



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/AGM/STK-2022

28.07.2022

Dear Sirs,

Sub: Annual Report for the financial year 2021–22 and Notice of the 66th Annual General Meeting ('AGM') of the Company.

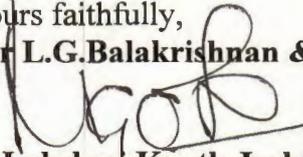
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of the Annual Report for the Financial Year 2021-22 along with Notice of Annual General Meeting ("AGM"). The 66th Annual General Meeting of the Company will be held through Video Conferencing / Other Audio- Visual Means ("VC/OAVM") on Thursday, August 25, 2022.

The Notice of the AGM and the Annual Report for the Financial Year 2021-22 are also uploaded on the website of the Company at <https://www.lgb.co.in/investor-relations/annual-reports/>

Kindly take the same on record

Thanking You,

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


M. Lakshmi Kanth Joshi
Senior 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

66th ANNUAL REPORT 2021 - 22



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THE COMPLETE SOLUTION
CHAIN & BELT
TRANSMISSION



L.G. BALAKRISHNAN & BROS LIMITED

COIMBATORE, INDIA - 641 006. | www.lgb.co.in

V BUSH

- Impact Resistant Virgin Polymer
- High Wear Resistance
- Shake Free Fitment



The Most Trusted Brand

CLUTCH WEIGHT ROLLER

- Self Lubricating Virgin Polymer
- Over Moulded Roller Weights
- Rust Free Plated Metal
- Precise metal weight produced in cold forging process



BENDIX

- High Quality Spring
- Sintered Bearing bushes for self lubrication
- Strict Quality Control for ensuring function

5G TECH BELTS

- Better Life
- Smooth Transmission with improved efficiency
- Low Noise
- High Temperature Resistance

FACE COMP MOVABLE DRIVE

- Smooth Pathway for Clutch Weight Rollers
- Smooth Belt Sliding Surface
- Sintered Bush with Solid Lubricants

SCOOTER CVT PRODUCTS



SUPERIOR QUALITY INDUSTRIAL CHAINS



INDUSTRIAL CHAINS



(₹ In Lakhs)

PERFORMANCE ANALYSIS:

Sl. No.	Particulars / Year	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
1	Turnover	2,00,797.60	1,53,147.43	1,44,427.22	1,58,210.43	1,31,540.83	1,17,159.39	1,09,010.11	1,04,826.38	98,792.27	93,662.47
2	Other Income	973.93	696.81	366.46	281.87	411.17	428.80	417.21	284.27	474.03	400.31
3	Material Consumption	90,160.68	69,089.80	64,774.98	71,051.83	59,053.80	50,824.77	47,981.87	48,612.82	48,318.14	50,263.14
4	Employee Cost	27,714.42	22,729.05	23,873.00	24,023.75	18,929.55	17,015.94	15,167.49	12,975.93	11,511.42	9,648.33
5	Other Expenses	45,143.24	35,169.48	37,188.37	42,918.27	35,301.77	34,748.60	33,282.97	30,340.09	27,755.19	24,771.38
6	Interest	788.13	920.71	1,408.51	1,041.73	978.13	1,399.62	1,648.28	1,631.84	1,691.03	2,247.52
7	Depreciation	7,734.22	7,749.26	7,418.28	6,397.44	5,412.75	4,922.90	4,309.37	3,733.68	3,137.12	2,911.22
8	Operating Profit (Before Exceptional item)	38,753.19	26,855.91	18,957.33	20,498.45	18,666.88	14,998.88	12,994.99	13,181.81	11,681.54	9,379.93
9	Exceptional Item	2,273.75	1,362.26	2,524.45	1,204.97	-	131.33	-	660.80	-	-
10	PBIT	33,292.72	20,468.91	14,063.50	15,305.98	13,254.13	10,207.31	8,685.62	10,108.93	8,544.42	6,468.71
11	Net Profit (PBT)	32,504.59	19,548.20	12,654.99	14,264.25	12,276.00	8,807.69	7,037.34	8,477.09	6,853.39	4,221.19
12	Profit after Tax (PAT)	23,911.04	14,820.73	10,183.45	9,665.18	8,009.94	6,155.36	5,745.36	6,439.60	5,434.42	3,367.73
13	Fixed Asset (Written Down Value)	47,652.30	50,705.52	54,823.12	52,380.52	39,523.36	36,035.97	33,691.74	30,421.51	23,009.10	20,653.53
14	Turnover Growth (%)	31.11%	6.04%	-8.71%	20.27%	12.28%	7.48%	3.99%	6.11%	5.48%	3.48%
15	Material Consumption (%)	44.90%	45.11%	44.85%	44.91%	44.89%	43.38%	44.02%	46.37%	48.91%	53.66%
16	Employee Cost (%)	13.80%	14.84%	16.53%	15.18%	14.39%	14.52%	13.91%	12.38%	11.65%	10.30%
17	Other Expenses (%)	22.48%	22.96%	25.75%	27.13%	26.84%	29.66%	30.53%	28.94%	28.09%	26.45%
18	Interest (%)	0.39%	0.60%	0.98%	0.66%	0.74%	1.19%	1.51%	1.56%	1.71%	2.40%
19	Depreciation (%)	3.85%	5.06%	5.14%	4.04%	4.11%	4.20%	3.95%	3.56%	3.18%	3.11%

(₹ In Lakhs)

Sl. No.	Particulars / Year	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
20	Gross Profit Margin (%)	19.30%	17.54%	13.13%	12.96%	14.19%	12.80%	11.92%	12.57%	11.82%	10.01%
21	PBIT Margin (%)	16.58%	13.37%	9.74%	9.67%	10.08%	8.71%	7.97%	9.64%	8.65%	6.91%
22	PBT Margin (%)	16.19%	12.76%	8.76%	9.02%	9.33%	7.52%	6.46%	8.09%	6.94%	4.51%
23	PAT Margin (%)	11.91%	9.68%	7.05%	6.11%	6.09%	5.25%	5.27%	6.14%	5.50%	3.60%
24	Return on Capital Employed (%)	27.48%	21.75%	15.38%	19.51%	22.15%	17.51%	18.25%	21.79%	24.13%	19.03%
25	Current Ratio	2.08	1.71	1.64	1.34	1.42	1.55	1.33	1.30	1.30	1.43
26	Inventory turnover ratio	5.72	5.50	5.17	5.96	5.73	5.43	5.07	5.10	5.23	5.00
27	Inventory turnover ratio - No of days	64	66	71	61	64	67	72	72	70	73
28	Trade Receivables turnover ratio	7.94	7.90	7.90	8.16	7.84	7.98	8.28	8.38	8.40	8.71
29	Trade Receivables turnover ratio - No. of days	46	46	46	45	47	46	44	44	43	42
30	Trade payables turnover ratio	4.23	3.73	3.24	3.07	2.64	2.49	2.68	3.16	3.40	3.32
31	Trade payables turnover ratio - No. of days	86	98	113	119	138	146	136	115	107	110
32	Fixed Assets Turnover ratio	4.08	2.90	2.69	3.44	3.48	3.36	3.40	3.92	4.53	4.68

