Components</td> </tr> </table>	Transmission	2814	Metal Forming	2592	Description: Manufacturing of Auto Components	
Transmission	2814							
Metal Forming	2592							
Description: Manufacturing of Auto Components								
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Transmission Segment, Metal forming and allied Machining Segment, Rubber Belts and its accessories.						
9	Total number of locations where business activity is undertaken by the Company	International: The Company has one subsidiary and two stepdown overseas subsidiaries in United States of America National: The Company has 22 manufacturing facilities. For More Details, Please refer to Annual Report 2020-2021 Page No. 63 under the heading, Plant's Location.						
10	Markets served by the Company - Local / State / National / International	The Company serves both Internationally as well as domestic market with foothold and presence in morethan 10 countries through either sales or alliance						

Section B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	Rs. 313,924,160
2	Total Turnover	Rs. 153844.24 Lakhs
3	Total profit after taxes	Rs. 14820.73 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.62%
5	List of activities in which expenditure in 4 above has been incurred	Refer Annexure C to Director Report.

Section C: OTHER DETAILS

1	Does the Company have any subsidiary Company/ Companies?	Yes, the Company has one subsidiary Company namely LGB USA, Inc and step down subsidiary GFM Acquisition and GFM LLC.
2	Do the subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary. company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No

Section D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director responsible for the implementation of BR policy/policies

DIN Number	01709564
Name	P Prabakaran
Designation	Managing Director

b) Details of the BR Head:

Sri P Prabakaran Managing Director oversees the implementation of Business Responsibility initiatives. The Company currently does not have a separate BR Head to lead this function.

No.	Particulars	Details
1	DIN Number (if applicable)	01709564
2	Name	P Prabakaran
3	Designation Director	Managing Director
4	Telephone No.	0422 2532325
5	E-mail ID	p.prabakaran@lgb.co.in

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N)

P1	Ethics, Transparency & Accountability Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Product Life Cycle Sustainability Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
P3	Employee Well-Being Businesses should promote the well-being of all employees
P4	Stakeholder Management Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Human Rights Businesses should respect and promote human rights
P6	Environment Businesses should respect, protect and make efforts to restore the environment
P7	Policy Advocacy Businesses, when engaged in influencing public regulatory policy, should do so in a responsible manner
P8	Equitable Development Businesses should support inclusive growth and equitable development
P9	Customer Value Businesses should engage with and provide value to their customers and consumers in a responsible manner

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/ policies for...?	YES								
2	Has the policy being formulated in consultation with the relevant stakeholders?	YES								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)*	YES								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? #	All statutory policies are approved by the Board of Directors are signed by Chairman and Managing Director								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	Policies are available on the website of the Company i.e. www.lgb.co.in. Policies which are internal to the Company are available on the intranet of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders? \$	Yes								
8	Does the company have in-house structure to implement the policy/ policies?	YES								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	YES								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	YES								

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company.

Annual Assessment is done.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the information on BR in the Annual Report which is available on the website of the Company.

Section E: PRINCIPLE WISE PERFORMANCE	
Principle 1 - Ethics, Transparency & Accountability Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs / Others?	No. The Company's ethics policy as embodied in the LGB Code of Conduct extends to subsidiaries, JVs, suppliers and contractors.
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints received.
Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	Timing Chains, Drive Chains and Sprockets..
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	Enhancement of Machinery Efficiency resulting in savings in RM usage and consumption of Power. Pollution Control initiatives aimed at reduction of Carbon foot print are Product design with lesser use of parts and no castings. Avoidance of Polluting paints/surface coating.
(a) Reduction during sourcing / production/ distribution achieved since the previous year throughout the value chain?	We have reduced as per our annual plan.
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3. Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes Preference shown to MSME's

5. Does the company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) . Also, provide details thereof, in about 50 words or so.	We have a mechanism to recycle scrap/waste. Almost 100% of the scrap is recycled since the product are made from it, it is easy for the use to sell it as scrap to vendors.
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Principle 3 Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees	2277
2. Please indicate the Total number of employees hired on temporary /contractual/ casual basis.	9191 (including trainees)
3. Please indicate the Number of permanent women employees.	80
4. Please indicate the Number of permanent employees with disabilities	5
5. Do you have an employee association that is recognized by management	Yes
6. What percentage of your permanent employees is members of this recognized employee association?	100%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
1. Child Labour / forced labour / involuntary labour	NIL
2. Sexual Harassment	NIL
3. Discriminatory employment	NIL
4. No of Complaints filed during the financial year	NIL
5. No of Complaints pending as on end of the financial year	NIL
8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?	
(a) Permanent Employees	Workman 100% Staff 100%
(b) Permanent Women Employees	100%
(c) Employees with Disabilities	100%

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No	Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The company has undertake special initiatives for the development of underprivileged communities in and around its plants, business locations and project sites. These initiatives are in the areas of preventive healthcare, education, employability, skill development etc.,

Principle 5 Human Rights Businesses should respect and promote human rights

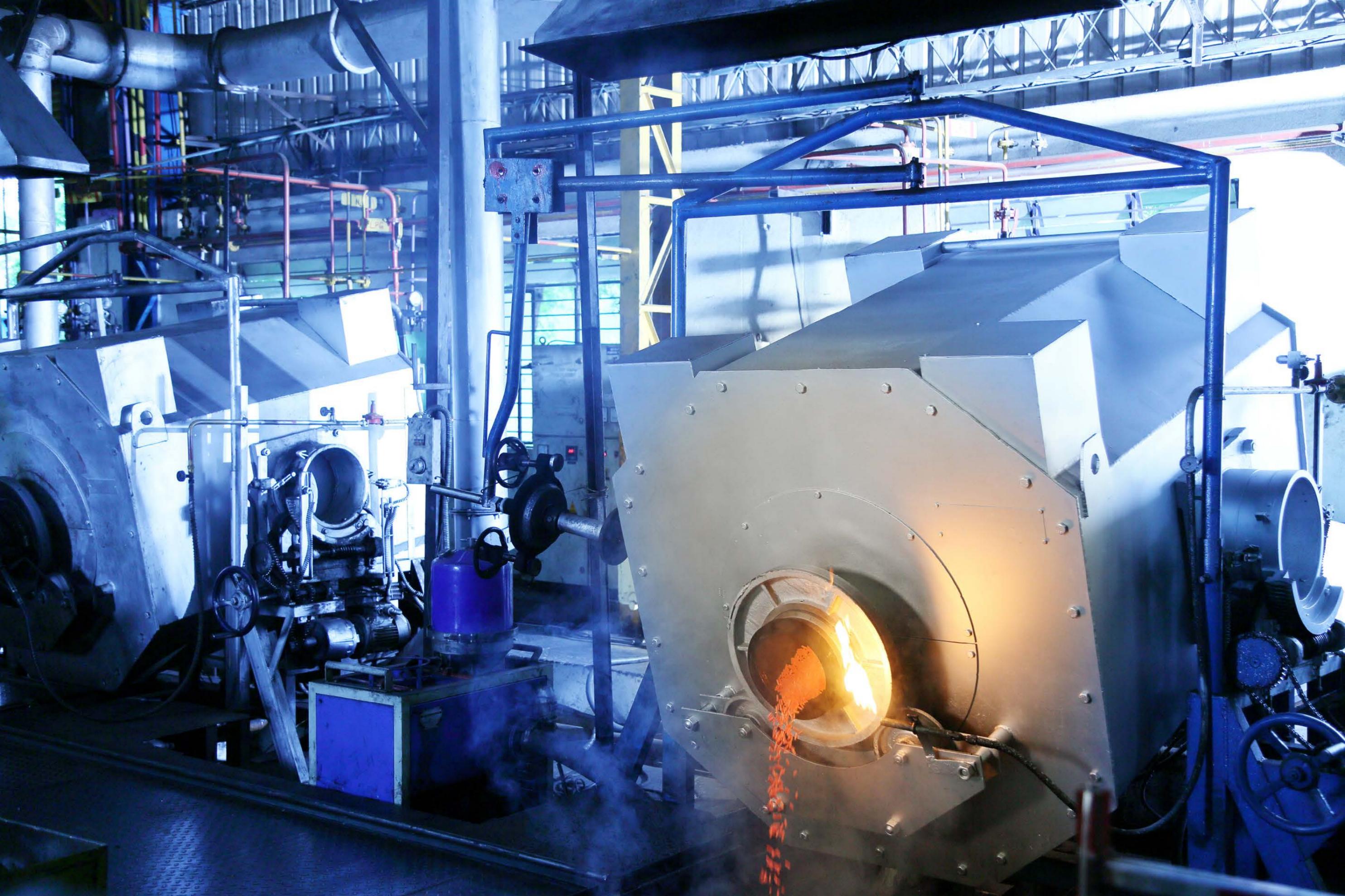
1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures /Suppliers /Contractors/NGOs/ Others?	The Code of Conduct applies to all employees of the Company. Human Rights issue is a part of the vendor selection process and is also included in the contracts drawn up with the vendors. The Company's Vigil Mechanism and Whistle Blower Policy extends to its vendors and ensures that any violations to its Code of Conduct (including violation of Human Rights) are addressed objectively.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received from stakeholders under the Code of Conduct

Principle 6 Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers /Contractors/NGOs/others	Yes. The policy extends to the Group/Suppliers/ Contractors/others
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If Yes, please give hyperlink for webpage etc	Yes. We have initiatives in our Environmental Policy.
3. Does the company identify and assess potential environmental risks? Y/N	Yes.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not Applicable
5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If Yes, please give hyperlink for web page etc.	Yes. The company undertakes initiatives for energy conservation and continuously upgrading its plant equipment and processes to enhance its energy efficiency and environmental performance. The company procures and uses renewable energy wherever feasible.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, the emissions/waste generated by the Company are within the permissible limits as indicated by State Pollution Control Board.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	
1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is a member of many trade/chamber/associations. Some of them are 1. Confederation of Indian Industry 2. Federation of Indian Chamber of Commerce and Industry. 3. Federation of Indian Export Organisation 4. Indian Chamber of Commerce and Industry. 5. Indian Machine Tools Manufactures Association. 6. Indian Wind power Associations 7. International Auto Manufacture Federation. 8. Indo America Chamber of Commerce 9. Indo German Chamber of Commerce 10. Indo Srilanka Chamber of Commerce
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if Yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes Wherever necessary.
Principle 8 Businesses should support inclusive growth and equitable development	
1. Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If Yes details thereof	The company takes up programs/ initiatives/ projects in pursuit of the principal of inclusive growth and equitable development in pursuance of its Corporate Social Responsibility (CSR) Policy. Detailed information about the specified programs and initiatives undertaken during the financial year 2020-21 in pursuit of the CSR policy has given in Annexure B to the Directors Report.

2. Are the programmes / projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?	The Company's Social Responsibility projects are implemented through an Internal Team headed by CMD as well as in partnership with Company's Run Trust.
3. Have you done any impact assessment of your initiative?	Yes, the Company has conducted impact assessments of its CSR Activities. Dedicated resources are deployed to understand the effectiveness and impact of initiatives on the Beneficiaries.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Refer Annual Report Page no. 40-44
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Initiatives are identified based on the requirement of the community in such a way that the benefits out of them are of an enduring nature - Please refer to the Annual Report on CSR activities for the financial year ended March 31, 2021.
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner	
1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.	No Pending Issues.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Yes apart from the mandated declarations, additional declarations are furnished on the products/ labels relating to the products.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Customer feedback and opinion are collected on a real time basis at Frequent Interval.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L.G.BALAKRISHNAN & BROS LIMITED

**Report on the Standalone Ind AS Financial Statements:
Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of L.G.BALAKRISHNAN & BROS LIMITED, Coimbatore ("the Company"), which comprises the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Cash Flows, notes to the financial statements, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including Ind AS, of the state of affairs of the Company as at 31st March 2021, the profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone IND AS financial statements in accordance with the Standards

on Auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are Independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Standalone Ind AS Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

S.No	Key Audit Matters	Auditor's Response
1	<p>Allowance for Credit Loss:</p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. In calculating expected credit loss, the Company has also considered other related credit information for its customers to estimate the probability of default in future.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables include the following, among others:</p> <p>We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses.</p>

S.No	Key Audit Matters	Auditor's Response
2	Evaluation of uncertain tax positions:	<p>Our audit procedures included:</p> <p>We obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p>

Information other than the standalone financial statements and the auditor's report thereon

The Company's Board of directors are responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report, Business responsibility report, Corporate Governance and Shareholder's information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies

Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act 2013, read with relevant rules issued there under.

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

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements:

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that

a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we enclose in "Annexure A", a statement on the matters specified in Paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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.
- The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts.
- In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 from

being appointed as a director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note No.28 to the Standalone Financial Statements
 - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 21211916AAAALW3654

Place: Coimbatore
Date: 10.06.2021

'Annexure -A' to the Independent Auditor's Report to the members of L.G.BALAKRISHNAN & BROS LIMITED

In terms of the information and explanation sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the management at reasonable intervals in a phased manner and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us, and the books and records verified by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds of immovable properties of Land and Buildings which are freehold, are held in the name of the Company as at Balance sheet date except for two title deeds for land amounting to Rs. 63.55 Lakhs which are yet to be transferred in the name of the company. In respect of immovable properties of Land that have been taken on lease and disclosed as fixed assets in the financial statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for credit facilities taken from the banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement based on the confirmation directly received by us from banks.
- ii. According to information and explanations furnished to us, the inventories have been physically verified by the management at reasonable intervals and in our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification were not material.
- iii. The Company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans hence provisions of Section 185 are not applicable. The Company has made Investments and provided guarantee which are within the limits of Section 186 of the Companies Act, 2013.
- v. According to the explanation and information provided to us, the Company has complied with the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. We have been informed that 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 in this regard.
- vi. The maintenance of cost records has been specified by the Central Government u/s 148(1) of the Companies Act, 2013 for automotive components. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost records and Audit) rules, 2014, as amended and prescribed by the central government under sub-Section 1 of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii.
 - (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable as at the balance sheet date.

(b) The particulars of disputed statutory dues are as follows:

Name of the Statute	Nature of Due	Amount Disputed (Rs. In Lakhs)	Amount Unpaid (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	ED- Transfer of Division	100.00	92.50	2009-10	CESTAT Chennai
Tamil Nadu Value Added Tax Act	Input Tax Credit/ Sales return	355.98	172.47	2007-08, 2008-09, 2010-11, 2011-12	Joint Commissioner (Appeals), Coimbatore
Tamil Nadu Value Added Tax Act	Differential rate and Inter State Sale	5.91	5.91	2006-07, 2010-11	Sales Tax Appellate Tribunal, Coimbatore
Entry Tax	Entry Tax	408.36	408.36	2007-08	Hon'ble High Court of Madras (stayed by the High Court)
Tamil Nadu Value Added Tax Act	Disputed on tax charged for Canteen sales	12.97	12.97	2007-08 to 2011-12	STAT, Chennai
Kerala Sales Tax	Annual Turnover	24.61	24.61	2015-16	Deputy Commissioner, SGST, Ernakulam, Kerala
Income Tax Act	Excess claim u/s 80IC	213.02	213.02	2009-10	Commissioner (Appeals)
Income Tax Act	Excess claim u/s 80IC	214.23	214.23	2010-11	Commissioner (Appeals)
Income Tax Act	Excess claim u/s 80IC	150.99	-	2012-13	ITAT Chennai
Income Tax Act	Excess claim u/s 80IC & 14A	428.39	428.39	2013-14	Commissioner (Appeals)
Income Tax Act	Excess Claim u/s 80 IC	284.79	284.79	2015-16	ITAT Chennai
Income Tax Act	Disallowance claim u/s 14 A	12.92	12.92	2016-17	Commissioner (Appeals)

- viii. In our Opinion and according to the information and explanation provided to us, the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not taken loans from Government and has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer or further public offer during the year. The term loans raised during the year have been applied for the purpose for which there were availed.