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR

SRI. B. VIJAYAKUMAR

MANAGING DIRECTOR

SRI. P. PRABAKARAN

WHOLETEIME DIRECTOR

SRI. RAJIV PARTHASARATHY
(DESIGNATED AS SENIOR VICE PRESIDENT OPERATIONS)

NON-EXECUTIVE DIRECTORS

SRI. S. SIVAKUMAR
SRI. V. GOVINDARAJULU
SRI. P. SHANMUGASUNDARAM
SMT. RAJSRI VIJAYAKUMAR
SRI. R. VIDHYA SHANKAR
SMT. KANCHANA MANAVALAN
SRI.G. D. RAJKUMAR
DR. VINAY BALAJI NAIDU
(APPOINTED W.E.F. 04.08.2021)

CHIEF FINANCIAL OFFICER

SRI. N. RENGARAJ

SENIOR GENERAL MANAGER (LEGAL) AND COMPANY SECRETARY

SRI. M. LAKSHMI KANTH JOSHI

BANKERS

AXIS BANK LIMITED
UNION BANK OF INDIA
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.
PHONE: 0422 2532325 EMAIL: info@lgb.co.in
WEBSITE: www.lgb.co.in FAX: 0422 2532333

CIN : L29191TZ1956PLC000257

TABLE OF CONTENTS

66th

ANNUAL

GENERAL

MEETING

Day, Date and Time of AGM : **Thursday, 25th August, 2022 at 10.30 A.M. (IST)**

Mode :
Video Conference (VC) and Other Audio Visual Means(OAVM)

Participation through VC/OAVM :
Members can login from 10.00 A.M (IST) on the date of the AGM at <https://www.evotingindia.com>

Remote e-voting start time and date :
9:00 a.m. (IST) on Monday, August 22, 2022

Remote e-voting end time and date :
5:00 p.m. (IST) on Wednesday, August 24, 2022.

ROOF TOP SOLAR SYSTEM
AT LGB JALNA PLANT



NOTICE OF 66TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SIXTH ANNUAL GENERAL MEETING (“AGM” / 66TH AGM) OF THE MEMBERS OF L.G.BALAKRISHNAN & BROS LIMITED (“THE COMPANY”) WILL BE HELD ON THURSDAY, 25th DAY OF AUGUST 2022 AT 10.30 A.M. (IST) THROUGH VIDEO CONFERENCING / OTHER AUDIO-VISUAL MEANS (“VC /OAVM”) FACILITY, 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, 2022, 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 ₹ 15/- per equity share for the financial year ended March 31, 2022.
3. To appoint a director in place of Sri. Rajiv Parthasarathy, (DIN: 02495329) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Sri. S. Sivakumar (DIN:00016040) who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 and any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors, the re-appointment of M/s. Suri & Co Chartered Accountants (Firm Regn. No. 004283S), as the Statutory Auditors of the Company for a second term of five consecutive years to hold office from the conclusion of the Sixty

Sixth Annual General Meeting until the conclusion of the Seventy-First Annual General Meeting on a remuneration of ₹ 16,40,000/- (Rupees Sixteen Lakhs Forty Thousand Only) (excluding out of pocket expenses incurred by them in connection with the Audit and applicable taxes) for the FY 2022-23 be and is hereby approved and the Board may decide the remuneration payable to the Statutory Auditors for the subsequent years based on the recommendation of the Audit Committee.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to decide and/or alter the terms and conditions of the appointment including the remuneration for subsequent financial years as it may deem fit.”

SPECIAL BUSINESS

6. 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, 2023, on a remuneration of ₹ 2,25,000/- (Rupees Two Lakhs Twenty Five Thousand Only) plus Goods and Services Tax excluding out of pocket expenses incurred by him in connection with the Audit and applicable taxes, be and is hereby ratified.”

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
ITEM NO. 5

The Members of the Company at 61st Annual General Meeting (AGM) held on July, 27, 2017 had appointed M/s. Suri & Co, Chartered Accountants, Coimbatore (Firm Registration No. 004283S) as the Statutory Auditor’s of the Company to hold office from the conclusion of 61st Annual General Meeting until the conclusion of 66th Annual General Meeting of the

Company. Accordingly, the present term of M/s. Suri & Co as Statutory Auditor’s of the Company shall conclude at the 66th Annual General Meeting.

Considering the evaluation of past performance, experience and expertise the Board of Directors of the Company has, based on the recommendation of Audit Committee, at its meeting held on April,30 2022, proposed the re-appointment M/s. Suri & Co, Chartered Accountants, Coimbatore (Firm Registration No. 004283S), as the Statutory Auditor’s of the Company, for a second term of 5 consecutive years from the conclusion of the 66th Annual General Meeting till the conclusion of the 71st Annual General Meeting of the Company to be held in the year 2027. The re-appointment is subject to the approval of Members of the Company.

M/s. Suri & Co has confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be re-appointed as Statutory Auditors in terms of the provisions of Sections 139(1), 141(2) and 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

M/s. Suri & Co has also confirmed that they have subjected themselves to the peer-review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the ‘Peer Review Board of ICAI’. M/s. Suri & Co has also furnished a declaration confirming its independence in terms of Section 141 of the Act and declared that it has not taken up any prohibited non-audit assignments for the Company.

The proposed remuneration to be paid to M/s. Suri & Co, Chartered Accountants, for the financial year 2022-2023 is ₹ 16,40,000/- (Rupees Sixteen Lakhs Forty Thousand Only) excluding out of pocket expenses incurred by them in connection with the Audit and applicable taxes. For the subsequent years, the Board of Directors will decide the remuneration based on recommendations of Audit Committee.

BRIEF PROFILE OF M/S. SURI & CO, CHARTERED ACCOUNTANTS IS AS GIVEN BELOW:

Suri & Co., Chartered Accountants, having a Firm Registration No. 004283S, is a firm of Chartered Accountants registered with the Institute of Chartered

Accountants of India. The Firm was established in the year 1939, and is present across 4 states with 8 centres in India with 10 full- time partners consisting of distinguished Chartered Accountants and a sizable team of more than 190+ workforce.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

The Board, on the recommendation of the Audit Committee, recommends the ordinary resolution set forth in Item No. 5 of the notice for approval of the members.

ITEM NO. 6

The Board of Directors, on the recommendation of the Audit Committee, has appointed 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 2022-2023, and approved the remuneration payable to him 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 must 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.6 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, 2023. The Board recommends the Ordinary Resolution as set out in Item No.6 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.6 of the Notice.

NOTES:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) and Secretarial Standards on General Meetings (SS-2), in respect of the Special Business to be transacted at the AGM along with details pursuant to Regulations issued by Securities and Exchange Board of India (“SEBI”) and other applicable laws are annexed hereto.

2. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No.19 dated December 08, 2021, Circular No. 21 dated December 14, 2021 and Circular No. 02 dated May 05, 2022 “MCA Circulars” and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62, dated May 13, 2022, issued by SEBI (hereinafter collectively referred to as ‘Circulars’) permitted companies to hold Annual General Meeting (‘AGM’) through video conference (‘VC’) or other audio visual means (‘OAVM’), without the physical presence of members at a common venue. Accordingly, the AGM of the Company will be held through VC/OAVM.

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and MCA Circulars, the 66th AGM of the Company is being held through VC/ OAVM on Thursday, August 25, 2022 at 10.30 A.M. (IST). The deemed venue for the AGM will be the Registered Office of the Company.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN COMPLIANCE WITH THE CIRCULARS THE AGM IS BEING HELD THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Since the AGM will be held through VC, the Route Map is not annexed to this Notice. The registered office of the Company shall be deemed to be the venue for the AGM.

5. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”), as

the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/ during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes

6. In compliance with the Circulars, Annual Report along with the Notice of the AGM, and instructions for remote e-Voting/ e-Voting are being sent only through e-mail to those Shareholders whose e-mail addresses are registered with the Company’s Registrar and Transfer Agents, Cameo Corporate Services (“RTA”)/ Depository Participant(s) (“DP”). The copy of Annual Report along with the Notice is also available on Company’s website at www.bseindia.com, www.nseindia.com (where the Company is listed) and www.evotingindia.com (agency providing e-Voting facility).

7. Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail at mds@mdsassociates.in and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.

8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 19, 2022 to Thursday, August 25, 2022 (both days inclusive) for the purpose of determining the eligibility of the Members to receive the dividend for the financial year ended March 31, 2022, if declared at the meeting.

9. Dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on or before September 20, 2022 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, August 18, 2022.

10. Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax at Source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Cameo Corporate Services Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

11. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ Cameo Corporate Services Limited / Depository Participant. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

(a) For resident shareholders, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 on the amount of Dividend declared and paid by the Company as follows:

Valid PAN of shareholder available with the Company	10% or as notified by the Government of India
Shareholders without PAN/ invalid PAN with the Company	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2022-23 does not exceed Rs. 5,000/-.

Further, in cases where Member provides valid Form 15G (applicable to an individual who is below 60 years)/ Form 15H (applicable to individuals aged 60 years or above) subject to conditions specified in the Income Tax Act, 1961, no TDS shall be deducted. Resident shareholders may also submit any other document as prescribed under the Income Tax Act, 1961 to claim a lower / Nil withholding tax. PAN is

mandatory for members providing Form 15G / 15H or any other document as mentioned above.

(b) For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20%* (plus applicable surcharge and cess) on the amount of Dividend payable to them.

However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder can avail beneficial rates under tax treaty between India and their country of residence, subject to providing the following necessary documents:

- i. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident along with duly filled and signed Form 10F.
- ii. Self-attested copy of the Permanent Account Number (PAN) Card allotted by the Indian Income Tax authorities.
- iii. Self-Declaration of having no Permanent Establishment in India, beneficial ownership of shares and dividend income and eligibility to claim treaty benefits.
- iv. Any other documents as prescribed under the Income Tax Act, 1961 for lower withholding of taxes, if applicable, duly attested by the shareholders.

*As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as ‘Specified Person’ as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of

tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide these details and documents as mentioned above on or before Friday, August 12, 2022.

12. Kindly note that the aforementioned documents are required to be submitted at investor@cameoindia.com. on or before Friday, August 12, 2022 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. The documents may also be emailed to the Company at secretarial@lgb.co.in. No communication on the tax determination/ deduction shall be entertained post Friday, August 12, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.
13. The Company will arrange to issue the soft copy of TDS certificate to its shareholders at their registered email ID in accordance with the provisions of the Income Tax Act 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://www.incometax.gov.in/>.
14. 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.
15. 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.

16. 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., <https://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").
17. Pursuant to SEBI Circular dated 3rd November, 2021 read with SEBI Circulars dated 14th December, 2021 and 25th January, 2022 on Common and Simplified Norms for processing Investor's Service, the shareholders holding shares in Physical mode are mandatorily require to record their PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination with the Company/ Registrar & Share Transfer Agent (RTA) of the Company.
18. In case of Non - updation of KYC - Folios wherein any ONE of the cited details/documents, (i.e PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination) are not available on or after April 01, 2023, shall be frozen as per SEBI circular. The securities in the frozen folios shall be eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid. And eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.
19. The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company's website as well as the website of Cameo Corporate Services Limited the Registrar and Share Transfer Agent of the Company. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the

bank which is mandatory for registering the new bank details.

20. 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.
21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. 01st April, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Cameo Corporate Services Limited, Company's Registrar and Share Transfer Agent for assistance in this regard.

In addition to above Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR- 4, the format of which is available on the Company's website under the weblink at <https://www.lgb.co.in>.

It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 25, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. Members can contact the Company or RTA, for assistance in this regard.

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation. Members can contact the Company or RTA, for assistance in this regard.

22. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from <https://www.lgb.co.in> Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the Company's RTA, in case the shares are held in physical form.
23. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs if the shares are held by them in demat form and to Company's RTA if the shares are held by them in physical form in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021.
24. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent ("RTA"), the details of such folios together with the share certificates for consolidating their holdings into one folio.
25. Members are requested to make all correspondence in connection with shares held by them by addressing

- letters directly to the Company Secretary of the Company or its RTA, namely M/s Cameo Corporate Services Limited #1, Club House Road, Chennai 600 002, by quoting the Folio number or the Client ID number with DP ID number.
26. 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.
27. A Member who needs any clarification on accounts or operations of the Company shall send his/her queries addressed to the Company Secretary at lk.joshi@lgb.co.in, so as to reach him on or before August 18, 2022. Such queries will be replied to by the Company suitably, during the AGM or through a separate e-mail.
28. 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: <https://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, Senior General Manager (Legal) and Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.
29. In compliance with the MCA Circulars and SEBI Circulars, the Annual Report for FY 2021-22, the Notice of the 66th 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 2021-22 and the Notice convening the AGM are also available on the Company's website <https://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.
30. E-voting (voting through electronic means):
- 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.
- 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.
 - 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.
 - A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the depositories as on Thursday, August 18, 2022, 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.
 - 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.
 - Process for those members whose e-mail ids / mobile numbers are not registered with the Company / Depositories:
 - 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.
 - Members holding shares in demat mode- please update your e-mail ID and mobile number with your respective DP.
 - 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.
31. Instructions for members for remote voting, e-voting during AGM and joining the AGM through VC / OAVM are as under:
- The remote e-voting period commences at 9:00 a.m. (IST) on Monday, August 22, 2022 and ends at 5:00 p.m. (IST) on Wednesday, August 24, 2022. 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, August 18, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - 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.

iii. 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	<p>1) Users who have opted for CDSL 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Provider.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>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</p> <p>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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual member (holding shares in demat mode) login through their DPs	<p>You can also login using the login credentials of your demat account through your Depository Participant 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 Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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 toll free no. 1800 22 55 33
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

32. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on “Shareholders” module.
- iii. Now enter your User ID

a.	For CDSL: 16 digits beneficiary ID,
b.	For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c.	Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. 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.

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form 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 to be also used by the demat holders for voting for resolutions of any other company on 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.
- ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant L.G.BALAKRISHNAN & BROS LIMITED on which you choose to vote.
- xi. 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.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image

verification code and click on Forgot Password & enter the details as prompted by the system.