- x. In our opinion and according to the information and explanation provided to us, no frauds by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the order is not applicable.
- xiii. In our opinion based on the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details thereof have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards and the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 21211916AAAALW3654

Place: Coimbatore
Date: 10.06.2021

“Annexure - B” to the Independent Auditor’s Report to the members of L.G.BALAKRISHNAN & BROS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013:

We have audited the internal financial controls over financial reporting of L.G.BALAKRISHNAN & BROS LIMITED (“the Company”), as of 31 March 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for the Internal Financial Controls:

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

Auditors’ Responsibility:

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance

Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:-

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance

with authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the

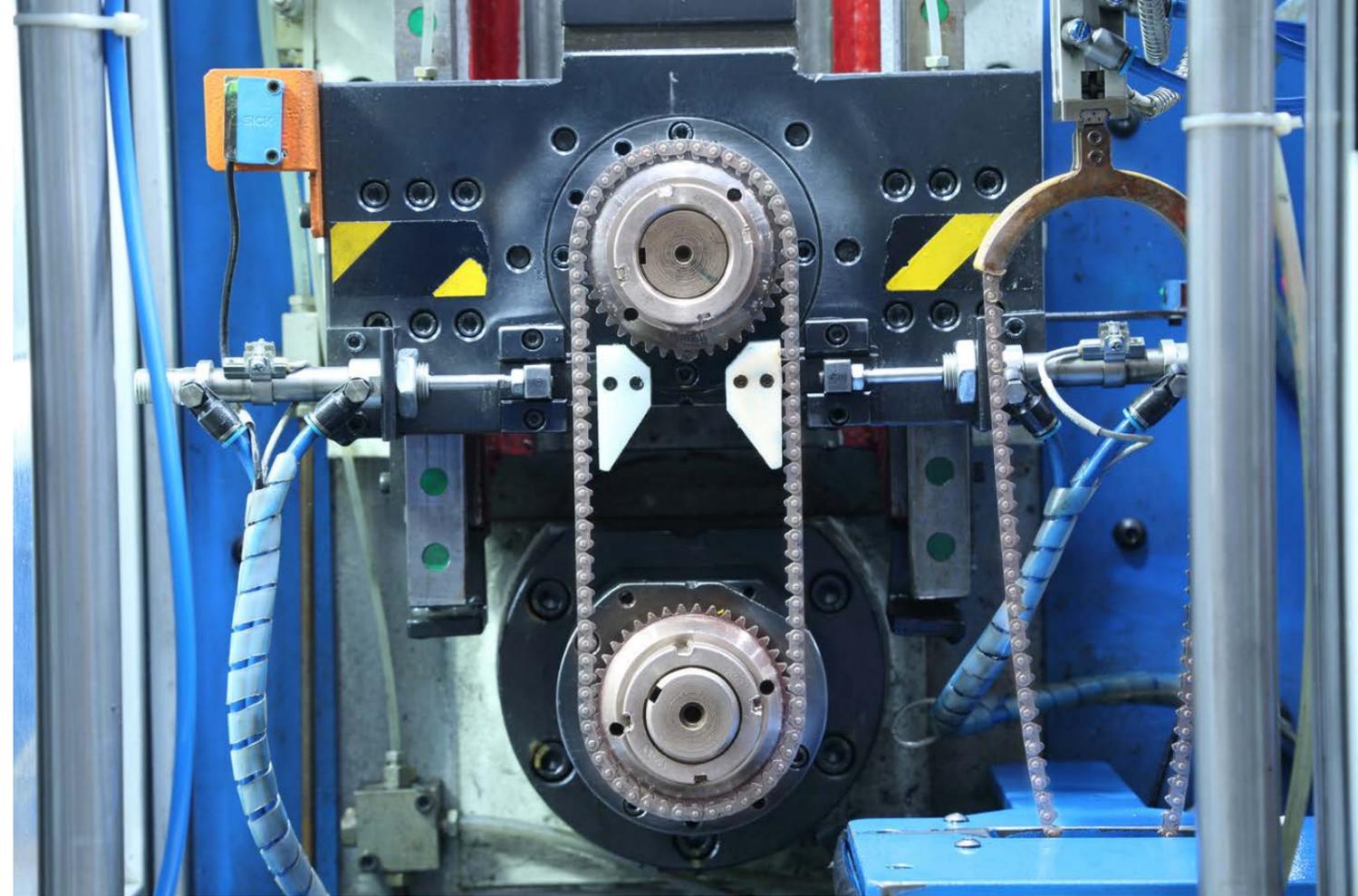
risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

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

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 21211916AAAALW3654

Place: Coimbatore
Date: 10.06.2021



BALANCE SHEET AS AT 31.03.2021

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments	1	47,937.32	51,375.11
(b) Capital work-in-progress		417.91	759.96
(c) Investment Property	1	1,107.17	47.37
(d) Intangible assets	1	136.21	213.83
(e) Right of use Asset	1	1,098.36	1,356.67
(f) Financial assets			
(i) Investments	2	9,551.00	4,616.62
(ii) Other financial assets	3	1,456.74	1,337.53
(g) Other non-current assets	4	946.50	768.19
Total Non-Current Asset		62,651.20	60,475.28
2 Current assets			
(a) Inventories	5	28,827.41	26,912.88
(b) Financial assets			
(i) Trade receivables	6	22,916.93	15,833.44
(ii) Cash and cash equivalents	7A	5,790.09	239.02
(iii) Other bank balances	7B	8,641.31	158.89
(iv) Other financial assets	8	133.97	67.26
(c) Current tax Asset(Net)		724.83	964.34
(d) Other current assets	9	846.66	552.28
Total Current Assets		67,881.21	44,728.11
3 Asset held for Sale	1	8.55	1,070.18
Total Assets		1,30,540.96	1,06,273.57
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	3,139.24
(b) Other Equity	11	83,759.85	64,911.39
Total Equity		86,899.09	68,050.63

BALANCE SHEET AS AT 31.03.2021 (CONTD..)

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	931.73	6,960.49
(ii) Lease Liabilities		1,266.90	1,455.92
(b) Provisions	13	1,085.54	1,325.06
(c) Deferred tax liabilities (net)		1,412.27	1,244.80
Total Non Current Liabilities		4,696.44	10,986.27
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	3,961.17	1,130.55
(ii) Trade payables			
- total outstanding dues of micro & small enterprises		1,406.58	1,587.82
- total outstanding dues other than micro & small enterprises	15	31,003.93	20,676.36
(iii) Other financial liabilities	16	1,661.39	3,015.12
(b) Provision		38.81	45.73
(c) Other current liabilities	17	873.55	781.09
Total Current Liabilities		38,945.43	27,236.67
Total Equity & Liabilities		1,30,540.96	1,06,273.57

See accompanying notes forming part of the financial statements

As per our Report of even date

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 004283S

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 10.06.2021

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

General Manager (Legal)

and Company Secretary

ACS NO. A14273

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
A. CONTINUING OPERATIONS			
1 Revenue from operations(gross)	18	1,53,147.43	1,44,427.22
2 Other income	19	696.81	366.46
3 Total revenue (1 + 2)		1,53,844.24	1,44,793.68
4 Expenses:			
(a) Cost of materials consumed	20 a	68,409.18	63,952.17
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20 b	680.62	822.81
(c) Employee benefits expense	21	22,729.05	23,873.00
(d) Finance costs	22	920.71	1,408.51
(e) Depreciation and amortisation expense		7,749.26	7,418.28
(f) Other expenses	23	35,169.48	37,188.37
Total Expenses		1,35,658.30	1,34,663.14
5 Profit before exceptional items and tax (3-4)		18,185.94	10,130.54
6 Exceptional items	40	1,362.26	2,524.45
7 Profit before tax (5+6)		19,548.20	12,654.99
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	24	4,950.90	2,950.66
(b) Current-tax expense relating to prior year		-	196.52
(c) Deferred tax	25	(223.43)	(675.64)
Net tax expense		4,727.47	2,471.54
9 Profit for the year (7 - 8)		14,820.73	10,183.45
10 Other Comprehensive Income (Net of taxes)			
(A) (i) Items that will not be reclassified to Profit or Loss Account			
(1) Re-measurement of defined benefit plans		388.49	17.07
(2) On account of Investment Fair valuation		4,030.14	(2,038.60)
(ii) (ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		(390.90)	96.78
(B) Items that will be reclassified to Profit or Loss Account		-	-
11 Total Comprehensive income for the year		18,848.46	8,258.70
12 Earnings per share (Face value of Rs.10/- each)	34		
(a) Basic		47.21	32.44
(b) Diluted		47.21	32.44

See accompanying notes forming part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 10.06.2021

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

General Manager (Legal)

and Company Secretary

ACS NO. A14273

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2021

₹ in Lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A Cash flow from operating activities		
Net Profit before Tax	19,548.20	12,654.99
Adjustments for:		
Depreciation	7,749.26	7,418.28
Provision for Doubtful Debts	(128.24)	(9.54)
Profit/Loss on sale of assets	(1,208.30)	(1,710.30)
Profit/Loss on Sale of Investment	(35.64)	(475.00)
Assets condemned/Written off	84.66	46.52
Interest and Finance Charges	920.71	1,408.51
Interest Income	(408.69)	(99.17)
Dividend Income	(0.77)	(36.98)
	6,972.99	6,542.32
Operating profit before working capital changes	26,521.19	19,197.31
Changes in Working Capital		
Provisions - Non Current	148.96	253.54
Other Financial Assets - Non Current	(119.21)	(154.69)
Other Non Current Assets	(178.31)	1,392.05
Inventories	(1,914.53)	2,041.93
Trade Receivables	(6,955.26)	4,898.37
Other Financial Assets - Current	(66.72)	2.78
Other Current Assets	(294.38)	(53.41)
Trade Payables	10,146.35	(1,879.82)
Other financial liabilities	65.99	(817.75)
Current Liabilities	92.46	(1,071.71)
Provisions - Current	(6.92)	8.03
Cash generated from operations	27,439.62	23,816.63
Income tax paid, net of refunds received	(4,711.39)	(3,296.26)
Net Cash generated from operating activities (A)	22,728.23	20,520.37
B. Cash flow from Investing activities		
Capital expenditure, including capital advances	(3,730.91)	(8,403.66)
Investment in Foreign subsidiary	(598.29)	(1,115.45)
Investment in Others	(313.20)	-
Proceeds from sale of fixed assets	1,222.89	1,821.53
Proceeds from sale of Investments	42.90	1,500.00
Bank Balances not considered as cash and cash equivalents	(8,482.42)	(55.67)
Dividend income	0.77	36.98
Interest Income	408.69	99.17
Net cash used in Investing activities (B)	(11,449.57)	(6,117.10)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2021

₹ in Lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
C. Cash flow from financing activities		
Interest and Finance Charges	(796.96)	(1,271.23)
Dividend Paid including Tax	(20.08)	(3,758.56)
Lease Payments	(312.76)	(296.33)
Borrowings - Current and Non-current (Net)	(4,597.77)	(9,657.79)
Net cash used in financing activities (C)	(5,727.59)	(14,983.91)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	5,551.07	(580.64)
Cash and Cash Equivalents at the beginning of the year	239.02	819.66
Cash and Cash Equivalents at the end of the year	5,790.09	239.02

See accompanying notes forming part of the financial statements

 As per our Report of even date
For **SURI & CO.**

For and on behalf of the Board of Directors

 Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.211916

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

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Managing Director
DIN : 01709564

M. LAKSHMI KANTH JOSHI
General Manager (Legal)
and Company Secretary
ACS NO. A14273

 Place : Coimbatore
Date : 10.06.2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
STATEMENT OF CHANGES IN EQUITY
A. Equity Share Capital (Rs. in Lakhs)

Balance at the end of March 31, 2020	3,139.24
Changes in equity capital during the year	-
Balance at the end of March 31, 2021	3,139.24

B. Other Equity (Rs. in Lakhs)

Particulars	Securities Premium Reserve	General Reserve	Surplus	Other Comprehensive Income	Total
Balance as at 31.03.2019	1,530.99	52,500.00	5,989.40	416.83	60,437.22
Total Comprehensive Income for the period	-	-	10,183.45	(1,924.76)	8,258.68
Dividends	-	-	(3,784.52)	-	(3,784.52)
Transfer to Reserves	-	7,500.00	(7,500.00)	-	-
Balance as at 31.03.2020	1,530.99	60,000.00	4,888.33	(1,507.93)	64,911.38
Total Comprehensive Income for the period	-	-	14,820.73	4,027.73	18,848.47
Dividends	-	-	-	-	-
Transfer to Reserves	-	10,000.00	(10,000.00)	-	-
Balance as at 31.03.2021	1,530.99	70,000.00	9,709.05	2,519.80	83,759.85

 As per our Report of even date
For **SURI & CO.**

For and on behalf of the Board of Directors

 Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.211916

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

N. RENGARAJ
Chief Financial Officer

P. PRABAKARAN
Managing Director
DIN : 01709564

M. LAKSHMI KANTH JOSHI
General Manager (Legal)
and Company Secretary
ACS NO. A14273

 Place : Coimbatore
Date : 10.06.2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1 Corporate Information

L.G.Balakrishnan & Bros Limited was found 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, Pondicherry, Maharashtra, Uttarakhand, Karnataka, Haryana and Rajasthan.

2 Basis of preparation of financial statements

Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured

at fair value (refer accounting policy regarding financial instruments)

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on 10th June, 2021.

2A Property, Plant and Equipment (PPE), Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets/ Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management

believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3 Significant Accounting Policies

a) Revenue Recognition

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Income from Service

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Dividend income

Dividend income is recognized when the company's right to receive dividend is established on the reporting date, which is generally when shareholders approve the dividend.

Rental income

Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

b) Property, plant and equipment and capital work in progress

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant, the useful life of components are considered for calculation of depreciation.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal

proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on written down value method on buildings, furniture and fixtures, computers and on straight line method on other assets over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life is estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Assets Category	Estimated useful life (in years)
Tools and dies	5
Leasehold land	99
Windmill	25

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing ₹ 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

e) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 40 - Investment Property requirements for cost model.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation

model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

f) 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.

- i) Costs of raw materials, packing 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 realizable value.
- iv) Cost of stock held for trading are computed on weighted average basis.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

The Company classifies a Financial Asset as at amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise to specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at FVTOCI

The Company classifies a Financial Assets at FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are

recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI Financial Assets is reported as interest income using the EIR method.

Financial Assets at FVTPL

The Company classifies all Financial Assets, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

All Other Equity investments

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Classification	Name of the financial asset
Amortised cost	Trade receivables, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and

the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- Financial assets that are measured at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

Derivative financial instruments

The Company holds derivative financial instrument foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

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

h) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

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

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

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.

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

j) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate.

k) Taxes**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in

OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

correlation to the underlying transaction either in OCI or directly in equity.

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

l) Retirement and other employee benefits**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains

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

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

m) Leases

The company has adopted Ind AS 116 "Leases" with effect from 1st April 2019. The company has measured Right-to-use Asset and Lease Liability based on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is, or contains, a lease if the contract conveys the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease

liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cashflows.

n) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

o) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Bank borrowings are generally considered to be financing activities.

r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ In Lakhs)

Particulars	Property, plant and equipment		Intangible Assets		Total	Right of use Asset	Investment Property	Asset held for sale	Total					
	Land	Building	Plant and Equipment	Furniture and Fittings						Electrical Fittings	Vehicles	Office Equipment	Other Assets	Total
Cost as at March 31, 2020	7,920.71	13,175.04	45,503.09	245.40	2,319.93	421.41	210.08	1,787.71	71,583.37	72,143.19	1,614.97	55.34	1,184.84	74,998.34
Additions	55.00	337.62	3,146.81	25.99	153.89	133.96	34.12	184.95	4,072.34	4,072.96	0.62	1,061.63	4,072.96	
Disposals / Transfers	-	(0.36)	(477.81)	(0.53)	(9.00)	(22.72)	(4.20)	(12.44)	(527.06)	(527.06)	-	-	(527.06)	
Cost as at March 31, 2021	7,975.71	13,512.30	48,172.09	270.86	2,464.82	532.65	240.00	1,960.22	75,128.65	75,689.09	1,614.97	1,116.97	123.21	78,544.24
Depreciation as at March 31, 2020	59.49	2,257.73	16,338.91	109.92	527.64	116.94	78.31	719.32	20,208.26	20,554.25	258.30	7.97	114.66	20,935.18
Charge for the year	16.94	925.14	5,798.86	35.41	241.02	61.09	37.46	294.96	7,410.88	7,489.12	258.31	1.83	114.66	7,749.26
Disposals / Transfers	-	(0.23)	(385.19)	(0.53)	(6.98)	(20.11)	(3.99)	(10.78)	(427.81)	(427.81)	-	-	-	(427.81)
Depreciation as at March 31, 2021	76.43	3,182.64	21,752.58	144.80	761.68	157.92	111.78	1,003.50	27,191.33	27,615.56	516.61	9.80	114.66	28,256.63
Net Block	7,861.22	10,917.31	29,164.18	135.48	1,792.29	304.47	131.77	1,068.39	51,375.11	51,588.94	1,356.67	47.37	1,070.18	54,063.16
As at March 31, 2020	7,899.28	10,329.66	26,419.51	126.06	1,703.14	374.73	128.22	956.72	47,937.32	48,073.53	1,098.36	1,107.17	8.55	50,287.61
As at March 31, 2021														