33. Note for Non-Individual Members and Custodians:

Non-Individual shareholders (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.

- i. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- ii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iii. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- iv. It is Mandatory that, 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 scrutiniser to verify the same.
- v. Alternatively Non Individual shareholders are required mandatorily 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 Scrutiniser at the email address viz; mds@mdsassociates.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

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

- i. 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.
- ii. 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.

- iii. 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.
- iv. Members are encouraged to join the AGM through Laptops /IPads for better experience.
- v. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- vi. 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.

35. Process for those shareholders whose email/mobile no are not registered with the company/depositories for obtaining login credentials for e-voting

- i. Physical shareholders - Please provide necessary details like Folio No, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN), Aadhar (self-attested scanned copy) to the email address of the Company/ RTA.
- ii. For shareholders holding shares in Demat form - Please update your email id and mobile no with your respective Depository Participant (DP)
- iii. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at Toll free number 1800 22 55 33.

Coimbatore
30.04.2022

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

36. Details of Scrutinizer and results of E-voting:

Sri. M.D. Selvaraj, FCS of M/s. MDS & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-Voting /e-Voting process at the AGM in a fair and transparent manner.

The Scrutiniser shall submit his report to the Chairman of the Meeting or any person authorised by him within two working days of the conclusion of the AGM. The results declared along with the report of Scrutiniser shall be placed on the website of the Company <https://www.lgb.co.in> and on website of CDSL immediately after declaration of results by the Chairman or person authorised by him in this behalf. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board,
M. LAKSHMI KANTH JOSHI
Senior 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	Rajiv Parthasarathy	S. Sivakumar
Director Identification Number	02495329	00016040
Date of Birth / Age	03.11.1977 / 45 years	30.11.1952 / 70 years
Nationality	Indian	Indian
Qualifications	Bachelor of Science in Industrial Engineering	B.Com.,
Date of first appointment on the Board	10.06.2021	28.06.1996
Experience / Brief Profile of the Director	More than 22 years with specialization in Operations and marketing.	More than 35 years' experience as an Industrialist
Expertise in specific functional areas	Industrial Management and has wide experience in Operations and marketing	Operations, Finance & General Management
Terms and conditions of appointment/ re-appointment	Liable to retire by rotation	Liable to retire by rotation
Remuneration to be paid	As approved by Shareholders.	Sitting Fees Only
Remuneration last drawn	₹ 17.92 Lakhs	Nil
Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company.	Smt. Rajsri Vijayakumar - Spouse	NA
Details of shares held in the Company (including shareholding as a beneficial owner)	4	1194
List of Companies in which directorship held as on March 31 st , 2022	1. Oriental Hydraulics (P) Ltd 2. Metal Forms (P) Ltd 3. Metal Forms Aegis (P) Ltd 4. Illumo Tech Solutions (P) Ltd	1. L G Sports Private Limited 2. LGB Auto Products (P) Ltd 3. Ishwarya Lakshmi Finance (P) Ltd 4. South Western Engineering India (P) Ltd
Name of Listed Companies from which the Director has resigned in the past three years	Not Applicable	Not Applicable
No. of Board Meetings attended during the financial year 2021-22	4 of 4	4 of 4
Chairman /Member of the Committees of other public Companies as March 31, 2022 (includes Audit Committee and Stakeholders' Relationship Committee only)	Nil	Nil



BOARD'S REPORT

DEAR SHAREHOLDERS,

Your directors have pleasure in presenting their Sixty Sixth Annual Report on the business and operations, along with the audited financial statements of your Company, for the year ended March 31, 2022.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March 2022 as compared to the previous year is as below:

Particulars	Consolidated		Standalone	
	31.03.2022 (₹ In Lakhs)	31.03.2021 (₹ In Lakhs)	31.03.2022 (₹ In Lakhs)	31.03.2021 (₹ In Lakhs)
TOTAL REVENUE	2,11,412.90	1,61,596.09	2,01,771.53	1,53,844.24
Profit before interest, depreciation & Tax	40,051.76	25,985.39	38,753.19	26,855.91
Less : Interest	835.98	1,004.20	788.13	920.71
Depreciation	8,321.81	8,331.80	7,734.22	7,749.26
PROFIT BEFORE TAX	30,893.97	16,649.39	30,230.84	18,185.94
Add : Exceptional items	2,273.75	1,362.27	2,273.75	1,362.26
Less : Provisions for Taxation				
Current Income Tax / Mat	8,741.88	4,950.90	8,741.88	4,950.90
Current tax expenses relating to previous year	307.46	-	307.46	-
Deferred Tax (Credit / charge)	(455.79)	(223.43)	(455.79)	(223.43)
PROFIT AFTER TAX BEFORE SHARE IN PROFIT OF ASSOCIATE	24,574.17	13,284.19	23,911.04	14,820.73
Add : Share in Profit of Associate	-	-	-	-
PROFIT AFTER TAX	24,574.17	13,284.19	23,911.04	14,820.73

REVIEW OF OPERATIONS:

The Highlights of the Company's performance (Consolidated) for the year ended March 31, 2022, are as under:

On consolidated basis, revenue from operations and other income for the financial year under review were ₹ 2,11,412.90 Lakhs as against ₹ 1,61,596.09 Lakhs for the previous financial year registering an increase of 30.83%. The profit before tax and exceptional item was ₹ 30,893.97 Lakhs and the profit after tax, was ₹ 24,574.17 Lakhs for the financial year under review as against ₹ 13,284.19 Lakhs, respectively for the previous financial year.

The Highlights of the Company's performance (Standalone) for the year ended March 31, 2022, are as under:

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 2,01,771.53 lakhs as against ₹ 1,53,844.24 Lakhs for

the previous financial year registering an increase of 31.15%. The profit before tax and exceptional item was ₹ 30,230.84 Lakhs and the profit after tax was ₹ 23,911.04 Lakhs for the financial year under review as against ₹ 14,820.73 Lakhs, respectively for the previous financial year.

TRANSFER TO RESERVES

The Company has transferred an amount of ₹ 20,000 Lakhs to the General Reserves out of the amount available for appropriations and the remaining amount of ₹ 10,722.99 Lakhs has been retained in the Surplus in Profit and Loss Account.

DIVIDEND

Based on the profits during financial year 2021-22 and continuing the tradition of rewarding the members, the Board of Directors of the Company recommend for approval of the members a dividend of ₹ 15/- per equity share of face value of ₹ 10/- each amounting to ₹ 4,708.86 lakhs for the financial year ended March

31, 2022, based on the parameters laid down in the Dividend Distribution Policy and subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting scheduled to be held on August 25, 2022.

The dividend, if approved at the 66th Annual General Meeting (AGM) will be paid in compliance with applicable provisions of the Act.