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

2 INVESTMENTS (₹ In Lakhs)

Particulars	Number of Shares	Face Value in Rs.	As at 31 March, 2021			Number of Shares	Face Value in Rs.	As at 31 March, 2020		
			Quoted	Unquoted	Total			Quoted	Unquoted	Total
(a) Investment in Equity instruments										
(Fully paid up) (Unquoted) At Cost										
(i) Subsidiaries:										
LGB U.S.A.	871.97	1.00		3257.13	3257.13	745.67	1.00		2658.84	2658.84
(b) Investment in Equity instruments										
(Fully paid up) (Quoted)										
At Fair value through Other Comprehensive Income										
(i) Others:										
Elgi Equipments Limited*	2459412	1.00	4691.33		4691.33	1229706	1.00	1377.89		1377.89
LGB Forge Limited	29000000	1.00	1087.50		1087.50	29000000	1.00	493.00		493.00
Super Spinning Mills Limited	10000	1.00	0.40		0.40	10000	1.00	0.21		0.21
Tube Investments of India Limited	1100	1.00	13.13		13.13	1100	1.00	3.01		3.01
Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited)	1100	1.00	6.59		6.59	1100	1.00	3.18		3.18
Union Bank of India (Formerly known as Corporation Bank)	3960	2.00	1.34		1.34	3960	2.00	1.14		1.14
(c) Investment in Equity instruments:										
(Fully paid up) (Unquoted) At Cost										
(i) Others:										
TRL Krosaki Refractories Limited (Formerly known as Tata Refractory Limited)	5000	10.00		6.79	6.79	5000	10.00		6.79	6.79
Silent Chain India (P) Limited	770	10.00		1.43	1.43	770	10.00		1.43	1.43
LG Farm Products (P) Limited	10000	10.00		5.61	5.61	10000	10.00		5.61	5.61
South West Engineering India Limited	427	1000.00		166.55	166.55	537	1000.00		65.52	65.52
Super Speeds (P) Limited	130500	10.00		313.20	313.20	-	-		-	-
			5,800.29	3,750.71	9,551.00			1,878.43	2,738.19	4,616.62

* During the year bonus shares in the ratio 1:1 was allotted.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
3 OTHER FINANCIALS ASSETS		
(a) Security and other deposits	1,456.74	1,331.81
(b) Unamortised Interest expenses	-	5.72
Total	1,456.74	1,337.53
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	396.54	209.50
(b) Rent and other advances	282.58	295.26
(c) Advance recoverable	229.55	225.60
(d) Income and claims receivable	37.83	37.83
Total	946.50	768.19
5 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	7,433.98	4,565.28
(b) Work-in-progress	9,107.40	10,304.83
(c) Finished products	8,382.16	7,865.34
(d) Others		
(i) Packing materials	370.36	353.16
(ii) Stores & spares	1,850.77	1,945.86
(iii) Loose tools	1,682.74	1,878.41
Total	28,827.41	26,912.88
6 TRADE RECEIVABLE		
(i) Unsecured, considered good	22,916.93	15,833.44
(ii) Having significant increase in credit risk	-	-
(ii) Credit Impairment	47.97	176.21
Less: Allowances for credit losses	47.97	176.21
Total	22,916.93	15,833.44
7 CASH AND CASH EQUIVALENTS		
A Cash and cash equivalents (as per IND AS 7 Cash Flow Statements)		
(a) Cash- on- Hand	5.37	6.69
(b) Balances with Banks		
(i) In Current Account	6.85	26.22
(ii) In Collection Account	177.87	3.61
(iii) In Deposit Account	5,600.00	202.50
Total	5,790.09	239.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
B Other Bank Balances		
(a) In Margin money with Banks	271.00	68.50
(b) In Earmarked Accounts		
(i) In Deposit Account	8,300.00	-
(ii) Unpaid Dividend Account	70.31	90.39
Total	8,641.31	158.89
Total Cash and cash equivalents (A+B)	14,431.40	397.91

Notes:

(i) Margin money with Banks is for the purpose of compliance of deposits accepted from public.

8 OTHER FINANCIAL ASSETS		
(a) Loans and advances to employees	41.80	49.99
(b) Interest accrued on Deposits	92.17	17.27
Total	133.97	67.26
9 OTHER CURRENT ASSETS		
(a) Prepaid expenses	261.08	71.54
(b) Balance with govt authorities	158.79	258.78
(c) Advance recoverable	135.41	166.46
(d) Income and claims receivable	291.38	55.50
Total	846.66	552.28

10 SHARE CAPITAL (EQUITY SHARES OF RS. 10/- EACH WITH VOTING RIGHTS)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
(a) Authorised	4,70,00,000	4,700.00	4,70,00,000	4,700.00
	4,70,00,000	4,700.00	4,70,00,000	4,700.00
(b) Issued	3,13,92,416	3,139.24	3,13,92,416	3,139.24
	3,13,92,416	3,139.24	3,13,92,416	3,139.24
(c) Subscribed and fully paid-up	3,13,92,416	3,139.24	3,13,92,416	3,139.24
Total	3,13,92,416	3,139.24	3,13,92,416	3,139.24

Notes:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
10 (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, 2021					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (Rs. in lakhs)	3,139.24	-	-	-	3,139.24
Year ended 31st March, 2020					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (Rs. in lakhs)	3139.24	-	-	-	3,139.24

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

Name of the shareholder	As at 31 March 2021		As at 31 March, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
B.Vijayakumar	34,54,000	11.00	50,14,000	15.97
V.Rajviridhan	27,40,065	8.73	40,10,372	12.77
V.Rajsri	21,79,152	6.94	21,79,152	6.94
HDFC Small Cap Fund	20,92,758	6.67	20,06,894	6.39
Reliance Capital Trustee Co.Ltd A/c Reliance Small Cap Fund	-	-	20,54,686	6.55
Nippon Life India Trustee Ltd A/c Nippon India Small Cap Fund	20,44,142	6.51	-	-
L.G.B.Auto Products (P) Ltd	17,50,000	5.57	17,50,000	5.57

10 (iii) Terms and rights attached to equity shares:

- (a) The company has only one class of equity shares having a par value of Rs.10/- each. The equity shares of the Company ranks pari passu in all aspects including rights and entitlement to dividend.
- (b) Dividend proposed by Board of Directors (Rs.10/- equity share) (Financial year 2019-20 - Nil) is subject to approval of the shareholders in ensuing Annual General Meeting.

10 (iv) Shares issued for consideration other than cash:

- (a) On 18.06.2018, the company has issued a Bonus issue in the ratio of 1:1. Out of the total shares, 156,96,208 shares have been issued for consideration other than cash.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
11 OTHER EQUITY		
(a) Securities premium account:		
Opening balance	1,530.99	1,530.99
Less:Capitalisation of Bonus shares	-	-
Closing balance	1,530.99	1,530.99
(b) General reserve		
Opening balance	60,000.00	52,500.00
Add:Transfer from surplus in Statement of Profit and Loss	10,000.00	7,500.00
Closing balance	70,000.00	60,000.00
(c) Other Comprehensive Income		
Opening Balance	(1,507.93)	416.83
Add:Accounted during the year	4,027.73	(1,924.76)
Closing balance	2,519.80	(1,507.93)
(d) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	4,888.33	5,989.40
Less:Final Dividend & Dividend tax paid for FY 2018-19	-	1,892.26
Less:Intrim Dividend & Dividend tax paid for FY 2019-20	-	1,892.26
Add:Profit/(Loss) for the year	14,820.73	10,183.45
Less:Transferred to General reserve	10,000.00	7,500.00
Closing balance	9,709.06	4,888.33
Total	83,759.85	64,911.39
12 BORROWINGS		
(a) Term loans : (Refer (i) below)		
From banks		
Secured	-	5,962.50
(b) Fixed deposits:		
From other parties		
Unsecured	172.93	247.99
From related parties		
Unsecured	758.80	750.00
Total	931.73	6,960.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
12 (i) Details of Security for Borrowings:

(a) 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 Chakkan Plant, Jalna Plant and Chennai Vallam Vadagal Plant.

(b) Interest rate relating to Term loans from banks is in the range of 8.20% to 9.10% during the year

12 (ii) Repayment schedule

Particulars	Term of repayment	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Term loan from banks:			
Secured:			
Hongkong and Shanghai Banking Corporation Ltd	Repayable in 16 quarterly instalments of Rs.187.50 Lakhs from March'20	-	2,062.50
HDFC Bank Ltd	Repayable in 20 quarterly instalments of Rs.200 Lakhs from May'19	-	2,400.00
Axis Bank Ltd	Repayable in 20 quarterly instalments of Rs.100.00 Lakhs from March'20	-	1,500.00
Total - Term loans from banks		-	5,962.50

12 (iii)(a) There was no default in the repayment of loans, borrowing and interest during the year.

(b) Interest rate relating to fixed deposits is in the range of 6.00% to 8.50% during the year

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
13 PROVISIONS		
(i) Provision for contingencies	700.00	700.00
(ii) Provision for Gratuity	-	189.81
(iii) Provision for Leave Salary	283.15	332.86
(iv) Others	102.39	102.39
	1,085.54	1,325.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
14 BORROWINGS		
(a) Loan repayable on demand		
From banks		
Secured (Refer 14(i) © below)	3,516.17	385.55
(b) Loan from directors		
Unsecured	50.00	480.00
(c) Loan from Inter corporates		
Unsecured	395.00	265.00
	3,961.17	1,130.55

Notes:
14 (i) Details of Security for Borrowings:

- (a) Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company
- (b) Interest rate relating to Short term loans from banks is in the range of 8.30% to 10.95%
- (c) Break-up of loan repayable on demand and financial institutions.

Particulars	As at 31 March 2021		As at 31 March, 2020	
	Secured	Unsecured	Secured	Unsecured
Loan repayable on Demand				
From Banks				
Corporation Bank	(1.75)	-	(0.31)	-
HDFC Bank Ltd	813.93	-	(394.25)	-
ICICI Bank Ltd	747.27	-	917.36	-
Indusind Bank Ltd	(6.38)	-	0.55	-
IDBI Bank Ltd	463.10	-	(137.80)	-
Hongkong and Shanghai Banking Corporation Ltd	1,500.00	-	-	-
Total - Loan from banks	3,516.17	-	385.55	-

14 (ii) Note: There was no default in the repayment of loans and interest during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
15 OTHER FINANCIAL LIABILITIES		
(a) Current maturities of long-term debt (Refer (i) below)	892.88	2,292.52
(b) Interest accrued but not due on secured loans	-	37.89
(c) Interest accrued but not due on Unsecured loans	22.29	58.03
(d) Interest accrued on deposits from customers	61.66	54.93
(e) Unclaimed dividends (Refer (ii) below)	70.31	90.39
(f) Payable on purchase of fixed assets	614.25	481.36
Total	1,661.39	3,015.12
15 (i) Current maturities of Long-term debt: Refer Note 12(i) for the details of Securities		
Term Loan		
From Banks		
Secured	-	1,950.00
Total - Term Loan from banks	-	1,950.00
Fixed Deposits:	892.88	342.52
Total - Current maturities of Long-term debt	892.88	2,292.52
15 (ii) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
16 PROVISIONS		
(a) Provision for Leave Salary	38.81	45.10
(b) Provision for Gratuity	0.00	0.63
Total	38.81	45.73
17 OTHER CURRENT LIABILITIES		
(a) Statutory remittances	204.45	160.99
(b) Advance and deposits from customers etc.,	669.10	620.10
Total	873.55	781.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
18 REVENUE FROM OPERATIONS		
a) Sale of products	1,42,415.95	1,34,922.41
b) Other operating revenue		
(i) Scrap sales	9,946.57	8,946.58
(ii) Duty drawback and other export incentives	784.91	558.23
Revenue from operations (Gross)	1,53,147.43	1,44,427.22
19 OTHER INCOME		
a) Interest income		
(i) Interest on fixed deposit with banks	381.56	41.80
(ii) Interest on deposit with TNEB	15.99	47.28
(iii) Others	11.14	10.09
Total Interest Income	408.69	99.17
b) Dividend income:	0.77	36.98
c) Other non-operating income		
(i) Rental and lease income	84.70	82.78
(ii) Agricultural income	6.99	9.54
(iii) Profit on sale of assets	41.10	93.13
(iv) Miscellaneous receipts	154.56	44.86
Total	696.81	366.46
20(a) COST OF MATERIALS CONSUMED		
Opening Stock:	4,918.44	5,795.86
Add:Purchases	71,295.08	63,074.75
Less:Closing Stock	7,804.34	4,918.44
Cost of material consumed	68,409.18	63,952.17
b Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Finished goods	8,382.15	7,865.34
Work-in-progress	9,107.40	10,304.83
	17,489.55	18,170.17
Inventories at the beginning of the year		
Finished goods	7,865.34	7,206.01
Work-in-progress	10,304.83	11,786.97
	18,170.17	18,992.98
Net decrease / (increase)	680.62	822.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
21 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	20,695.75	21,776.35
(b) Contribution to provident and other funds	1,168.74	1,210.16
(c) Staff welfare expenses	864.56	886.49
Total	22,729.05	23,873.00
22 FINANCE COSTS		
(a) Interest expenses:		
(i) On borrowings:	796.96	1,271.24
(ii) On Lease Liability	123.75	137.27
Total	920.71	1,408.51
23 OTHER EXPENSES		
(a) Consumption of stores and spare parts	9,675.78	10,538.43
(b) Processing charges	6,927.92	7,672.91
(c) Power and Fuel	6,625.98	6,768.98
(d) Rent including lease rentals	450.79	413.40
(e) Repairs & maintenance of		
(i) Buildings	287.24	187.87
(ii) Machinery	1,670.66	2,389.72
(iii) Other assets	1,354.40	1,040.63
(f) Insurance	145.97	96.54
(g) Rates and taxes	203.58	251.53
(h) Travelling and conveyance	237.69	750.88
(i) Printing and stationery	20.13	21.25
(j) Postage, telegram and telephones	110.54	117.39
(k) Freight, packing & forwarding	5,942.72	5,375.83
(l) Advertisement, publicity and selling expenses	162.80	121.52
(m) Bank charges	77.32	95.02
(n) Legal and professional charges	231.00	292.79
(o) Payments to auditors (Refer note (i) below)	19.81	18.90
(p) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	240.05	140.84
(q) Bad debts written off	-	18.44
(r) Assets condemned & written off	84.66	46.52
(s) Provision for doubtful debts/advances	(128.24)	(9.54)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
(t) Loss on sale of Assets	0.23	3.61
(u) Loss on foreign currency transactions and translation	(9.87)	(103.41)
(v) Sitting fees	10.29	14.40
(w) Watch and Ward	766.65	837.83
(x) Agricultural expenses	14.23	9.91
(y) Miscellaneous expenses	47.15	76.18
	35,169.48	37,188.37
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of GST input credit wherever applicable)		
(a) To Statutory Auditors:		
For statutory audit	13.50	14.00
For certification and other services	2.06	-
(b) To Tax Auditors:		
For taxation matters	2.50	3.00
(c) To cost auditors for cost audit	1.75	1.90
Total	19.81	18.90
(ii) Details of CSR Expenditure:		
(i) Contribution to		
Educational Aids to Students	52.60	66.63
L.G.B Educational Foundation	75.00	50.00
LRG & GD Trust	10.00	-
Chief Minister's Relief Fund	50.00	-
Food Supplied to Poor families	15.09	-
Amrit Centre for Special Needs	10.00	5.00
Mysore School Building	9.93	-
Car Shed - Annur Police Station	3.32	-
CC TV camera to Race Course Police Station	3.03	-
PPE Kits 200Nos.	2.13	-
Furnitures to Govt High school, Idigarai	1.63	-
65 inch TV to School at Jalna	1.59	-
Camera to Kovilpalayam Police Station	1.11	-
Karur School Building	-	0.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Library Saravanampatti	-	5.42
Mekkanamkulam Gramajana Committee	-	3.00
Karur Basket Ball		1.50
Art Motorsports Pvt. Ltd.		1.00
The Coimbatore Zoological Park Conservation		1.00
(ii) Contribution to others	4.62	6.32
	240.05	140.84
24 INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	4,950.90	2,950.66
Adjustments for current tax of prior periods	-	196.52
Total current tax expense	4,950.90	3,147.18
25 DEFERRED TAX:		
Decrease/ (Increase) in deferred tax assets	-	-
(Decrease)/ Increase in deferred tax Liabilities	(223.43)	(675.64)
Total deferred tax expense/ (benefit)	(223.43)	(675.64)
Income tax expense	4,727.47	2,471.54
The Income-tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	19,548.20	12,654.99
Income-tax expense calculated at 25.168%	4,919.89	3,185.01
Add: Tax effect on earlier year disallowances	-	196.52
Less: Tax effect on non-deductible expense	-	(9.31)
Less: Net tax effect on additional deduction	(192.42)	(900.68)
Total tax expense	4,727.47	2,471.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
26 FAIR VALUE MEASUREMENT

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2021					March 31, 2020				
	FVTPL	FVTOCI	Amor- tised Cost	Total Car- rying Value	Total Fair Value	FVTPL	FVTOCI	Amor- tised Cost	Total Car- rying Value	Total Fair Value
Financial Assets										
Investments										
- Equity instruments (other than subsidiary and associates)	-	6,293.87		6,293.87	6,293.87	-	1,957.78	-	1,957.78	1,957.78
Trade Receivables			22,916.93	22,916.93	22,916.93			15,833.44	15,833.44	15,833.44
Cash and bank balances			14,431.40	14,431.40	14,431.40			397.91	397.91	397.91
Other Financial assets			1,590.71	1,590.71	1,590.71			1,404.79	1,404.79	1,404.79
Total Financial Assets	-	6,293.87	38,939.04	45,232.91	45,232.91	-	1,957.78	17,636.14	19,593.92	19,593.92
Financial Liabilities										
Borrowings			4,892.90	4,892.90	4,892.90			8,091.04	8,091.04	8,091.04
Trade Payables			32,410.51	32,410.51	32,410.51			22,264.19	22,264.19	22,264.19
Lease Liabilities			1,266.90	1,266.90	1,266.90			1,455.92	1,455.92	1,455.92
Other Financial liabilities			1,661.39	1,661.39	1,661.39			3,015.12	3,015.12	3,015.12
Total Financial Liabilities	-	-	40,231.70	40,231.70	40,231.70	-	-	34,826.26	34,826.26	34,826.26

(i) Fair value hierarchy

This Section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	March 31, 2021				March 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	5,800.29	-	-	5,800.29	1,878.43	-	-	1,878.43
Unlisted Equity instruments	493.58			493.58	79.35			79.35
Total Financial Assets	6,293.87	-	-	6,293.87	1,957.78	-	-	1,957.78
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	March 31, 2021				March 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments								
Equity instruments (unquoted)	-	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	-	-	-
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of certain financial instruments have been determined based on the buy back offer made by the originatory of the instrument.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Details of the investment property and its fair value:

Investment property disclosed is net of depreciation.