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates in the Income Tax Act, 1961

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the dividend distribution policy, is available on the company's website on <https://www.lgb.co.in>

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

During the year under review, the dividend for the financial year 2014-15 (Interim) amounting to ₹ 4,35,700/- 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 915 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 2014 - 15 (final) 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, <https://www.lgb.co.in>

SHARE CAPITAL

The authorised share capital of the Company as on 31st March 2022 was ₹ 47,00,00,000/- comprising of 4,70,00,000 equity shares of ₹ 10/- each. The issued, subscribed and paid-up equity share capital as on

31st March 2022, was ₹ 31,39,24,160/- comprising of 3,13,92,416 equity shares of ₹ 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

The Board has met Four (4) times during the Financial Year 2021-22. The details of the meetings of the Board and Committees thereof are given in the Corporate Governance Report, which forms an integral part of this Annual Report.

Further, during the year, a separate meeting of the Independent Directors of the Company was held on March 26, 2022, to discuss and review the performance of all other non- Independent Directors, Chairperson of the Company, and the Board as a whole and for reviewing and assessing the matters as prescribed under Schedule IV of Companies Act, 2013 and under Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, Sri. Rajiv Parthasarathy, (DIN: 02495329), Wholetime Director (designated as Sr. Vice President - Operations) and Sri. S. Sivakumar (DIN:00016040), Directors, 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 reappointment of Sri. Rajiv Parthasarathy as Director on rotation would not be deemed to be a break in his term of office as Wholetime Director.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March 2022 are: Sri.B.Vijayakumar (DIN:00015583), Chairman and Managing Director, Sri.P. Prabhakaran (DIN : 01709564) Managing Director, Sri. Rajiv Parthasarathy (DIN : 02495329) Whole time Director (designated as Sr. Vice President - Operations), Sri. N. Rengaraj, Chief Financial Officer and Sri. M. Lakshmi Kanth Joshi, Senior General Manager (Legal) & Company Secretary.

APPOINTMENT OF DIRECTORS

On recommendation of Nomination and Remuneration committee, the Board appointed Dr. Vinay Balaji Naidu (DIN: 09232643) as an independent director of the Company.

INDEPENDENT DIRECTORS' DECLARATION

Necessary declaration from each Independent Director have been received by the Company in accordance with Section 149(7) of the Act, and Regulations 16(1)(b) and 25(8) of the Listing Regulations which confirms that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as independent directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with

the Indian Institute of Corporate Affairs. 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 2021-22 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, based on the information and explanations obtained by them, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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 at the end of the financial year and of the profit of the Company for that period.
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the directors had prepared the annual accounts on a going concern basis.
- the directors, in the case of a listed company, 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
- 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.

BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, its committees and the individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

FAMILIARIZATION PROGRAMME

The Company has familiarized its Independent Directors regarding the Company, and its policies, their roles, rights, and responsibilities, etc. The code of conduct to be adhered to, nature of industry in which the Company operates, business model, structure of the management team etc.

The Board Members are regularly updated on changes in Corporate and allied laws, Taxation laws & matters thereto. In the quarterly Board Meetings, Managing Director and Senior Management conduct a session for the Board Members sharing updates about the Company's business strategy, operations and the key trends in the industry relevant for the Company. These updates help the Board Members to keep themselves abreast with the key changes and their impact on the Company.

The details of such familiarization program have been disclosed on the Company website <https://www.lgb.co.in>

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed the policy pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part D of the Schedule II) which lays down a framework in relation to Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Executives of the Company including the criteria for determining qualifications, selection and appointment.

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 <https://www.lgb.co.in>

ANNUAL RETURN

In terms of Section 92(3) of the Act, 2013 and Rule 12 of the Companies (Management and Administration)

Rules, 2014, the copy of Annual Return of the Company is available on the website of the Company at: <https://www.lgb.co.in>

STATUTORY AUDITORS

M/s. Suri & Co, Chartered Accountants (Firm Registration No. 0042835) were appointed as statutory auditors of the Company at the 61st AGM held on July 27, 2017, for a period of five years till the conclusion of the 66th AGM.

Consequently, M/s. Suri & Co, Chartered Accountants, complete their first term of five consecutive years as the Statutory Auditors of the Company at the conclusion of the ensuing 66th AGM of the Company.

Pursuant to Section 139(2) of the Act, the Company can appoint an auditor's firm for a second term of five consecutive years.

M/s. Suri & Co, Chartered Accountants, have consented to the said reappointment, and confirmed that their reappointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time. The audit committee and the board of directors recommend the reappointment of M/s. Suri & Co, Chartered Accountants, as statutory auditors of the Company for a further period of 5 (five) years from the conclusion of the 66th AGM till the conclusion of 71st AGM, subject to the approval of the Members in the ensuing Annual General Meeting of the Company.

M/s. Suri & Co, Chartered Accountants have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

The statutory auditor's report for Financial Year 2021-2022 does not contain any qualifications, reservations, adverse remarks or disclaims.

COST AUDITORS & MAINTENANCE OF COST RECORDS

The cost accounts and records are required to be maintained under Section 148(1) of the Act. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has appointed

Dr.G.L.Sankaran, Cost Accountant as the Cost Auditor to conduct an audit of the cost records of the Company for the financial year 2022-2023.

A resolution seeking members' ratification for the remuneration payable to Dr.G.L.Sankaran is included in the Notice convening the AGM.

The Cost Audit Report for the financial year 2021-2022 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

Sri. M.D. Selvaraj, FCS of M/s. MDS & Associates, Company Secretaries in Practice, was appointed by the Board of Directors of the Company to carry out the Secretarial Audit under the provision of Section 204 of the Act for the financial year ended March 31, 2022. The Secretarial Audit report for financial year ended on March 31, 2022, is enclosed as **ANNEXURE 'A'**.

The observations of Secretarial Auditor of the Company in his report for the Financial year ended March 31, 2022, along with Directors reply to the same are given below:

Observation or Remark by Secretarial Auditor	Board's Response
During the year under review the Company has complied with the provisions of the Act, Rules, Regulations and Standards etc., mentioned above except that the Company: (a) has not filed necessary Form MGT-14 with the Registrar of Companies in respect of a resolution passed by the Board under Section 179(3)(h) of the Act; (b) has not filed Form BEN-2 with the Registrar of Companies in respect of the declaration(s) of significant beneficial ownership received in the prescribed Form BEN-1 during the year; and (c) has not filed the Annual Report for the financial year ended 31 st March, 2021 in XBRL mode to the stock exchange(s).	With respect to the observations / remark made by the Secretarial Auditor in his report, your Directors wish to state that necessary steps has been initiated to file the said forms with the Registrar of Companies / said Annual Report with the Stock Exchanges immediately with requisite fees for belated filing, wherever applicable. Your Directors further wish to state that all necessary steps have been taken to ensure compliance with all applicable statutory requirements in future.

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 have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder, either to the Company or to the Central Government.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

During the financial year ended March 31, 2022, no investment, loan or guarantee or security under Section 186 of the Companies Act, 2013 were made / given by the Company. The details of the investments made in earlier years in compliance with Section 186 of the Companies Act, 2013 has been disclosed under the relevant notes to standalone financial statements.

RELATED PARTY TRANSACTIONS

All arrangements / transactions entered into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions read with the Listing Regulations and accordingly, the disclosure of Related Party Transactions in Form AOC - 2 is not applicable. The details of RPTs effected during the year are disclosed in the notes to the Financial Statements.