The fair values of investment properties have been determined with reference to the guideline value as determined by the Government for the location at which the property is located, increased by the depreciated value of buildings.

27 FINANCIAL INSTRUMENTS
Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other short-term borrowings.

The capital structure of the Company consists only of equity.

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Gearing Ratio:		
Debt	931.73	6,960.49
Less: Cash and bank balances	14,431.40	397.91
Net debt	(13,499.67)	6,562.58
Total equity	86,899.09	68,050.63
Net debt to equity ratio (%)	-15.53%	9.64%
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Loans Given	-	-
Other non-current financial assets	1,456.74	1,337.53
Trade receivables	22,916.93	15,833.44
Cash and cash equivalents	5,790.09	239.02
Bank balances other than above	8,641.31	158.89
Other financial assets	133.97	67.26
b. Mandatorily measured at fair value through OCI (FVOCI)		
- Equity instruments (other than subsidiary and associates)	6,293.87	1,957.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Financial liabilities		
a. Measured at amortised cost		
Borrowings	4,892.90	8,091.04
Trade payables	32,410.51	22,264.18
Other financial liabilities	1,661.39	3,015.12
Lease Liabilities	1,266.90	1,455.92

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
<i>As on March 31, 2021</i>							
USD	7,15,531.56	-	7,15,531.56	37,88,013.58	-	37,88,013.58	30,72,482.02
EUR	4,797.62	-	4,797.62	25,52,604.42	-	25,52,604.42	25,47,806.80
GBP		-	-	4,27,229.41	-	4,27,229.41	4,27,229.41
JPY	4,52,70,000.00	-	4,52,70,000.00	-	-	-	(4,52,70,000.00)
<i>As on March 31, 2020</i>							
USD	9,73,177.12	-	9,73,177.12	26,50,910.21	-	26,50,910.21	16,77,733.09
EUR	16,960.06	-	16,960.06	19,86,659.16	-	19,86,659.16	19,69,699.10
GBP		-	-	2,86,461.47	-	2,86,461.47	2,86,461.47
JPY	-	-	-	-	-	-	-

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is not subject to credit risk as the internally generated funds are used to meet their financial requirements

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2021				
Trade payables	32,410.51	-	-	32,410.51
Other financial liabilities	1,661.39	-	-	1,661.39
Borrowings	3,961.17	-	-	3,961.17
	38,033.07	-	-	38,033.07
March 31, 2020				
Trade payables	22,264.18	-	-	22,264.18
Other financial liabilities	3,015.12	-	-	3,015.12
Borrowings	1,130.55	-	-	1,130.55
	26,409.85	-	-	26,409.85

	March 31, 2021	March 31, 2020
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Rs. in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
28 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debts - disputed tax liabilities		
(i) Central Excise	100.00	100.00
(ii) Entry Tax	408.36	408.36
(iii) VAT/CST	399.47	392.56
(iv) Income Tax	1,304.34	1,139.26
TOTAL	2,212.17	2,040.18
(b) Guarantee given by Bankers and outstanding	77.94	72.25
(c) Corporate guarantee given for others	2,700.00	2,700.00
(d) Estimated customs duty obligation on Imports, if corresponding export obligation is not satisfied	432.75	305.75

Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

(ii) Commitments:	As at 31.03.2021	As at 31.03.2020
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	2,869.78	1,899.88

29 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 upto by the Auditors.

Other disclosures are as under:

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
(i) Principal amount remaining unpaid to any supplier as at end of the accounting year	1406.58	1587.82
(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Rs. in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
(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

30 a) Remuneration to Chairman and Managing Director (CMD) and Managing Director (MD) is included in Salary, Wages & Bonus: (Rs. in Lakhs)

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	CMD	MD	CMD	MD
Salaries & Allowances	106.31	71.00	98.70	65.00
Commission	399.53	99.88	219.96	54.99
Contribution to Provident Fund	12.38	8.25	11.84	7.80
Total	518.22	179.13	330.50	127.79

b) Computation of Net Profit under Section 198 of the Companies Act, 2013 and commission payable to the Chairman and Managing Director and Managing Director:

Particulars	As at 31.03.2021	As at 31.03.2020
Profit before tax	19,548.20	12,654.99
Add: Managerial remuneration (Refer Note)	697.35	458.29
Sitting fees to directors	10.29	14.40
Provision for doubtful debts/advances	(128.24)	8.90
Loss on Sales of Assets	0.23	3.61
Assets condemned and written off	84.66	46.52
Less: Profit on Sale of Assets/Investments	235.94	2,188.91
Net profit	19,976.56	10,997.79
Maximum remuneration payable to Chairman & Managing Director and Managing Director - 10% of the net profit	1,997.66	1,099.78
Commission payable @ 2% of Net Profit to CMD	399.53	219.96
Commission payable @ 0.50% of Net Profit to MD	99.88	54.99

Note : The remuneration paid / payable to the Chairman and Managing Director and Managing Director for the year is within the limits specified in Section 197 of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Rs. in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
31 DETAILS OF GOVERNMENT GRANTS		
Government grants received by the Company during the year towards		
Duty drawback and other export incentives	784.91	558.23
Subsidy received	1,167.43	428.67
Total	1,952.34	986.90

32 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 recognized Rs. 812.29 Lakhs (Year ended 31 March, 2020 Rs.778.82 Lakhs) for Provident Fund contributions and Rs. 7.86 Lakhs (Year ended 31 March, 2020 Rs.16.50 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.173.07 Lakhs (Year ended 31 March, 2020 Rs.236.42 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 (included as part of employees contribution to funds in Note 21 Employee benefits expense) to all eligible employees, which is funded with Life Insurance Corporation of India.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements

Particulars	As at 31.03.2021	As at 31.03.2020
Components of employer expenses		
Current service cost	175.57	192.76
Interest cost	185.94	145.07
Expected return on Plan Assets	(185.99)	(159.40)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	175.52	178.43
Actual contribution and the benefit payments for the year		
Actual benefit payments	(120.27)	(87.65)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
Actual contribution	382.50	8.64
Other Comprehensive Income		
Opening OCI	391.19	247.22
Actuarial Loss / (Gain) on DBO	(194.75)	239.05
Actuarial Loss / (Gain) on Assets	17.21	(95.08)
Total recognized in Other Comprehensive Income	(177.54)	143.97
Closing Recognised in OCI	213.65	391.19
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	2,703.52	2,657.03
Fair value of plan assets	2,897.60	2,466.59
Funded Status [Surplus/(Deficit)] *	194.08	(190.44)
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	194.08	(190.44)
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	2,657.03	2,167.80
Current service cost	175.57	192.76
Interest cost	185.94	145.07
Actuarial (gain) / loss on obligation	(194.75)	239.05
Benefits paid	(120.27)	(87.65)
Present value of DBO at the end of the year	2,703.52	2,657.03
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	2,466.59	2,291.12
Acquisition adjustment		
Expected return on Plan Assets	185.99	159.40
Contributions by the employer	382.50	8.64
Actuarial gain / (loss)	(17.21)	95.08
Benefits paid	(120.27)	(87.65)
Plan Assets at the end of the year	2,897.60	2,466.59
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	2,703.52	2,657.03
Closing FV of Plan Assets	2,897.60	2,466.59
Funded Status [Surplus/(Deficit)] *	194.08	(190.44)
* - Included under the head "Employee Benefits" in Schedule 22		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
Composition of the Plan assets is as follows:		
Equity instruments	-	-
Debt instruments	-	-
Property	-	-
Insurer managed asset *	100%	100%
* - 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)	7.16%	6.83%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	7.16%	6.83%
* - Included in "Contribution to Provident & Other Funds" in Note 18 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on Obligation	(194.75)	239.05
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	17.21	(95.08)
Total comprehensive Income for the year	(177.54)	143.97
Actuarial (Gains) and Losses Recognized in the year	(177.54)	143.97
Unrecognized Actuarial (Gains) and Losses for the year	-	-

Note:

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated terms of the obligations.
- (ii) The estimate of future salary increased considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The Company is expected to contribute Rs.200.00 Lakhs to the Gratuity Fund next year.

(iv) Sensitivity Analysis:

Particulars	As at 31.03.2021	As at 31.03.2020
A. Discount Rate + 100 BP	-9.02%	-10.39%
Defined Benefit Obligation [PVO]	2,459.54	2,380.90
B. Discount Rate - 100 BP	10.60%	12.37%
Defined Benefit Obligation [PVO]	2,989.95	2,985.62
C. Salary Escalation Rate + 100 BP	9.70%	11.36%
Defined Benefit Obligation [PVO]	2,965.75	2,598.92

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Rs. in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
D. Salary Escalation Rate - 100 BP	-8.56%	-9.92%
Defined Benefit Obligation [PVO]	2,472.00	2,393.32
E. Attrition Rate + 100 BP	-2.83%	-3.66%
Defined Benefit Obligation [PVO]	2,627.04	2,559.72
F. Attrition Rate - 100 BP	3.26%	4.25%
Defined Benefit Obligation [PVO]	2,791.58	2,769.96

vii Risk exposure:

The Company's Gratuity fund is maintained by an approved trust (Life Insurance Corporation of India). A large portion of the investment made by the LIC is in government bonds and securities and other approved securities. Hence, the company is not exposed to the risk of asset volatility as at the balance sheet date.

vii Defined benefit liability and employer contributions:

The weighted average duration of the defined benefit obligation is 15.91 years (2019-20 17.80 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at 31.03.2021	As at 31.03.2020
Less than 1 year	157.33	107.69
Between 1 - 2 years	125.96	115.62
Between 2 - 3 years	138.76	80.56
Between 3 - 4 years	197.20	94.99
Between 4 - 5 years	190.94	161.29
More than 5 years	1,238.11	1,041.23

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
33 DETAILS OF LEASING ARRANGEMENTS IND AS 116		
As Lessor		
a The Company has entered into operating lease arrangements for certain surplus facilities and equipments.		
Total rental and lease income recognized in the Statement of Profit and Loss	84.70	82.78
As Lessee		
b Interest expenses on lease liability	123.75	137.27
Expenses related to short term leases and lease of low value assets	447.25	402.00
Total cashflow for leases	760.01	698.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Rs. in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
34 EARNINGS PER SHARE		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In Rs. Lakhs	14,820.73	10,183.45
Profit attributable to Equity Shareholders - In Rs. Lakhs (A)	14,820.73	10,183.45
Total number of equity shares outstanding at balance sheet date.	3,13,92,416	3,13,92,416
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	3,13,92,416	3,13,92,416
Nominal value of Equity Shares - In Rs.	10	10
Basic and Diluted Earnings Per Share-In Rs. (A/B)(Not annualized)	47.21	32.44
35 DEFERRED TAX LIABILITY		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	1675.12	1633.36
On account of provision for right to use assets	276.44	341.45
On account of provision for lease liability	(318.85)	(366.42)
On account of provision for doubtful debts	(12.07)	(44.35)
On account of provision for contingencies	(176.18)	(176.18)
On account of provision for gratuity	48.85	(47.93)
On account of provision for leave salary	(81.03)	(95.13)
	1,412.27	1,244.80
36 DETAILS OF R&D EXPENSES		
1) Capital expenditure	35.92	35.66
2) Salaries & wages	366.87	394.64
3) Material costs	76.27	58.49
4) Maintenance expenses	51.52	68.52
5) Other expenses	35.95	43.06
	566.53	600.37

Note : While the accounts of R&D department are maintained separately, for the purpose of presentation, the administrative and other expenses are clubbed along with other functional head of expenses and presented in the Statement of Profit and Loss.

37 Details of Provision

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 1st April, 2020	Additions	Utilisation	As at 31 March, 2021
Provision for other contingencies (Excise/ Customs / IT)	700.00		-	700.00
	(700.00)	-	-	(700.00)
Total	700.00	-	-	700.00
	(700.00)	-	-	(700.00)

Note: Figures in brackets relate to the previous year.

- 38 Since the Company prepares consolidated financial statements, segment information as revised by IND AS 108 "Operating Segments" has been disclosed in consolidated financial statements.
- 39 Borrowing Cost Capitalized during the year Rs. Nil (Previous year Rs.45.15 Lakhs).
- 40 Exceptional item represents Profit on sale of Land, Profit on sale of Investment and subsidy received.
- 41 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification/disclosure.
- 42 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.
- 43 In assessing the recoverability of company's assets such as Property Plant and Equipment, Investments, Trade Receivables, Inventories etc in view of Covid 19 outbreak, the company has considered available information upto the date of approval of these financial results to arrive at its estimates. The company has evaluated its liquidity position, recoverability of such assets and based on the current estimates expects that the carrying amount of these assets would be recovered.
- 44 The Committee of Creditors of RSAL Steel P Ltd Ltd (RSAL), through a Letter of Intent (LOI) have declared LG Balakrishnan & Bros Ltd as the successful bidder for RSAL, under the Insolvency & Bankruptcy code 2016. The implementation of the resolution plan is subject to the terms of the LOI and requisite approval from regulatory authorities.

45 Related party disclosure
a) List of parties having significant influence
Subsidiaries

LGB USA INC. - 96%

Fellow Subsidiaries

GFM ACQUISITION LLC. - Holding by LGB USA - 98.47%

GFM LLC - Holding by GFM Acquisition LLC - 100%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel

Elgi Automotive Services (P) Limited	Lakshmi Printers
L.G.B. Auto Products (P) Limited	Veena Coach Products
LG Farm Products (P) Limited	G-Plast
LG Sports Private Limited	Gedee Weiler
Super Transports Private Limited	Metal Forms (P Ltd
Super Speeds Private Limited	Paatimachi Pvt. Ltd
LGB Forge Limited	Rajvirdhan Private Limited
Tribe Investments & Services Private Ltd	Silent Chain India Private Limited
South West Engineering India Private Limited	

Key management personnel

Sri. B. Vijayakumar, Chairman & Managing Director

Sri. P. Prabakaran, Managing Director

Sri.N.Rengaraj, Chief Financial Officer

Sri.M.Lakshmi Kanth Joshi, General Manager (Legal) and Company Secretary

Relatives of Key Management Personnel

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

As per our Report of even date
For **SURI & CO.**

Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.211916

Place : Coimbatore
Date : 10.06.2021

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

N. RENGARAJ
Chief Financial Officer

P. PRABAKARAN
Managing Director
DIN : 01709564

M. LAKSHMI KANTH JOSHI
General Manager (Legal)
and Company Secretary
ACS NO. A14273

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

a) Transactions during the year

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Remuneration to Key Managerial Personnel										
	Sri.B. Vijayakumar					778.79	535.49	-	22.80	778.79	558.29
	Sri.P. Prabakaran					518.22	330.50			518.22	330.50
	Sri.N. Rengaraj					179.13	127.79			179.13	127.79
	Sri.Lakshminanth Joshi					47.32	44.90			47.32	44.90
	Sri.K. Arjun					34.12	32.30			34.12	32.30
2	Loan Receipts (Borrowings)	520.00	865.00	-	-	441.00	579.00	225.00	70.00	1,186.00	1,514.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	L.G.Sports (P) Ltd	205.00	205.00							205.00	205.00
	LGB Auto Products (P) Limited	125.00	235.00							125.00	235.00
	LG Farm Products (P) Limited	165.00	300.00							165.00	300.00
	Super Speeds (P) Limited	25.00	125.00							25.00	125.00
	Key Managerial Personnel										
	Sri.B. Vijayakumar					441.00	579.00			441.00	579.00
	Relatives of Key Managerial Personnel										
	Smt. V.Rajsri										
3	Loan Repayment (Borrowing)	390.00	1,080.00	-	-	921.00	217.00	175.00	295.00	1,486.00	1,592.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	L.G.Sports (P) Ltd	70.00	520.00							70.00	520.00
	Elgi Automotive Services (P) Limited	-	20.00							-	20.00
	LGB Auto Products (P) Limited	-	270.00							-	270.00
	LG Farm Products (P) Limited	305.00	160.00							305.00	160.00
	Super Speeds (P) Limited	15.00	110.00							15.00	110.00
	Key Managerial Personnel										
	Sri.B. Vijayakumar					921.00	217.00			921.00	217.00
	Relatives of Key Managerial Personnel										
	Sri.V.Rajviradhan										
	Smt. V.Rajsri										
4	Fixed Deposits Receipts (Borrowings)	10.00	15.00	-	-	547.80	90.00	175.00	2.00	557.80	107.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	Silent Chain (P) Limited	10.00	15.00							10.00	15.00
	Key Managerial Personnel										
	Sri.B. Vijayakumar					540.00	-			540.00	0.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Sri.P. Prabakaran					3.80	88.00			3.80	88.00
	Sri.N.Rengaraj					4.00	2.00			4.00	2.00
	Relatives of Key Managerial Personnel										
	Smt.D.Maheswari							-	2.00	0.00	2.00
5	Fixed Deposits Repayments (Borrowings)	5.00	195.00	0.00	0.00	0.00	225.00	10.00	100.00	15.00	520.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	L G Farm Products (P) Limited	-	35.00							-	35.00
	L.G.Sports (P) Ltd	-	100.00							-	100.00
	Silent Chain (P) Limited	5.00	10.00							5.00	10.00
	Elgi Automotive Services (P) Limited		50.00							-	50.00
	Key Managerial Personnel										
	Sri.B.Vijayakumar					-	150.00			-	150.00
	Sri.P. Prabakaran					-	70.00			-	70.00
	Sri.N.Rengaraj					-	5.00			-	5.00
	Relatives of Key Managerial Personnel										
	Smt.V.Rajsri							-	100.00	-	100.00
	Minor.Vidhur Narayanan							10.00	-	10.00	-
6	Interest Expense	45.99	65.84	-	-	108.55	64.59	38.18	32.99	192.72	163.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial Personnel										
	L.G.Sports (P) Ltd	12.75	29.19							12.75	29.19
	LGB Auto Products (P) Limited	10.20	6.09							10.20	6.09
	L G Farm Products (P) Limited	12.15	17.50							12.15	17.50
	Others	10.89	13.06							10.89	13.06
	Key Managerial Personnel										
	Sri.B.Vijayakumar					99.22	55.40			99.22	55.40
	Sri.P. Prabakaran					9.21	8.88			9.21	8.88
	Sri.N.Rengaraj					0.12	0.31			0.12	0.31
	Relatives of Key Managerial Personnel										
	Sri.V.Rajviridhan							-	2.02	0.00	2.02
	Smt.V.Rajsri							20.77	12.38	20.77	12.38
	Minor.Samriddhi Andat							7.80	8.28	7.80	8.28
	Minor.Vidhur Narayanan							8.49	9.26	8.49	9.26
	Smt.D.Maheswari							1.12	1.05	1.12	1.05
7	Equity Investment - LGB-USA	-	-	598.29	-	-	-	-	-	598.29	-
8	Dividend Receipts	0.03	0.03	-	-	-	-	-	-	0.03	0.03
9	Dividend Payments	-	308.57	-	-	-	501.70	-	687.60	-	1,497.87
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel		308.57								308.57

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Key Managerial Personnel										
	Sri.B.Vijayakumar					-	501.40			-	501.40
	Sri.P. Prabakaran					-	0.18			-	0.18
	Sri.N.Rengaraj					-	0.12			-	0.12
	Relatives of Key Managerial Personnel										
	Sri.V.Rajviridhan							-	424.92	-	424.92
	Smt.V.Rajsri							-	217.92	-	217.92
	Others							-	44.76	-	44.76
10	Rent Income	74.46	77.62							74.46	77.62
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	55.49	54.28							55.49	54.28
	Super Transports Private Limited	10.42	10.50							10.42	10.50
	Others	8.55	12.84							8.55	12.84
11	Purchase of Materials, Spares & power	1,249.74	1,245.23							1,249.74	1,245.23
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	499.59	466.00							499.59	466.00
	LGB & Bros, Karur	-	59.51							-	59.51
	Lakshmi Printers	511.12	544.56							511.12	544.56
	G-Plast	109.88	102.39							109.88	102.39
	Others	129.15	72.77							129.15	72.77

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
12	Processing/ Conversion Charges	196.65	630.38							196.65	630.38
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	South Western Engineering India Private Limited	19.02	454.36							19.02	454.36
	Veena Coach Products	130.70	130.88							130.70	130.88
	Others	46.93	45.14							46.93	45.14
13	Sale of Materials, Stores and Service Charges	454.43	442.80							454.43	442.80
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Renold Chain India (P) Ltd.	-	305.93							-	305.93
	Metal Forms (P) Limited	447.52	121.36							447.52	121.36
	Others	6.91	15.51							6.91	15.51
14	Processing charges Receipts	274.45	290.94							274.45	290.94
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	274.29	279.40							274.29	279.40
	Others	0.16	11.54							0.16	11.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
15	Sale of Property, Plant and Equipment	-	8.84	-	-	-	-	-	-	-	8.84
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	-	-	-	-	-	-	-	-	-	-
	L G Sports (P) Limited	-	0.07	-	-	-	-	-	-	-	0.07
	Super Speeds Private Limited	-	8.77	-	-	-	-	-	-	-	8.77
16	Purchase of Property, Plant and Equipment	896.71	19.25	-	-	-	-	-	-	896.71	19.25
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	-	-	-	-	-	-	-	-	-	-
	LGB Forge Limited	-	8.31	-	-	-	-	-	-	-	8.31
	South Western Engineering India Private Limited	892.88	5.24	-	-	-	-	-	-	892.88	5.24
	Others	3.83	5.70	-	-	-	-	-	-	3.83	5.70
		4,117.46	5,244.50	598.29	-	2,797.14	2,212.78	448.18	1,210.39	7,961.07	8,667.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

b) Balance outstanding at the end of the year

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Receivable balance	160.60	130.08	-	-	-	-	-	-	160.60	130.08
	LGB Forge Limited	-	117.52	-	-	-	-	-	-	-	117.52
	Metal Forms (P) Limited	159.99	-	-	-	-	-	-	-	159.99	-
	Others	0.61	12.56	-	-	-	-	-	-	0.61	12.56
2	Payable balance	198.06	14.82	-	-	-	-	-	-	198.06	14.82
	LGB Forge Limited	112.48	-	-	-	-	-	-	-	112.48	-
	Others	85.58	14.82	-	-	-	-	-	-	85.58	14.82
3	Unsecured borrowings balance	395.00	265.00	-	-	-	480.00	50.00	-	445.00	745.00
	L G Sports Limited	220.00	85.00	-	-	-	-	-	-	220.00	85.00
	L G Farm Products (P) Limited	0.00	140.00	-	-	-	-	-	-	-	140.00
	LGB Auto Products (P) Limited	150.00	25.00	-	-	-	-	-	-	150.00	25.00
	Others	25.00	15.00	-	-	-	480.00	50.00	-	75.00	495.00



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L.G.BALAKRISHNAN & BROS LIMITED

Report on the Consolidated Ind AS Financial Statements:

Opinion:

We have audited the accompanying Consolidated Ind AS Financial Statements of L.G.BALAKRISHNAN & BROS LIMITED, Coimbatore (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company, its subsidiaries together referred to as the "the Group") comprising the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of the subsidiaries, referred to in Other Matters paragraph below, the aforesaid Consolidated Ind AS 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 Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated financial position of the Group as at 31 March 2021, and its consolidated profit and total comprehensive income, its consolidated cash flows and

consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion:

We conducted our audit of the consolidated IND AS financial statements in accordance with the Standards on Auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the consolidated Ind AS Financial Statements Section of our report. We are Independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Consolidated Ind AS Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

S.No	Key Audit Matters	Auditor's Response
1	<p>Allowance for Credit Loss:</p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. In calculating expected credit loss, the Company has also considered other related credit information for its customers to estimate the probability of default in future.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables include the following, among others:</p> <p>We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses.</p>

S.No	Key Audit Matters	Auditor's Response
2	<p>Evaluation of uncertain tax positions:</p>	<p>Our audit procedures included:</p> <p>We obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.</p>

Information other than the consolidated financial statements and the auditor's report thereon:

The Holding Company's Board of directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report, Business responsibility report, Corporate Governance and Shareholder's information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Ind AS Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act 2013, read with relevant rules issued there under. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation

of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements:

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements,

which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

We did not audit the financial statements/financial information of 3 subsidiaries whose financial statements/ financial information reflect assets of Rs.8,454.85 lakhs as at 31 December 2020, total revenue of Rs.7,751.85 lakhs and net cash inflows of Rs.108.93 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in the respect of these subsidiaries and associate and our report in terms of Section 143(3) & Section 143(11) of the Act in so far as it relates to the aforesaid subsidiaries is solely based on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our Opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements:

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiaries as noted in the Other Matter paragraph, we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company incorporated in India and the operating effectiveness of such controls of the Holding Company incorporated in India, refer to our separate Report in "Annexure A".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Ind AS Financial Statements has disclosed the impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 28 to the Consolidated Financial Statements.
- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Companies.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 21211916AAAALX2834

Place: Coimbatore
Date: 10.06.2021

“Annexure - A” to the Independent Auditor’s Report to the members of L.G.BALAKRISHNAN & BROS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013:

In conjunction with our audit of the Consolidated Ind AS Financial Statements of L.G.BALAKRISHNAN & BROS LIMITED (“the Holding Company”), as of and for the year ended 31 March 2021, We have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India as of that date.

Management’s Responsibility for the Internal Financial Controls:

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

Auditors’ Responsibility:

Our responsibility is to express an opinion on the Holding Company’s and its subsidiary companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI

and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary companies incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:-

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial Statements.

Inherent Limitations of Internal Financial controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of

any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 21211916AAAALX2834

Place: Coimbatore
Date: 10.06.2021



CONSOLIDATED BALANCE SHEET AS AT 31.03.2021

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments	1	51,372.08	55,370.75
(b) Capital work-in-progress		633.21	889.25
(c) Investment Property	1	1,107.17	47.37
(d) Goodwill on amalgamation		1,516.35	1,479.40
(e) Intangible assets	1	136.21	213.83
(f) Right of use Asset	1	1,098.36	1,356.67
(g) Financial assets			
(i) Investments	2	6,293.87	1,957.78
(ii) Other financial assets	3	1,456.74	1,337.53
(h) Other non-current assets	4	946.50	768.19
		64,560.48	63,420.77
2 Current assets			
(a) Inventories	5	30,128.49	28,969.01
(b) Financial assets			
(i) Trade receivables	6	24,664.95	17,460.60
(ii) Cash and cash equivalents	7A	6,002.66	342.67
(iii) Other bank balances	7B	8,641.31	158.89
(iv) Other financial assets	8	133.97	67.25
(c) Current tax Asset		724.83	1,077.25
(d) Other current assets	9	873.03	595.00
		71,169.25	48,670.67
3 Asset held for Sale	1	8.55	1,070.18
Total Assets		1,35,738.28	1,13,161.62
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	3,139.24
(b) Other Equity	11	84,799.58	67,474.50
Equity Attributable to Owners of the Company		87,938.82	70,613.74
Non-controlling interest		172.24	404.14
Total		88,111.06	71,017.88

CONSOLIDATED BALANCE SHEET AS AT 31.03.2021

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	1,923.16	8,056.03
(ii) Lease liabilities		1,266.90	1,455.92
(b) Provisions	13	1,085.54	1,325.06
(c) Deferred tax liabilities (net)		1,412.27	1,244.80
		5,687.87	12,081.81
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	3,961.17	1,130.55
(ii) Trade payables			
- total outstanding dues of micro & small enterprises		1,406.58	1,587.83
- total outstanding dues other than micro & small enterprises		33,689.42	23,130.59
(iii) Other financial liabilities	15	1,969.82	3,386.14
(b) Provision	16	38.81	45.73
(c) Other current liabilities	17	873.55	781.09
		41,939.35	30,061.93
Total Liabilities		1,35,738.28	1,13,161.62

See accompanying notes forming part of the financial statements

As per our Report of even date

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 10.06.2021

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

General Manager (Legal)

and Company Secretary

ACS NO. A14273

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021 ₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
A. CONTINUING OPERATIONS			
1 Revenue from operations(gross)	18	1,60,899.28	1,54,282.79
2 Other income	19	696.81	366.46
3 Total revenue (1 + 2)		1,61,596.09	1,54,649.25
4 Expenses:			
(a) Cost of materials consumed	20 a	73,213.57	69,720.62
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	20 b	787.33	814.84
(c) Employee benefits expense	21	24,615.75	25,951.80
(d) Finance costs	22	1,004.20	1,524.08
(e) Depreciation and amortisation expense		8,331.79	7,865.69
(f) Other expenses	23	36,994.06	39,170.95
Total Expenses		144,946.70	145,047.98
5 Profit before exceptional items and tax (3-4)		16,649.39	9,601.27
6 Exceptional items	36	1,362.26	1,882.51
7 Profit before tax (5+6)		18,011.66	11,483.78
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	24	4,950.90	2,950.66
(b) Current-tax expense relating to prior year			196.52
(c) Deferred tax	25	(223.43)	(675.64)
Net tax expense		4,727.47	2,471.54
9 Profit for the period (7 - 8)		13,284.19	9,012.24
10 Share in Profit of associate		-	116.00
11 Profit after tax before share of profit of associate		13,284.19	9,128.24
12 Net profit attributable to:			
Owners		13,345.65	9,163.31
Non Controlling interest		(61.46)	(35.07)
13 Other Comprehensive Income (Net of taxes)			
(A) (i) Items that will not be reclassified to Profit or Loss Account			
(1) Re-measurement of defined benefit plans		388.49	17.07
(2) On account of Investment Fair valuation		4,030.14	(2,038.60)
(ii) (ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		(390.90)	96.78
(B) Items that will be reclassified to Profit or Loss Account		-	-
14 Total Comprehensive income for the period		17,311.91	7,203.49
15 Earnings per share (Face value of Rs.10/- each)	32		
(a) Basic		42.51	29.19
(b) Diluted		42.51	29.19

See accompanying notes forming part of the financial statements

As per our Report of even date
For **SURI & CO.**

Chartered Accountants
Firm Registration No.: 0042835

M. SIVARAM
Partner
Membership No.211916
Place : Coimbatore
Date : 10.06.2021

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Chairman and Managing Director
DIN : 00015583
N. RENGARAJ
Chief Financial Officer

P. PRABAKARAN
Managing Director
DIN : 01709564
M. LAKSHMI KANTH JOSHI
General Manager (Legal)
and Company Secretary
ACS NO. A14273

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31.03.2021 ₹ in Lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A Cash flow from operating activities		
Net Profit before Tax	18,011.66	11,483.78
Adjustments for:		
Depreciation	8,331.80	7,865.69
Provision for Doubtful Debts	(128.24)	(9.54)
Profit/Loss on sale of assets	(1,207.69)	(1,708.66)
Profit/Loss on Sale of Investment	(35.64)	166.94
Assets condemned/Written off	84.66	46.52
Interest and Finance Charges	1,004.20	1,524.08
Interest Income	(408.69)	(99.17)
Dividend Income	(0.77)	(36.98)
	7,639.63	7,748.88
	25,651.29	19,232.66
Operating profit before working capital changes		
Changes in Working Capital		
Provisions - Non Current	148.97	253.55
Other Financial Assets - Non Current	(119.21)	(154.70)
Other Non Current Assets	(178.31)	1,392.05
Inventories	(1,159.48)	1,702.51
Trade Receivables	(7,076.12)	4,627.97
Other Financial Assets - Current	(66.72)	2.80
Other Current Assets	(278.04)	142.08
Trade Payables	10,120.93	(1,560.02)
Other financial liabilities	66.01	(817.77)
Current Liabilities	92.46	(1,252.78)
Provisions - Current	(6.92)	8.02
	1,543.59	4,343.71
Cash generated from operations	27,194.86	23,576.37
Income tax paid, net of refunds received	(4,598.48)	(3,233.07)
Net Cash generated from operating activities (A)	22,596.39	20,343.30
B Cash flow from Investing activities		
Capital expenditure, including capital advances	(3,839.19)	(8,907.97)
Investment in Others	(313.20)	-
Proceeds from sale of fixed assets	1223.84	1,821.53
Proceeds from sale of investments	42.90	1,500.00
Bank Balances not considered as cash and cash equivalents	(8,482.42)	(55.67)
Dividend income	0.77	36.98
Interest Income	408.69	99.17
Net cash used in Investing activities (B)	(10,958.61)	(5,505.96)

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31.03.2021

₹ in Lakhs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
C Cash flow from financing activities		
Interest and Finance Charges	(880.45)	(1,386.81)
Dividend Paid including Tax	(20.08)	(3,758.56)
Lease payments	(312.76)	(296.33)
Borrowings - Current and Non-current (Net)	(4,764.48)	(9,915.22)
Net cash used in financing activities (C)	(5,977.78)	(15,356.92)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	5660.00	(519.57)
Cash and Cash Equivalents at the beginning of the year	342.66	862.23
Cash and Cash Equivalents at the end of the year	6002.66	342.66

See accompanying notes forming part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 004283S

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 10.06.2021

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

 General Manager (Legal)
and Company Secretary

ACS NO. A14273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
STATEMENT OF CHANGES IN EQUITY
A. Equity Share Capital

(Rs. in Lakhs)

Balance at the end of March 31, 2020	3,139.24
Changes in equity capital during the year	-
Balance at the end of March 31, 2021	3,139.24

B. Other Equity

(Rs. in Lakhs)

Particulars	Securities Premium Reserve	Foreign Currency Translation Reserve	General Reserve	Surplus	Other Com- prehensive Income	Total
Balance as at 31.03.2019	1,530.99	(299.43)	52,288.71	9,521.49	416.83	63,458.59
Total Comprehensive Income for the period	-	-	-	9,163.32	(1,924.76)	7,238.55
Dividends	-	-	-	(3,784.52)	-	(3,784.52)
Transferred from Minority Interest	-	-	-	594.87	-	594.87
Transfer to Reserves	-	(33.00)	7,711.29	(7,711.29)	-	(33.00)
Balance as at 31.03.2020	1,530.99	(332.43)	60,000	7,783.87	(1,507.93)	67,474.50
Total Comprehensive Income for the period	-	-	-	13,345.65	4,027.73	17,373.38
Dividends	-	-	-	-	-	-
Transferred from Minority Interest	-	-	-	17.33	-	17.33
Premium paid on By-back shares	-	-	-	(192.67)	-	(192.67)
Transfer to Reserves	-	127.04	10,000.00	(10,000.00)	-	127.04
Balance as at 31.03.2021	1,530.99	(205.39)	70,000.00	10,954.18	2,519.80	84,799.58

As per our Report of even date

For and on behalf of the Board of Directors

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 004283S

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 10.06.2021

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

 General Manager (Legal)
and Company Secretary

ACS NO. A14273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1 Corporate Information

L.G.Balakrishnan & Bros Limited was found 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, Pondicherry, Maharashtra, Uttrakhand, Karnataka, Haryana and Rajasthan.