Prior omnibus approval of Audit Committee has been obtained for the transactions which are foreseen and repetitive in nature. A statement of all Related Party Transactions is presented before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website <https://www.lgb.co.in>

COVID-19

Apart from the protocols mandated by the Government in relation to maintaining safe working environment amidst COVID-19 pandemic, your Company was instrumental in conducting vaccination drive and

continued collaboration with governmental authorities in getting its employees vaccinated. The vaccination drive has immensely helped in reducing the risk on the campus. Amongst a host of other mandatory protocols, your Company actively engaged the employees by imparting wellness training and awareness to all employees about “Do’s and Don’ts”; awareness board on the COVID-19 information across the premises; building new protocols for third party entering & exiting out of the campus; regular monitoring of health status of each infected employee & their family members; “Work from Home” facility for eligible employees to reduce footfalls on the campus/ obviate risks for all; cross functional team headed by the Plant Manager and EHS to review and monitor the systems and their adequacy from time to time.

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 information on conservation of energy and technology absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is given in “ANNEXURE-B” forming part of this report.

RISK MANAGEMENT POLICY

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company has a Board approved Risk Management Policy. The Board of Directors has constituted a Risk Management Committee which is delegated with the responsibility of overseeing various strategic, operational and financial risks that the organization faces, along with assessment of risks, their management and mitigation procedures. A detailed analysis of the business risks and opportunities is given under Management Discussion and Analysis Report, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company understands its social responsibility and remain focused to support those from the socially and economically backward groups and remain focussed to improve the quality of life of the various communities. In this process, your Company has identified several corporate social responsibility initiatives relating to Social Empowerment & Welfare, Village development, Promoting Health Care including preventive healthcare, Education and Community development during the year and initiated various activities in neighboring villages around plant locations.

The annual report on Corporate Social Responsibility (‘CSR’) containing, details of CSR Policy, composition of CSR Committee, CSR projects undertaken is available on <https://www.lgb.co.in> on the website of the Company, as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, and the same is set out in “ANNEXURE - C” of this Report

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 of 31st March 2022, the fixed deposits accepted by the Company from public and shareholders aggregated to ₹ 1605.81 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 from time to time.

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:

₹ in lakhs	
Amount of deposits as on 01.04.2021	1824.61
Deposits accepted during the year	66.06

Deposits repaid during the year	284.85
Amount of deposits as on 31.03.2022	1605.82
a. At the beginning of the year	1824.61
b. Maximum during the year	1847.11
c. At the end of the year	1605.82
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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

There are no orders passed by the regulators or courts or tribunals impacting the going concern status and the Company’s operations in future.

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

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (“IBC Code”) during the financial year and does not have any proceedings related to IBC Code. The Company has not made any onetime settlement during the financial year 2021-22 with Banks or Financial Institution.

SETTING UP OF NEW MANUFACTURING PLANT AT ADDITIONAL BUTIBORI MIDC INDUSTRIAL AREA-NAGPUR FOR MANUFACTURING OF POWER TRANSMISSION CHAINS AND RELATED PRODUCTS FOR AUTO AND INDUSTRIAL APPLICATION UNDER MEGA PROJECT SCHEME.

During the year under review, the company has submitted an application to Joint Director Industries (Nagpur Region) for allotment of Land at Additional Butibori MIDC Industrial Area Nagpur for establishment of New Manufacturing Plant for manufacturing of Industrial

Chains, Conveyor Chains, Automotive components and assemblies under MEGA Project Scheme. The commercial production in the new plant is expected to commence production in Q1 of the FY 2024.

ON-GOING ACQUISITION OF RSAL STEEL PRIVATE LIMITED

The Company has filed the Resolution Plan, dated 20th November 2020, as last revised on 29th March 2021, (“Resolution Plan”) for acquisition of RSAL Steels Private Limited (RSAL) a Company currently undergoing corporate insolvency resolution process (CIRP) under the provisions of the Insolvency and Bankruptcy Code 2016 (IBC) and the Committee of Creditor of RSAL (CoC) unanimously approved the resolution plan by 100% on 7th May 2021 and pursuant to the approval of the Resolution Plan by the COC, the company has filed an application bearing reference IA No 1240 of 2021 on 13th May 2021 for the approval of the Resolution Plan by Hon’ble National Company Law Tribunal Mumbai and the same is pending.

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.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are an integrated part of the risk management process. The Company has adequate internal financial controls in place to address financial and financial reporting risks. The internal financial controls with reference to the financial statements are commensurate with the size and nature of business of the Company.

This internal financial control system is being checked by the Internal Auditors at company’s head office and all its plants. The system helps in improving operational and financial efficiency of the Company, safeguarding of assets and prevention and detection of frauds, if any. No material observations have been received from the Internal Auditors of your Company regarding inefficiency

or inadequacy of such controls.

During the year, the Company has tested its controls and the same are effectively working. Statutory Auditors' Report on Internal Financial Controls as required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, is annexed with the Independent Auditors' Report.

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in "ANNEXURE-D."

Further, a statement showing the names and other particulars of top ten employees in terms of remuneration drawn and of employees drawing remuneration in excess of the limits required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5) (e) of the Act. For the year ended on March 31, 2022, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively, and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved internal controls whenever the effect of such gaps would have a material effect on the Company's operations.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

As of March 31, 2022, 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.

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 financial statements of subsidiary Companies have been placed on the website of the Company at <https://www.lgb.co.in>.

The Company has laid down policy on material subsidiary and the same is placed on the website <https://www.lgb.co.in>. None of the subsidiaries are material subsidiary for the financial year ended 31st March 2022 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 2022.

MANAGEMENT DISCUSSION & ANALYSIS

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis Report outlining the business of your Company forms part of this Annual Report as "ANNEXURE - F."

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached. The Report on Corporate Governance also contains certain disclosures required under Companies Act, 2013 for the year under review.

A certificate from Sri. M.D. Selvaraj of M/s. MDS & Associates, Company Secretaries in Practice confirming compliance to the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to Report on Corporate Governance as "ANNEXURE G."

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 adopted a Whistle Blower Policy and Vigil Mechanism that provides a mechanism to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, including providing adequate safeguards against victimisation. During the financial year 2021-2022, no case was reported under Whistle Blower Policy of the Company.

The Company hereby affirms that it has not denied access to any person to the Audit Committee and that it has mechanism to provide protection to the Whistle Blower as per the Whistle Blower Policy of the Company. Whistle Blower Policy/ Vigil Mechanism is available on the website of the Company 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 2022-2023 has been paid to them.

BUSINESS RESPONSIBILITY REPORT

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Business responsibility report describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format as specified by SEBI is enclosed herewith as "ANNEXURE - H" to this Report.

HUMAN RESOURCE

The Company believes that human resources are the most critical element responsible for its growth. It ensures a safe, conducive, and productive work environment across its facilities. The Company provides regular skill and personnel development training to enhance employee productivity. Employee-centric approach has

enabled the Company to sail through smoothly amidst COVID-19 pandemic.

The long-term success of a Company depends upon its ability to acquire and retain talented individuals. It is their hard work, determination and performance that enables the Company to tide through difficult times and demonstrate a collective approach to fulfil various objectives. We, therefore, strive to consistently improve our talent acquisition and retention strategies.