2 Basis of preparation of financial statements

Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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 used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2021, except for certain subsidiary companies as mentioned in (vi) below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements. . Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such financial statements and these consolidated financial statements.
- (ii) The financial statements of the Company and its subsidiary companies 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 resultant unrealized profits or losses, unless cost cannot be recovered have been fully eliminated.
- (iii) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

- (iv) In case of the 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 the rate of prevailing at the year end. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- (v) Minority interest in the net assets of the

Sl. No.	Name of Subsidiary Company	Relationship	Country of Incorporation	Ownership held by	Reporting date of the financial statements used in consolidation	% of holding directly or indirectly through subsidiary as at	
						31.03.2021	31.03.2020
1	LGB- USA INC	Subsidiary	USA	L.G.Balakrishnan & Bros Ltd	31.12.2020	96.00%	95.28%
2	GFM Acquisition LLC (Formerly known as GFM Corporation)	Step down Subsidiary	USA	LGB-USA, INC	31.12.2020	98.47%	98.00%
3	GFM LLC	Step down Subsidiary	USA	GFM Acquisition LLC	31.12.2020	100.00%	100.00%

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

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 the shareholders of the Company.

- (vi) The following subsidiary companies have been considered in the preparation of consolidated financial statements:

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on 10th June, 2021.

2A Property, Plant and Equipment (PPE), Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management’s judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets/ Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used

in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3 Significant Accounting Policies

a) Revenue Recognition

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Income from Service

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognized when the company’s right to receive dividend is established on the reporting date, which is generally when shareholders approve the dividend.

Rental income

Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

b) Property, plant and equipment and capital work in progress

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances

under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant, the useful life of components are considered for calculation of depreciation.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on written down value method on buildings, furniture and fixtures, computers and on straight line method on other assets over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life is estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Assets Category	Estimated useful life (in years)
Tools and dies	5
Leasehold land	99
Windmill	25

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

assets have been discarded/ sold. Additions to fixed assets, costing `5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

e) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 40 - Investment Property requirements for cost model.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

f) 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.

- i) Costs of raw materials, packing 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 realizable value.
- iv) Cost of stock held for trading are computed on weighted average basis.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

The Company classifies a Financial Asset as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Asset at FVTOCI

The Company classifies a Financial Asset at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI Financial Asset is reported as interest income using the EIR method.

Financial Asset at FVTPL

The Company classifies all Financial Assets, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

All Other Equity investments

All Other Equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred

control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer

the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

Derivative financial instruments

The Company holds derivative financial instrument foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

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

h) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for

practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

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

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

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.

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

j) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate.

k) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation

authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

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

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

l) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent

that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

m) Leases

The company has adopted Ind AS 116 “ Leases” with effect from 1st April 2019. The company has measured Right-to-use Asset and Lease Liability based on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application.

The Company’s lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future least payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cashflows.

n) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

o) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Bank borrowings are generally considered to be financing activities.

r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ In Lakhs)

1 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment								Intangible Assets		Total	Asset held for sale	Total	
	Land	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment	Other Assets	Total	Computer Software and Technical know how				Right of use Asset
Cost as at March 31, 2020	7,929.26	14,927.01	48,890.16	267.83	2,335.49	434.89	317.91	2,126.52	77,229.07	562.35	1,614.97	55.34	1,184.84	80,646.57
Additions	55.00	337.62	3,169.09	25.99	153.89	133.96	34.12	184.95	4,094.62	0.62	-	1,061.63	(1,061.63)	4,095.24
Disposals / Transfers	-	(0.36)	(475.71)	(2.84)	(9.00)	(24.82)	(5.17)	(12.44)	(530.34)	(1.14)	-	-	-	(531.48)
Cost as at March 31, 2021	7,984.26	15,264.27	51,583.54	290.98	2,480.38	544.03	346.86	2,299.03	80,793.35	561.83	1,614.97	1,116.97	123.21	84,210.33
Depreciation as at March 31, 2020	59.49	2,479.81	17,670.95	121.81	532.01	123.24	114.06	756.96	21,858.32	348.52	258.30	7.97	114.66	22,587.77
Charge for the year	16.94	977.98	6,186.48	38.51	241.02	62.46	61.24	407.84	7,992.47	78.24	258.31	1.83	-	8,330.85
Disposals / Transfers	-	(0.23)	(385.19)	(2.24)	(6.98)	(21.72)	(2.38)	(10.78)	(429.52)	(1.14)	-	-	-	(430.66)
Depreciation as at March 31, 2021	76.43	3,457.55	23,472.24	158.07	766.05	163.98	172.92	1,154.03	29,421.27	425.62	516.61	9.80	114.66	30,487.96
Net Block														
As at March 31, 2020	7,869.77	12,447.20	31,219.21	146.02	1,803.48	311.65	203.86	1,369.55	55,370.75	213.83	1,356.67	47.37	1,070.18	58,058.80
As at March 31, 2021	7,907.83	11,806.72	28,111.30	132.91	1,714.33	380.05	173.94	1,145.00	51,372.08	136.21	1,098.36	1,107.17	8.55	53,722.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
2 Investments

Particulars	Number of Shares	Face Value in Rs.	As at 31 March, 2021			Number of Shares	Face Value in Rs.	As at 31 March, 2020		
			Quoted	Unquoted	Total			Quoted	Unquoted	Total
(a) Investment in Equity instruments (Fully paid up) (Quoted) At Fair value through Other Comprehensive Income										
(i) Others:										
Elgi Equipments Limited *	2459412	1.00	4691.33		4691.33	1229706	1.00	1377.89		1377.89
LGB Forge Limited	29000000	1.00	1087.50		1087.50	29000000	1.00	493.00		493.00
Super Spinning Mills Limited	10000	1.00	0.40		0.40	10000	1.00	0.21		0.21
Tube Investments of India Limited	1100	1.00	13.13		13.13	1100	1.00	3.01		3.01
Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited)	1100	1.00	6.59		6.59	1100	1.00	3.18		3.18
Union Bank of India (Formerly known as Corporation Bank)	3960	2.00	1.34		1.34	3960	2.00	1.14		1.14
(b) Investment in Equity instruments: (Fully paid up) (Unquoted) At Cost										
(i) Others:										
TRL Krosaki Refractories Limited (Formerly known as Tata Refractory Limited)	5000	10.00		6.79	6.79	5000	10.00		6.79	6.79
Silent Chain India (P) Limited	770	10.00		1.43	1.43	770	10.00		1.43	1.43
LG Farm Products (P) Limited	10000	10.00		5.61	5.61	10000	10.00		5.61	5.61
South West Engineering India (P) Limited	427	1000.00		166.55	166.55	537	1000.00		65.52	65.52
Super Speeds (P) Limited	130500	10.00		313.20	313.20	-	-		-	-
			5,800.29	493.58	6,293.87			1,878.43	79.35	1,957.78

Note:

* During the year, Bonus shares in the ratio of 1 : 1 was allotted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
3 OTHER FINANCIALS ASSETS		
(a) Security and other deposits	1,456.74	1,331.81
(b) Unamortised Interest expenses	-	5.72
Total	1,456.74	1,337.53
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	396.54	209.50
(b) Rent and other advances	282.58	295.26
(c) Advance recoverable	229.55	225.60
(d) Income and claims receivable	37.83	37.83
Total	946.50	768.19
5 INVENTORIES (At Lower of cost and net realisable value)		
(a) Raw Materials	7,867.08	5,097.99
(b) Work-in-progress	9,625.27	11,018.35
(c) Finished products	8,715.06	8,109.31
(d) Others		
(i) Packing materials	370.36	353.17
(ii) Stores & spares	1,867.97	2,511.78
(iii) Loose tools	1,682.75	1,878.41
Total	30,128.49	28,969.01
6 TRADE RECEIVABLE		
(i) Unsecured, considered good	24,664.95	17,460.60
(ii) Having significant increase in credit risk	-	-
(ii) Credit Impairment	47.97	176.21
Less: Allowance for credit losses	47.97	176.21
Total	24,664.95	17,460.60
7 CASH AND CASH EQUIVALENTS		
A Cash and cash equivalents (as per IND AS 7 Cash Flow Statements)		
(a) Cash- on- Hand	217.94	110.34
(b) Balances with Banks		
(i) In Current Account	6.85	26.22
(ii) In Collection Account	177.87	3.61
(iii) In Deposit Account	5,600.00	202.50
Total	6,002.66	342.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
B Other Bank Balances		
(a) In Margin money with Banks	271.00	68.50
(b) In Earmarked Accounts		
(i) In Deposit Account	8,300.00	-
(ii) Unpaid Dividend Account	70.31	90.39
Total	8,641.31	158.89
Total Cash and cash equivalents (A+B)	14,643.97	501.56

Notes:

(i) Margin money with Banks is for the purpose of compliance of deposits accepted from public.

8 OTHER FINANCIAL ASSETS		
(a) Loans and advances to employees	41.81	49.99
(b) Interest accrued on Deposits	92.17	17.26
Total	133.97	67.25
9 OTHER CURRENT ASSETS		
(a) Prepaid expenses	286.48	113.30
(b) Balance with govt authorities	158.79	258.78
(c) Advance recoverable	135.41	166.46
(d) Income and claims receivable	292.36	56.46
Total	873.03	595.00

10 SHARE CAPITAL (EQUITY SHARES OF RS. 10/- EACH WITH VOTING RIGHTS)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
(a) Authorised	4,70,00,000	4,700.00	4,70,00,000	4,700.00
Total	4,70,00,000	4,700.00	4,70,00,000	4,700.00
(b) Issued	3,13,92,416	3,139.24	3,13,92,416	3,139.24
Total	3,13,92,416	3,139.24	3,13,92,416	3,139.24
(c) Subscribed and fully paid-up	3,13,92,416	3,139.24	3,13,92,416	3,139.24
Total	3,13,92,416	3,139.24	3,13,92,416	3,139.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Notes:

10 (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, 2021					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (Rs. in lakhs)	3,139.24	-	-	-	3,139.24
Year ended 31st March, 2020					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (Rs. in lakhs)	3139.24	-	-	-	3,139.24

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

Name of the shareholder	As at 31 March 2021		As at 31 March, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
B.Vijayakumar	34,54,000	11.00	50,14,000	15.97
V.Rajviridhan	27,40,065	8.73	40,10,372	12.77
V.Rajsri	21,79,152	6.94	21,79,152	6.94
HDFC Small Cap Fund	20,92,758	6.67	20,06,894	6.39
Reliance Capital Trustee Co.Ltd A/c Reliance Small Cap Fund	-	-	20,54,686	6.55
Nippon Life India Trustee Ltd A/c Nippon India Small Cap Fund	20,44,142	6.51	-	-
L.G.B.Auto Products (P) Ltd	17,50,000	5.57	17,50,000	5.57

10 (iii) Terms and rights attached to equity shares:

- The company has only one class of equity shares having a par value of Rs.10/- each. The equity shares of the Company ranks pari passu in all aspects including rights and entitlement to dividend.
- Dividend proposed by Board of Directors (Rs.10/- equity share) (Financial year 2019-20 - Nil) is subject to approval of the shareholders in ensuing Annual General Meeting.

10 (iv) Shares issued for consideration other than cash:

- On 18.06.2018, the company has issued a Bonus issue in the ratio of 1:1. Out of the total shares, 156,96,208 shares have been issued for consideration other than cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
11 OTHER EQUITY		
(a) Securities premium account:		
Opening balance	1,530.99	1,530.99
Less:Capitalisation of Bonus shares	-	-
Closing balance	1,530.99	1,530.99
(b) General reserve		
Opening balance	60000.00	52,288.71
Add:Transfer from surplus in Statement of Profit and Loss	10,000.00	7,711.29
Closing balance	70,000.00	60,000.00
(c) Foreign Currency Translation Reserve		
Opening Balance	(332.43)	(299.43)
Add:Adjustment for translation of Non integral Foreign operations	127.04	(33.00)
Closing Balance	(205.39)	(332.43)
(d) Other Comprehensive Income		
Opening Balance	(1,507.93)	416.83
Add:Accounted during the period	4,027.73	(1,924.76)
Closing balance	2,519.80	(1,507.93)
(e) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	7,783.87	9,521.49
Less:Final Dividend & Dividend tax paid for FY 2018-19	-	1,892.26
Less:Intrim Dividend & Dividend tax paid for FY 2019-20	-	1,892.26
Add:Profit/(Loss) for the year	13,345.65	9,163.32
Add:Transferred from Minority Interest	17.33	594.87
Less:Premium paid on By-back shares	(192.67)	-
Less:Transferred to General reserve	10,000.00	7,711.29
Closing balance	10,954.18	7,783.87
Total	84,799.58	67,474.50
12 BORROWINGS:		
(a) Term loans : (Refer (i) below)		
From banks		
Secured	991.43	7,058.04
(b) Fixed deposits:		
From other parties		
Unsecured	172.93	247.99
From related parties		
Unsecured	758.80	750.00
Total	1,923.16	8,056.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
12 (i) Details of Security for Borrowings:

(a) 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 Chakkan Plant, Jalna Plant and Chennai Vallam Vadagal Plant.

(b) Interest rate relating to Term loans from banks is in the range of 8.20% to 9.10% during the year

12 (ii) Repayment schedule

Particulars	Term of repayment	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Term loan from banks:			
Secured:			
Hongkong and Shanghai Banking Corporation Ltd	Repayable in 16 quarterly instalments of Rs.187.50 Lakhs from March'20	-	2,062.50
HDFC Bank Ltd	Repayable in 20 quarterly instalments of Rs.200 Lakhs from May'19	-	2,400.00
Axis Bank Ltd	Repayable in 20 quarterly instalments of Rs.100.00 Lakhs from March'20	-	1,500.00
The Huntington National Bank	Real Estate Term Note - \$ 10,10,064 - Repayable in monthly instalments of \$5,275 with a balloonpayment of the remaining balance due on December 5, 2023 Draw Note - \$ 1,96,543 - Repayable in monthly instalments of \$ 17,868 with a balloon payment of remaining balance due on December 31, 2021 Term Note - \$ 5,72,821 - Repayable in monthly instalments of \$ 13,321 with a balloon payment of remaining balance due on January 5, 2024 The interest rate relating to the above loan is 2.65% p.a	991.43	1,095.54
Total - Term loans from banks		991.43	7,058.04

12 (iii)(a) There was no default in the repayment of loans, borrowing and interest during the year.

(b) Interest rate relating to fixed deposits is in the range of 6.00% to 8.50% during the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
13 PROVISIONS		
(i) Provision for contingencies	700.00	700.00
(ii) Provision for Gratuity	0.00	189.81
(iii) Provision for Leave Salary	283.15	332.86
(iv) Others	102.39	102.39
	1,085.54	1,325.06
14 BORROWINGS		
(a) Loan repayable on demand		
From banks		
Secured	3,516.17	385.55
(b) Loan from directors		
Unsecured	50.00	480.00
(c) Loan from Inter corporates		
Unsecured	395.00	265.00
	3,961.17	1,130.55

Notes:
14 (i) Details of Security for Borrowings:

- (a) Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company
- (b) Interest rate relating to Short term loans from banks is in the range of 8.30% to 10.95%
- (c) Break-up of loan repayable on demand and financial institutions.

Particulars	As at 31 March 2021		As at 31 March, 2020	
	Secured	Unsecured	Secured	Unsecured
Loan repayable on Demand				
From Banks				
Corporation Bank	(1.75)	-	(0.31)	-
HDFC Bank Ltd	813.93	-	(394.25)	-
ICICI Bank Ltd	747.27	-	917.36	-
Indusind Bank Ltd	(6.38)	-	0.55	-
IDBI Bank Ltd	463.10	-	(137.80)	-
Hongkong and Shanghai Banking Corporation Ltd	1,500.00	-	-	-
Total - Loan from banks	3,516.17	-	385.55	-

14 (ii) Note: There was no default in the repayment of loans and interest during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Rs. in Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
15 OTHER FINANCIAL LIABILITIES:		
(a) Current maturities of long-term debt (Refer (i) below)	1,201.32	2,663.56
(b) Interest accrued but not due on secured loans	-	37.89
(c) Interest accrued but not due on Unsecured loans	22.29	58.03
(d) Interest accrued on deposits from customers	61.66	54.93
(e) Unclaimed dividends (Refer (ii) below)	70.31	90.39
(f) Payable on purchase of fixed assets	614.24	481.34
Total	1,969.82	3,386.14
15 (i) Current maturities of Long-term debt: Refer Note 12(i) for the details of Securities		
Term Loan		
From Banks		
Secured	308.44	2,321.04
Total - Term Loan from banks	308.44	2,321.04
Fixed Deposits:	892.88	342.52
Total - Current maturities of Long-term debt	1,201.32	2,663.56
15 (ii) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
16 PROVISIONS		
(a) Provision for Leave Salary	38.81	45.10
(b) Provision for Gratuity	-	0.63
Total	38.81	45.73
17 OTHER CURRENT LIABILITIES:		
(a) Statutory remittances	204.45	160.99
(b) Advance and deposits from customers etc.,	669.10	620.10
Total	873.55	781.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
18 REVENUE FROM OPERATIONS:		
a) Sale of products (Including Excise duty)	1,50,167.80	1,44,777.98
b) Sale of services	-	-
c) Other operating revenue		
(i) Scrap sales	9,946.57	8,946.58
(ii) Duty drawback and other export incentives	784.91	558.23
Revenue from operations (Gross)	1,60,899.28	1,54,282.79
19 OTHER INCOME		
a) Interest income		
(i) Interest on fixed deposit with banks	381.56	41.80
(ii) Interest on deposit with TNEB	15.99	47.28
(iii) Others	11.14	10.09
Total Interest Income	408.69	99.17
b) Dividend income:	0.77	36.98
c) Other non-operating income		
(i) Rental and lease income	84.70	82.78
(ii) Agricultural income	6.99	9.54
(iii) Profit on sale of assets	41.10	93.13
(iv) Miscellaneous receipts	154.56	44.86
Total	696.81	366.46
20a COST OF MATERIALS CONSUMED		
Opening Stock:	5,451.16	6,217.90
Add:Purchases	75,999.84	68,953.87
Less:Closing Stock	8,237.43	5,451.15
Cost of material consumed	73,213.57	69,720.62
20b Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Finished goods	8,715.06	8,109.31
Work-in-progress	9,625.27	11,018.35
	18,340.33	19,127.66
Inventories at the beginning of the year		
Finished goods	8,109.31	7,577.96
Work-in-progress	11,018.35	12,364.54
	19,127.66	19,942.50
Net decrease / (increase)	787.33	814.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
21 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	22,327.11	23,576.46
(b) Contribution to provident and other funds	1,281.90	1,343.37
(c) Staff welfare expenses	1,006.74	1,031.97
Total	24,615.75	25,951.80
22 FINANCE COSTS		
(a) Interest expenses:		
(i) On borrowings:	880.45	1386.81
(ii) On Lease Liability	123.75	137.27
Total	1,004.20	1,524.08
23 OTHER EXPENSES		
(a) Consumption of stores and spare parts	9,873.39	10,750.25
(b) Processing charges	6,927.92	7,672.91
(c) Power and Fuel	6,797.73	6,938.19
(d) Rent including lease rentals	450.79	413.40
(e) Repairs & maintenance of		
(i) Buildings	287.24	187.87
(ii) Machinery	1,670.66	2,389.72
(iii) Other assets	1,849.55	1,502.06
(f) Insurance	460.48	405.63
(g) Rates and taxes	228.77	295.87
(h) Travelling and conveyance	241.86	772.78
(i) Printing and stationery	20.13	21.25
(j) Postage, telegram and telephones	125.70	134.80
(k) Freight, packing & forwarding	6,021.44	5,473.87
(l) Advertisement, publicity and selling expenses	563.55	692.24
(m) Bank charges	89.10	104.18
(n) Legal and professional charges	310.19	329.77
(o) Payments to auditors (Refer note (i) below)	19.81	18.90
(p) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	240.05	140.84
(q) Bad debts written off	-	18.44
(r) Assets condemned & written off	84.66	46.52
(s) Provision for doubtful debts/advances	(128.24)	(9.54)
(t) Loss on sale of Assets	0.85	5.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
(u) Loss on foreign currency transactions and translation	(9.87)	(103.41)
(v) Sitting fees	10.29	14.40
(w) Watch and Ward	766.65	837.83
(x) Agricultural expenses	14.23	9.91
(y) Miscellaneous expenses	77.13	107.03
	36,994.06	39,170.95
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of GST input credit wherever applicable)		
(a) To Statutory Auditors:		
For statutory audit	13.50	14.00
For certification and other services	2.06	-
(b) To Tax Auditors:		
For taxation matters	2.50	3.00
(c) To cost auditors for cost audit	1.75	1.90
Total	19.81	18.90
(ii) Details of CSR Expenditure:		
(i) Contribution to		
Educational Aids to Students	52.60	66.63
L.G.B Educational Foundation	75.00	50.00
LRG & GD Trust	10.00	-
Chief Minister's Relief Fund	50.00	-
Food Supplied to Poor families	15.09	-
Amrit Centre for Special Needs	10.00	5.00
Mysore School Building	9.93	-
Car Shed - Annur Police Station	3.32	-
CC TV camera to Race Course Police Station	3.03	-
PPE Kits 200Nos.	2.13	-
Furnitures to Govt High school, Idigarai	1.63	-
65 inch TV to School at Jalna	1.59	-
Camera to Kovilpalayam Police Station	1.11	-
Karur School Building	-	0.97
Library Saravanampatti	-	5.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
Mekkanamkulam Gramajana Committee	-	3.00
Karur Basket Ball		1.50
Art Motorsports Pvt. Ltd.		1.00
The Coimbatore Zoological Park Conservation		1.00
(ii) Contribution to others	4.62	6.32
Total	240.05	140.84
24 INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	4,950.90	2,950.66
Adjustments for current tax of prior periods	-	196.52
Total current tax expense	4,950.90	3,147.18
25 DEFERRED TAX:		
Decrease/ (Increase) in deferred tax assets	-	-
(Decrease)/ Increase in deferred tax Liabilities	(223.43)	(675.64)
Total deferred tax expense/ (benefit)	(223.43)	(675.64)
Income tax expense	4,727.47	2,471.54
The Income-tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	18,011.66	11,483.78
Income-tax expense calculated at 25.168%	4,533.17	2,890.24
Add: Tax effect on earlier year disallowances	-	196.52
Less: Tax effect on non-deductible expense	-	(9.31)
Add:/(Less):Net tax effect on additional deduction	194.30	(605.91)
Total tax expense	4,727.47	2,471.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
26 FAIR VALUE MEASUREME

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2021					March 31, 2020				
	FVTPL	FVTOCI	Amor-tised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amor-tised Cost	Total Carrying Value	Total Fair Value
Financial Assets										
Investments										
- Equity instruments (other than subsidiary and associates)	-	6,293.87	-	6,293.87	6,293.87	-	1,957.78	-	1,957.78	1,957.78
Trade Receivables	-	-	24,664.95	24,664.95	24,664.95	-	-	17,460.60	17,460.60	17,460.60
Cash and bank balances	-	-	14,643.97	14,643.97	14,643.97	-	-	501.56	501.56	501.56
Other Financial assets	-	-	1,590.71	1,590.71	1,590.71	-	-	1,404.78	1,404.78	1,404.78
Total Financial Assets	-	6,293.87	40,899.64	47,193.51	47,193.51	-	1,957.78	19,366.94	21,324.72	21,324.72
Financial Liabilities										
Borrowings			5,884.34	5,884.34	5,884.34			9,186.58	9,186.58	9,186.58
Trade Payables			35,095.99	35,095.99	35,095.99			24,718.41	24,718.41	24,718.41
Lease Liabilities			1,266.90	1,266.90	1,266.90			1,455.92	1,455.92	1,455.92
Other Financial liabilities			1,969.82	1,969.82	1,969.82			3,386.14	3,386.14	3,386.14
Total Financial Liabilities	-	-	44,217.05	44,217.05	44,217.05	-	-	38,747.05	38,747.05	38,747.05

(i) Fair value hierarchy

This Section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	March 31, 2021				March 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	5,800.29	-	-	5,800.29	1,878.43	-	-	1,878.43
Unlisted Equity instruments	493.58	-	-	493.58	79.35	-	-	79.35
Total Financial Assets	6,293.87	-	-	6,293.87	1,957.78	-	-	1,957.78
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	March 31, 2021				March 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financail Investments								
Equity instruments (unquoted)	-	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	-	-	-
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1, 2 and 3 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of certain financial instruments have been determined based on the buy back offer made by the originatory of the instrument.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Details of the investment property and its fair value:

Investment property disclosed is net of depreciation

The fair values of investment properties have been determined with reference to the guideline value as determined by the Government for the location at which the property is located, increased by the depreciated value of buildings.

27 FINANCIAL INSTRUMENTS
Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other short-term borrowings.

The capital structure of the Company consists only of equity.

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Gearing Ratio:		
Debt	1,923.16	8,056.03
Less: Cash and bank balances	14,643.97	501.56
Net debt	(12,720.80)	7,554.47
Total equity	87,938.82	70,613.74
Net debt to equity ratio (%)	-14.47%	10.70%
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Loans Given	-	-
Other non-current financial assets	1,456.74	1,337.53
Trade receivables	24,664.95	17,460.60
Cash and cash equivalents	14,643.97	501.56
Bank balances other than above	-	-
Other financial assets	133.97	67.25
b. Mandatorily measured at fair value through OCI (FVOCI)		
- Equity instruments (other than subsidiary and associates)	6,293.87	1,957.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Financial liabilities		
a. Measured at amortised cost		
Borrowings	5,884.34	9,186.58
Trade payables	35,095.99	24,718.41
Other financial liabilities	1,969.82	3,386.14
Lease Liabilities	1,266.90	1,455.92

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
As on March 31, 2021							
USD	7,15,531.56	-	7,15,531.56	37,88,013.58	-	37,88,013.58	30,72,482.02
EUR	4,797.62	-	4,797.62	25,52,604.42	-	25,52,604.42	25,47,806.80
GBP		-	-	4,27,229.41	-	4,27,229.41	4,27,229.41
JPY	4,52,70,000.00	-	4,52,70,000.00	-	-	-	(4,52,70,000.00)
As on March 31, 2020							
USD	9,73,177.12	-	9,73,177.12	26,50,910.21	-	26,50,910.21	16,77,733.09
EUR	16,960.06	-	16,960.06	19,86,659.16	-	19,86,659.16	19,69,699.10
GBP		-	-	2,86,461.47	-	2,86,461.47	2,86,461.47
JPY	-	-	-	-	-	-	-

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is not subject to credit risk as the internally generated funds are used to meet their financial requirements

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit . The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2021				
Trade payables	35,095.99	-	-	35,095.99
Other financial liabilities	1,969.82	-	-	1,969.82
Borrowings	3,961.17	-	-	3,961.17
	41,026.98	-	-	41,026.98
March 31, 2020				
Trade payables	24,718.41	-	-	24,718.41
Other financial liabilities	3,386.14	-	-	3,386.14
Borrowings	1,130.55	-	-	1,130.55
	29,235.10	-	-	29,235.10

	March 31, 2021	March 31, 2020
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
28 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debts - disputed tax liabilities		
(i) Central Excise	100.00	100.00
(ii) Entry Tax	408.36	408.36
(iii) VAT/CST	399.47	392.56
(iv) Income Tax	1,304.34	1,139.26
TOTAL	2,212.17	2,040.18
(b) Guarantee given by Bankers and outstanding	77.94	72.25
(c) Corporate guarantee given for others	2,700.00	2,700.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	432.75	305.75
Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
(ii) Commitments:	As at 31.03.2021	As at 31.03.2020
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	2,869.78	1,899.88

29 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 recognized Rs. 812.29 Lakhs (Year ended 31 March, 2020 Rs.778.82 Lakhs) for Provident Fund contributions and Rs. 7.86 Lakhs (Year ended 31 March, 2020 Rs.16.50 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.173.07 Lakhs (Year ended 31 March, 2020 Rs.236.42 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 (included as part of employees contribution to funds in Note 21 Employee benefits expense) to all eligible employees, which is funded with Life Insurance Corporation of India.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Components of employer expenses		
Current service cost	175.57	192.76
Interest cost	185.94	145.07
Expected return on Plan Assets	(185.99)	(159.40)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	175.52	178.43
Actual contribution and the benefit payments for the year		
Actual benefit payments	(120.27)	(87.65)
Actual contribution	382.50	8.64
Other Comprehensive Income		
Opening OCI	391.19	247.22
Actuarial Loss / (Gain) on DBO	(194.75)	239.05
Actuarial Loss / (Gain) on Assets	17.21	(95.08)
Total recognized in Other Comprehensive Income	(177.54)	143.97
Closing Recognised in OCI	213.65	391.19
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	2,703.52	2,657.03
Fair value of plan assets	2,897.60	2,466.59
Funded Status [Surplus/(Deficit)] *	194.08	(190.44)
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	194.08	(190.44)
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	2,657.03	2,167.80
Current service cost	175.57	192.76
Interest cost	185.94	145.07
Actuarial (gain) / loss on obligation	(194.75)	239.05
Benefits paid	(120.27)	(87.65)
Present value of DBO at the end of the year	2,703.52	2,657.03
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	2,466.59	2,291.12
Acquisition adjustment		
Expected return on Plan Assets	185.99	159.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Contributions by the employer	382.50	8.64
Actuarial gain / (loss)	(17.21)	95.08
Benefits paid	(120.27)	(87.65)
Plan Assets at the end of the year	2,897.60	2,466.59
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	2,703.52	2,657.03
Closing FV of Plan Assets	2,897.60	2,466.59
Funded Status [Surplus/(Deficit)] *	194.08	(190.44)
* - Included under the head "Employee Benefits" in Schedule 22		
Composition of the Plan assets is as follows:		
Equity instruments	-	-
Debt instruments	-	-
Property	-	-
Insurer managed asset *	100%	100%
* - 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)	7.16%	6.83%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	7.16%	6.83%
* - Included in "Contribution to Provident & Other Funds" in Note 18 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on Obligation	(194.75)	239.05
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	17.21	(95.08)
Total comprehensive Income for the year	(177.54)	143.97
Actuarial (Gains) and Losses Recognized in the year	(177.54)	143.97
Unrecognized Actuarial (Gains) and Losses for the year	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note: Rs. in Lakhs

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated terms of the obligations.
- (ii) The estimate of future salary increased considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The Company is expected to contribute Rs.200.00 Lakhs to the Gratuity Fund next year.