Employee relations continued to be cordial and harmonious across all levels and at all the units of the Company.

INSURANCE

The Company's plants, properties, equipment's and stocks are adequately insured against all major risks. The Company has insurance cover for product liability. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

Your Company has zero tolerance for sexual harassment at workplace and has set up an Internal Complaints Committee to consider and resolve all complaints relating to sexual harassment to its women employees at workplace. The Company has taken various initiatives to ensure a safe and healthy workplace for its women employees.

The Company has constituted Internal Complaints Committee and also adopted a policy for prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints of sexual harassment were received by the Company during the financial year 2021-2022.

ACKNOWLEDGEMENT

The Board of Directors takes this opportunity to thank Company's employees at all levels for their hard work and commitment. Your Board also places on record its sincere appreciation for the continued support received from the Government Authorities, customers, suppliers, bankers, financial institutions and all other business partners/associates.



Your Directors express their sincere appreciation to all the stakeholders of the Company for the trust, confidence and support bestowed upon us. The Board of Directors is also grateful to the holding for their

contribution towards the growth and success of the Company.

Please do look after the health and safety of yourself and your families

For and on behalf of the Board of Directors

Coimbatore
30.04.2022

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, 2022

[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 Krishnarayapuram 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, 2022**, 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 2022 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- 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'):-

- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- 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;
- Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

- Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);
- 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 except that the Company (a) has not filed necessary Form MGT-14 with the Registrar of Companies in respect of a resolution passed by the Board under Section 179(3)(h) of the Act; (b) has not filed Form BEN-2 with the Registrar of Companies in respect of the declaration(s) of significant beneficial ownership received in the prescribed Form BEN-1 during the year; and (c) has not filed the Annual Report for the financial year ended 31st March, 2021 in XBRL mode to the stock exchange(s).

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

- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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: F000960D000250759
Peer Review No. 985/2020

Place : Coimbatore
 Date : 30.04.2022

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

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.

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
- 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.
- 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 : 30.04.2022

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960; C P No.: 411
UDIN: F000960D000250759
Peer Review No. 985/2020

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

A. CONSERVATION OF ENERGY

The Company continued its efforts to improve energy usage efficiencies. Various key parameters like specific energy consumption, energy cost is continuously tracked to monitor alignment with the Company's overall sustainability approach.

The Company has a process to identify and evaluate energy risks and opportunities, considering techno-commercial feasibility and other aspects. Accordingly, phased implementation of energy conservation initiatives is carried out and innovative ways and new technologies are constantly explored for energy conservation and cost reduction. Some of the energy conservation initiatives taken during the financial year 2021-2022 and proposed to be taken are given below.

Steps taken or impact on conservation of energy:

The Company continued its efforts to improve energy usage efficiencies. Various key parameters like specific energy consumption, energy cost is continuously tracked to monitor alignment with the Company's overall sustainability approach.

The Company has a process to identify and evaluate energy risks and opportunities, considering techno-commercial feasibility and other aspects. Accordingly, phased implementation of energy conservation initiatives is carried out and innovative ways and new technologies are constantly explored for energy conservation and cost reduction. Some of the energy conservation initiatives taken during the financial year 2021-2022 and proposed to be taken are given below.

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 efforts to introduce 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 LED lamps in shop floor as well as outdoor lighting. The Company also installed LED lights in new project for indoor & 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 requirements of equipment's / electrical accessories, gone for latest technology with high energy efficiency star rating model.*

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 96.58 lakhs units which were used for captive consumption. 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 and 3 number of ON GRID **ground mounted** solar power plants for a rated capacity of 100 KW each. Total installed rated capacity of solar system is **3.37 MW**. The number of units generated through this solar system was around **42.29 lakhs** units which were used for captive consumption. All the above green power has supported the energy requirement of company and minimized the power cost certainly

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 **Nov 2022**. *Further proposal to set up ground mounted solar system at vacant land in windmill site's which is under consideration and survey for feasibility and infrastructure facilities on progress.*

(B) TECHNOLOGY ABSORPTION-

(i) the efforts made towards technology absorption -

The Company continues to perform R&D activities to improve quality of products and to reduce production cost to serve its customer better.

The R&D team is actively engaged in supporting the Company's production process through various activities to maintain a technological as well as a cost edge, provide effective solutions to customers.

The company is working with European and Japanese suppliers for the special coating techniques for Chain parts.

The Company has employed a Rubber consultant to enhance rubber product range

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

New Businesses from PSA for four-wheeler application and from two-wheeler OEMs for electric vehicles.

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

Gear grinding technology

Rocker pin chain

Chain pin nitriding

(iv) the expenditure incurred on Research and Development

The Company has incurred a total expenditure of **₹ 776.75 Lakhs** (includes capital and recurring expenses) towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned : ₹ 25,650.09 Lakhs

Foreign Exchange used : ₹ 6,693.12 Lakhs

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

P.PRABAKARAN

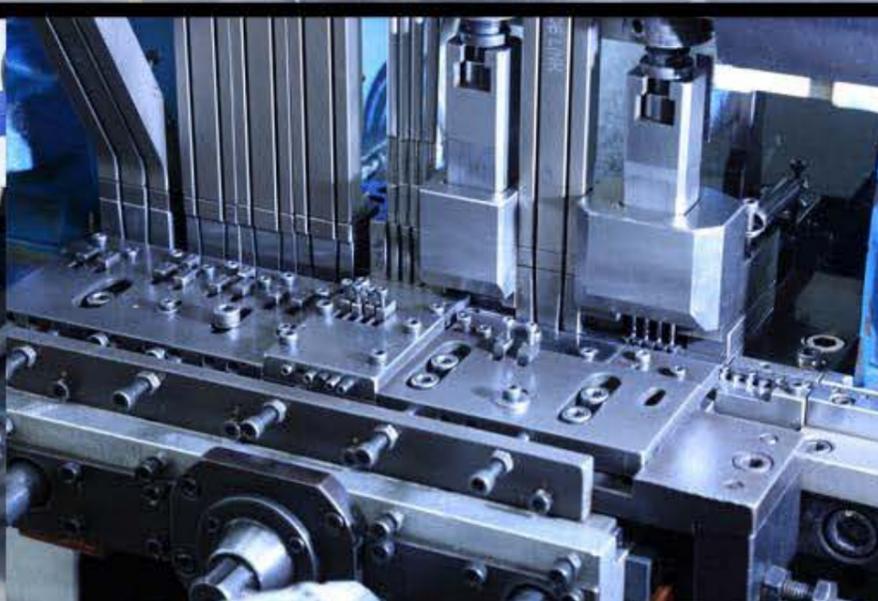
Managing Director

DIN:01709564

Place : Coimbatore

Date : 30.04.2022





ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FY 2021-2022.

1. Brief outline on CSR Policy of the Company.

As a responsible business corporation, the Company takes pride in implementing CSR Activities to address key societal needs, both in the communities it operates and in the society at large.

The company’s CSR initiatives are implemented directly for the purposes of accessing expertise/enhancing resources and for support in project implementation.

All CSR initiative undertaken are compliant with the thematic areas included in the Schedule VII of the Companies Act, 2013 (“the Act”).