(iv) Sensitivity Analysis:

Particulars	As at 31.03.2021	As at 31.03.2020
A. Discount Rate + 100 BP	-9.02%	-10.39%
Defined Benefit Obligation [PVO]	2,459.54	2,380.90
B. Discount Rate - 100 BP	10.60%	12.37%
Defined Benefit Obligation [PVO]	2,989.95	2,985.62
C. Salary Escalation Rate + 100 BP	9.70%	11.36%
Defined Benefit Obligation [PVO]	2,965.75	2,598.92
D. Salary Escalation Rate - 100 BP	-8.56%	-9.92%
Defined Benefit Obligation [PVO]	2,472.00	2,393.32
E. Attrition Rate + 100 BP	-2.83%	-3.66%
Defined Benefit Obligation [PVO]	2,627.04	2,559.72
F. Attrition Rate - 100 BP	3.26%	4.25%
Defined Benefit Obligation [PVO]	2,791.58	2,769.96

vii Risk exposure:

The Company's Gratuity fund is maintained by an approved trust (Life Insurance Corporation of India). A large portion of the investment made by the LIC is in government bonds and securities and other approved securities. Hence, the company is not exposed to the risk of asset volatility as at the balance sheet date.

vii Defined benefit liability and employer contributions:

The weighted average duration of the defined benefit obligation is 15.91 years (2019-20 17.80 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at 31.03.2021	As at 31.03.2020
Less than 1 year	157.33	107.69
Between 1 - 2 years	125.96	115.62
Between 2 - 3 years	138.76	80.56
Between 3 - 4 years	197.20	94.99
Between 4 - 5 years	190.94	161.29
More than 5 years	1,238.11	1,041.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
30 SEGMENTAL REPORTING:		
Primary Segment information (Business Segments):		
A. Segment Revenue:		
Transmission	1,30,205.89	1,18,835.75
Metal Forming	30,693.39	35,447.04
Total	1,60,899.28	1,54,282.78
B. Segment Results:		
Transmission	18,166.18	10,558.33
Metal Forming	424.82	999.21
Total	18,591.00	11,557.54
Less: (i) Interest	1,004.20	1,524.08
(ii) Other unallocable expenditure net off unallocable income	(424.86)	(1,450.32)
Profit before Tax	18,011.66	11,483.78
Less: Provision for taxation	4,727.47	2,471.54
Profit after Tax	13,284.19	9,012.24

C. Other Information

Particulars	As at 31.03.2021				
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	87,551.46 (67,949.05)	28,023.12 (19,992.24)	2,514.36 (10,037.01)	5,607.03 (5,304.63)	- (83.07)
Metal Forming	34,621.27 (35,502.13)	11,414.61 (9,427.60)	1,580.88 (1,652.62)	2,724.77 (2,561.06)	0.00 (144.54)
Unallocated	13,565.56 (9,710.44)	8,361.74 (13,128.04)	- (-)	- (-)	- (-)

Note : Components of business segments are as under:

Transmission	Chains & Sprockets
Metal Forming	Fine Blanking, Maching and Wire drawing products

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Rs. in Lakhs	
	As at 31.03.2021	As at 31.03.2020
D. Secondary Segment Information (Geographical Segment)		
(1) Segment Revenue:		
Within India	1,34,117.70	1,27,154.45
Outside India	26,781.58	27,128.33
Total	1,60,899.28	1,54,282.78
(2) Segment Assets:		
Within India	1,25,652.17	1,02,161.45
Outside India	10,086.11	11,000.17
Total	1,35,738.28	1,13,161.62
(3) Capital Expenditure:		
Within India	4,072.96	11,249.49
Outside India	22.28	440.14
Total	4,095.24	11,689.63
31 DETAILS OF LEASING ARRANGEMENTS IND AS 116		
As Lessor		
a The Company has entered into operating lease arrangements for certain surplus facilities and equipments. Total rental and lease income recognized in the Statement of Profit and Loss	84.70	82.78
As Lessee		
b Interest expenses on lease liability	123.75	137.27
Expenses related to short term leases and lease of low value assets	447.25	402.00
Total cashflow for leases	760.01	698.33
32 EARNINGS PER SHARE		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In Rs. Lakhs	13,345.65	9,163.31
Profit attributable to Equity Shareholders - In Rs. Lakhs (A)	13,345.65	9,163.31
Total number of equity shares outstanding at balance sheet date.	3,13,92,416	3,13,92,416
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	3,13,92,416	3,13,92,416
Nominal value of Equity Shares - In Rs.	10	10
Basic and Diluted Earnings Per Share-In Rs. (A/B)(Not annualized)	42.51	29.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
33 Deferred tax liability:		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	1,675.12	1,633.36
On account of provision for right to use assets	276.44	341.45
On account of provision for lease liability	(318.85)	(366.42)
On account of provision for doubtful debts	(12.07)	(44.35)
On account of provision for contingencies	(176.18)	(176.18)
On account of provision for gratuity	48.85	(47.93)
On account of provision for leave salary	(81.03)	(95.13)
	1,412.27	1,244.80

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

36 Exceptional item represents Profit on sale of Land, Profit on sale of Investment and subsidy received.

37 Borrowing Cost Capitalized during the year Rs. Nil (Previous year Rs.45.15 Lakhs).

38 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.

39 In assessing the recoverability of company's assets such as Property Plant and Equipment, Investments, Trade Receivables, Inventories etc in view of Covid 19 outbreak, the company has considered available information upto the date of approval of these financial results to arrive at its estimates. The company has evaluated its liquidity position, recoverability of such assets and based on the current estimates expects that the carrying amount of these assets would be recovered.

40 The Committee of Creditors of RSAL Steel P Ltd Ltd (RSAL), through a Letter of Intent (LOI) have declared LG Balakrishnan & Bros Ltd as the successful bidder for RSAL, under the Insolvency & Bankruptcy code 2016. The implementation of the resolution plan is subject to the terms of the LOI and requisite approval from regulatory authorities.

41 Related party disclosure
a) List of parties having significant influence
Associate Companies

NIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel

Elgi Automotive Services (P) Limited	Lakshmi Printers
L.G.B. Auto Products (P) Limited	Veena Coach Products
LG Farm Products (P) Limited	G-Plast
L.G. Balakrishnan & Bros - Karur	Gedee Weiler
LG Sports Private Limited	Metal Forms (P Ltd
Super Transports Private Limited	Paatimachi Pvt. Ltd
Super Speeds Private Limited	Rajviridhan Private Limited
LGB Forge Limited	South West Engineering India Private Limited
Tribe Investments & Services Private Ltd	Silent Chain India Private Limited

Key management personnel

Sri. B. Vijayakumar	Chairman & Managing Director
Sri. P. Prabakaran	Managing Director
Sri.N.Rengaraj	Chief Financial Officer
Sri.M.Lakshmi Kanth Joshi	General Manager (Legal) and Company Secretary

Relatives of Key Management Personnel

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

As per our Report of even date
For **SURI & CO.**

Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.211916

Place : Coimbatore

Date : 10.06.2021

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

N. RENGARAJ
Chief Financial Officer

P. PRABAKARAN
Managing Director
DIN : 01709564

M. LAKSHMI KANTH JOSHI
General Manager (Legal)
and Company Secretary
ACS NO. A14273



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	L.G.Sports (P) Ltd	12.75	29.19					12.75	29.19
	LGB Auto Products (P) Limited	10.20	6.09					10.20	6.09
	L G Farm Products (P) Limited	12.15	17.50					12.15	17.50
	Others	10.89	13.06					10.89	13.06
	Key Managerial Personnel								
	Sri.B.Vijayakumar			99.22	55.40			99.22	55.40
	Sri.P. Prabakaran			9.21	8.88			9.21	8.88
	Sri.N.Rengaraj			0.12	0.31			0.12	0.31
	Relatives of Key Managerial Personnel								
	Sri.V.Rajviradhan						2.02		2.02
	Smt.V.Rajsri					20.77	12.38	20.77	12.38
	Minor.Samridhi Andral					7.80	8.28	7.80	8.28
	Minor.Vidhur Narayanan					8.49	9.26	8.49	9.26
	Smt.D.Maheswari					1.12	1.05	1.12	1.05
7	Equity Investment - LGB-USA	-	-	-	-	-	-	-	-
8	Dividend Receipts	0.03	0.03	-	-	-	-	0.03	0.03
9	Dividend Payments	-	308.57	-	501.70	-	687.60	-	1,497.87
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel		308.57						308.57
	Key Managerial Personnel								
	Sri.B. Vijayakumar			-	501.40			-	501.40
	Sri.P. Prabakaran			-	0.18			-	0.18
	Sri.N.Rengaraj			-	0.12			-	0.12
	Relatives of Key Managerial Personnel								
	Sri.V.Rajviradhan						424.92		424.92
	Smt.V.Rajsri						217.92		217.92
	Others						44.76		44.76
10	Rent Income	74.46	77.62	-	-	-	-	74.46	77.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

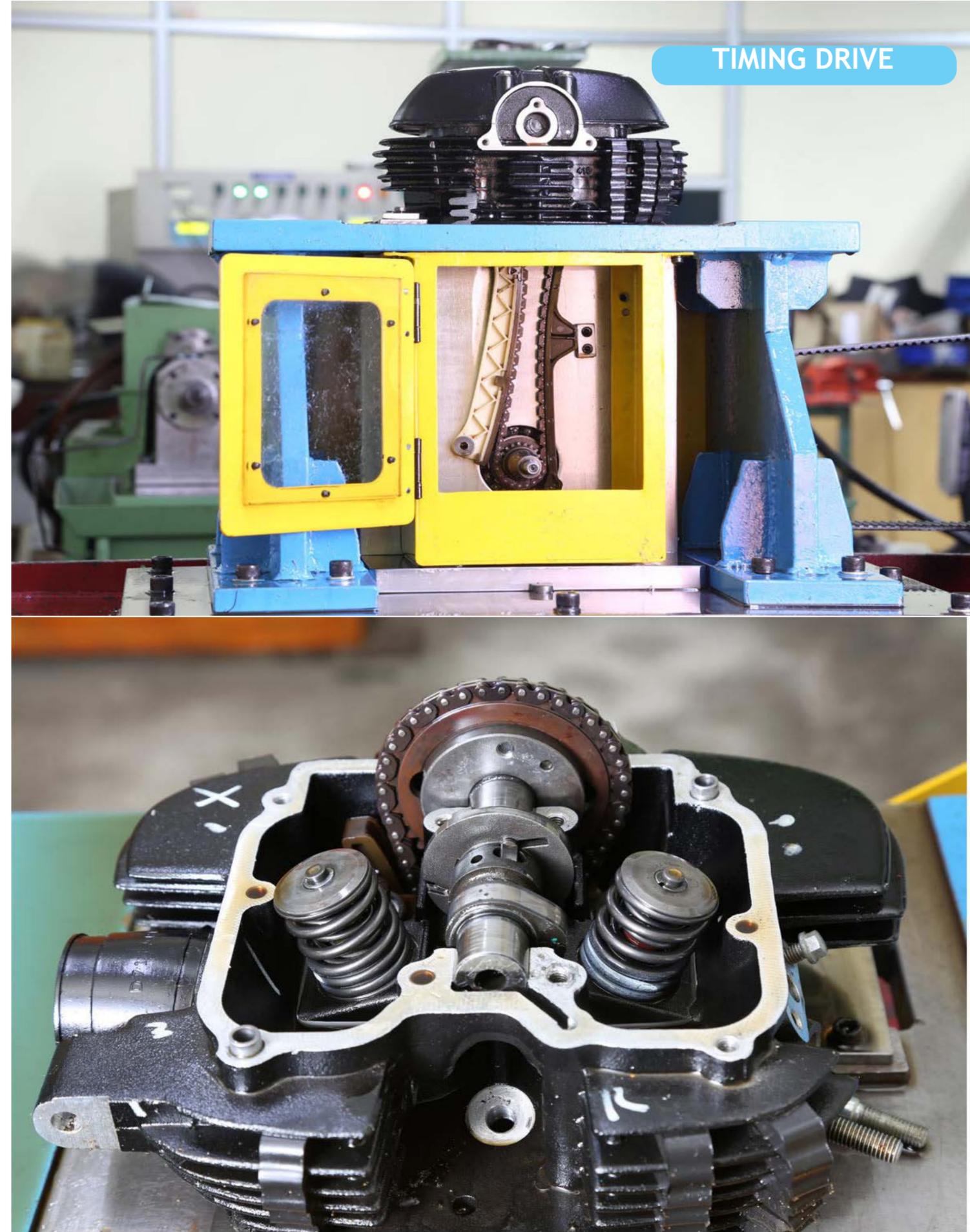
S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	55.49	54.28					55.49	54.28
	Super Transport's Private Limited	10.42	10.50					10.42	10.50
	Others	8.55	12.84					8.55	12.84
11	Purchase of Materials, Spares & power	1,249.74	1,245.23	-	-	-	-	1,249.74	1,245.23
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	499.59	466.00					499.59	466.00
	LGB & Bros, Karur	-	59.51					-	59.51
	Lakshmi Printers	511.12	544.56					511.12	544.56
	G-Plast	109.88	102.39					109.88	102.39
	Others	129.15	72.77					129.15	72.77
12	Processing/Conversion Charges	196.65	630.38	-	-	-	-	196.65	630.38
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	South Western Engineering India Limited	19.02	454.36					19.02	454.36
	Veena Coach Products	130.70	130.88					130.70	130.88
	Others	46.93	45.14					46.93	45.14
13	Sale of Materials, Stores and Service Charges	454.43	442.80	-	-	-	-	454.43	442.80
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Renold Chain India (P) Ltd.	-	305.93					-	305.93
	Metal Forms (P) Limited	447.52	121.36					447.52	121.36
	Others	6.91	15.51					6.91	15.51
14	Processing charges Receipts	274.45	290.94	-	-	-	-	274.45	290.94
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	274.29	279.40					274.29	279.40

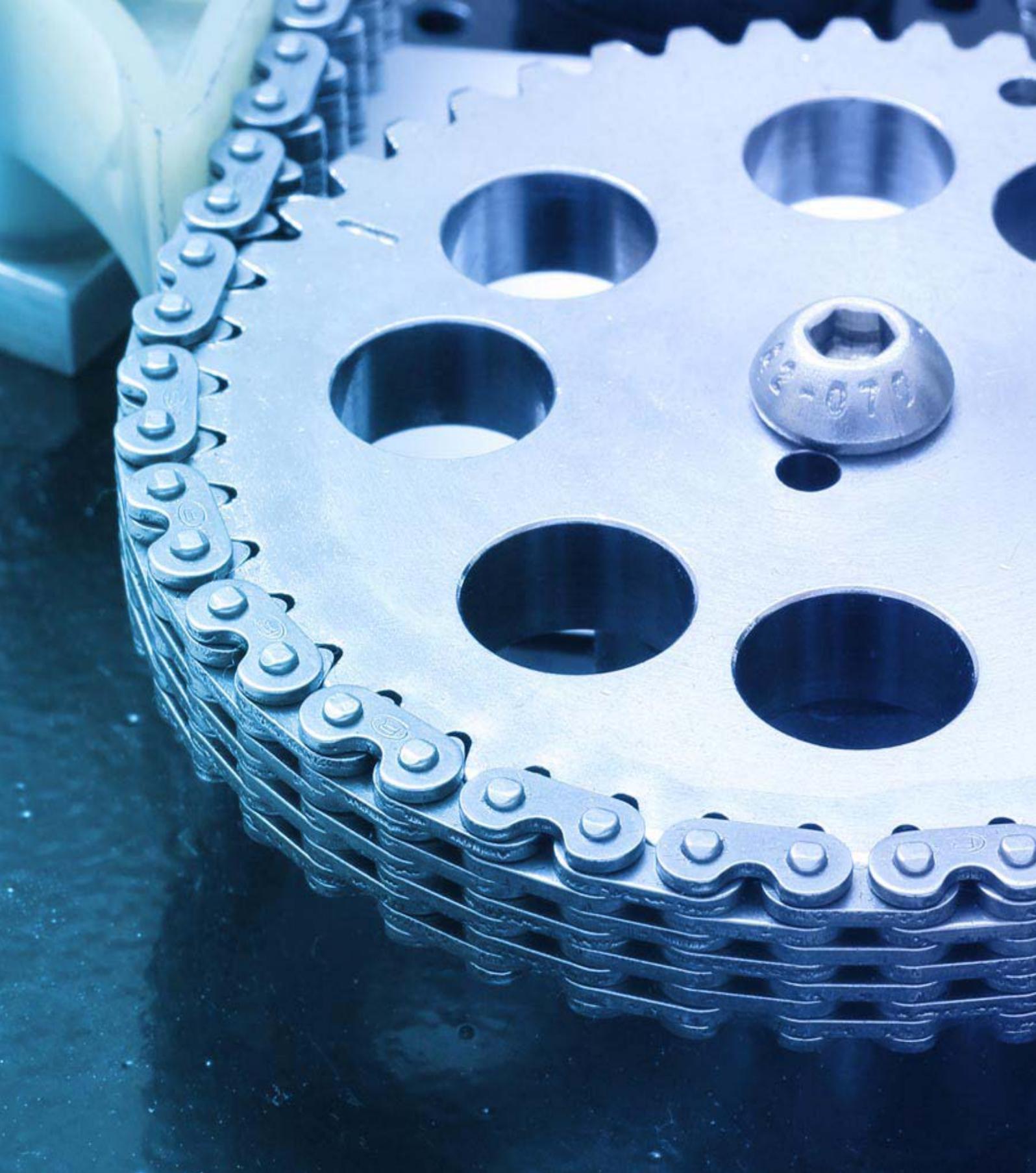
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Others	0.16	11.54					0.16	11.54
15	Sale of Property, Plant and Equipment Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	-	8.84						8.84
	L G Sports Limited	-	0.07						0.07
	Super Speeds Private Limited	-	8.77						8.77
16	Purchase of Property, Plant and Equipment Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	896.71	19.25					896.71	19.25
	LGB Forge Limited	-	8.31						8.31
	South Western Engineering India Limited	892.88	5.24					892.88	5.24
	Others	3.83	5.70					3.83	5.70
		4,117.46	5,244.50	2,797.14	2,212.78	448.18	1,210.39	7,362.78	8,667.67

b) Balance outstanding at the end of the year

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Receivable balance	160.60	130.08					160.60	130.08
	LGB Forge Limited	-	117.52						117.52
	Metal Forms (P) Limited	159.99	-					159.99	-
	Others	0.61	12.56					0.61	12.56
2	Payable balance	198.06	14.82					198.06	14.82
	LGB Forge Limited	112.48	-					112.48	-
	Others	85.58	14.82					85.58	14.82
3	Unsecured borrowings balance	395.00	265.00					445.00	745.00
	L G Sports Limited	220.00	85.00			50.00		220.00	85.00
	L G Farm Products (P) Limited	0.00	140.00						140.00
	LGB Auto Products (P) Limited	150.00	25.00					150.00	25.00
	Others	25.00	15.00			50.00		75.00	495.00





L.G. BALAKRISHNAN & BROS LIMITED

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