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	5	5
2.	Mr R Vidhyashankar	Member	5	5
3.	Mrs. Rajsri Vijayakumar	Member	5	5
4	Mr P Prabakaran*	Member	5	3

* Mr P Prabakaran was appointed as a member of the Committee effective July 31st 2021

3. Web-Link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

<https://www.lgb.co.in/wp-content/uploads/2022/07/Corporate-Social-Responsibility-Policy.pdf>

4. 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).

Since the average CSR Obligation for the preceding 3 financial years i.e FY 2018-19, FY 2019-20 and FY 2021-21 was less than ₹ 10 Crores, the impact assessment report was not applicable in FY 2021-2022.

5. Details of 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	2021-22	Nil	Nil

6. Average Net Profit of the Company as per Section 135(5) : Rs In Lakhs: 14,314.39

7. (a) Two Percent of average net profit of the Company as per Section 135(5): ₹ In Lakhs: 286.29.

(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) : ₹ In Lakhs: 286.29.

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
286.29	101.04	27-04-2022	Nil	Nil	Nil

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 ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Through Implementing Agency	
			Yes	No	State	District					Name	CSR Registration number.
1.	Lift Irrigation systems	Rural Development	Yes		Tamilnadu	Coimbatore	18 months	125.00	6.00	101.04		Directly
	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 lakhs)	Mode of implementation - (Yes/No.)	Mode of Implementation - Through Implementing Agency		
				State	District			Name	CSR Registration number.	
1.	Educational Aids to Student	Promoting Education including Special Education	Yes		Tamilnadu	Coimbatore	Yes	110.64	NA	NA
2	Covid-19 Vaccination camp and Mask expenses	Disaster Relief (Covid 19)	Yes		Tamilnadu	Coimbatore	Yes	26.89	NA	NA
3	Chief Minister's Relief Fund	Disaster Relief (Covid 19)	Yes		Tamilnadu	Coimbatore	Yes	25.00	NA	NA
4	Aid to Disabled Students	Promoting Health Care including Preventive Health Care and Sanitation	Yes		Tamilnadu	Coimbatore	No	10.00	Amrit Centre for Special Needs	CSR00011048
5	CCTV camera for public road	Rural Development	Yes		Tamilnadu	Coimbatore	Yes	2.04	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 lakhs)	Mode of implementation - (Yes/No.)	Mode of Implementation - Through Implementing Agency		
				State	District			Name	CSR Registration number.	
6	Sports related activities	Rural Development	Yes		Tamilnadu	Coimbatore	Yes	4.68	NA	NA
	Total							179.25		

- d) Amount spent in Administrative Overheads - Nil
- e) Amount spent on Impact Assessment, if applicable - Nil
- f) Total amount spent for the Financial Year 2021-2022 - ₹ 286.29 Lakhs
- g) Excess amount for set off, if any

Sl.No	Particular	Amount (in lakhs.)
1	Two Percent of average net profit of the Company as per Section 135(5)	286.89
2	Total amount spent for the financial year	286.89
3	Excess amount spent for the financial year [2-1]	Nil
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial year [3-4]	Nil

(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(5) (In ₹)	Amount Spent in the reporting financial year (In ₹)	Amount Transferred to any fund specified under Schedule VII as per Section 135(6) if any.			Amount remaining to be spent in succeeding financial year (In ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	2018-2019	Nil	Nil	Nil	Nil	Nil	Nil
2	2019-2020	Nil	Nil	Nil	Nil	Nil	Nil
3	2020-2021	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 ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	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 : 30.04.2022

B VIJAYAKUMAR
Chairman of the Committee
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

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, 2022, 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, 2022: :

Sr. No	Director	Category	Remuneration ₹ in lakhs	Median Remuneration	Ratio	% increase / (decrease)
1	Sri.B.Vijayakumar	Chairman and Managing Director	800.84	3.24	274:1	55%
2	Sri.P.Prabakaran	Managing Director	254.81	3.24	79:1	42%
3	Sri. Rajiv Parthasarathy	Whole Time Director (Designated as Senior Vice President Operations)	17.92	3.24	6:1	NA
4	Smt.Rajsri Vijayakumar	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	Dr.Vinay Balaji Naidu	Non- Executive Independent	-	-	-	-
12	Sri.N.Rengaraj	Chief Financial Officer	51.61	-	-	10%
13	Sri. M. Lakshmi Kanth Joshi	Senior General Manager (Legal) & Company Secretary	37.27	-	-	10%

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 : 6%
- 3. Number of permanent employees on the rolls of Company as on 31st March, 2022 : 2274
- 4. Average percentiles 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.

Average percentiles increase in remuneration other than managerial personnel is 21% and average percentile increase / (decrease) in remuneration for managerial personnel is 3%.

5. Affirmation that the remuneration is as per the remuneration policy of the Company

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

For and on behalf of the Board of Directors

Place : Coimbatore
Date : 30.04.2022

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

(a) Particulars of employees as per [Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel Rules), 2014]:

S. No	Name of Employee	Designation	Remuneration Received ₹ 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	800.84	Permanent	BSc	44	25-11-1986	69	NIL	11.00
2	P Prabakaran	Managing Director	254.81	Permanent	BE	34	21-03-1988	63	Shanthi Gears Limited	0.02
3	N Rengaraj	Chief Financial Officer	51.61	Permanent	MBA, FCA	24	01-03-2004	53	Rubfla International Limited	-
4	P Subbiah	Senior General Manager	39.76	Permanent	BE, MBA	34	02-07-2007	56	PHC Manufacturing Private Limited	-
5	M Lakshmi Kanth Joshi	Senior General Manager (legal) & Company Secretary	37.27	Permanent	MBA, ACS., LLB	24	30-03-2005	55	Veejay Lakshmi Engineering Works Limited	-
6	N Suresh Kumar	Senior General Manager	36.83	Permanent	DME, BBA	31	01-02-1995	51	Milltex Engineering Private Limited	-
7	A Ramadass	Chief Technical Officer (Manufacturing)	36.77	Permanent	AMIM, MBA	34	21-08-2020	53	Magna Automotive India Private Limited	-
8	J Prakash	General Manager	30.07	Permanent	DME	32	17-01-2000	51	Lakshmi Synthetic Machinery Private Limited	-
9	M Dhanasekar	General Manager	29.81	Permanent	BE, MBA	30	29-11-1998	51	Sunjai Engineering Private Limited	-
10	R SenthilKumar	Senior General Manager	28.60	Permanent	BE, MBA	31	24-04-1991	53	NIL	-

(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 ₹ 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	800.84	Permanent	BSc	44	25-11-1986	69	NIL	11.00
2	P Prabakaran	Managing Director	254.81	Permanent	BE	34	21-03-1988	63	Shanthi Gears Limited	0.02

Coimbatore
30.04.2022

B. VIJAYAKUMAR

Chairman and Managing Director
DIN: 00015583

P.PRABAKARAN

Managing Director
DIN:01709564

For and on behalf of the Board of Directors

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	01-01-2021 to 31-12-2021	01-01-2021 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	1,874.85	23.32
6.	Other Liabilities	3,652.87	52.09
7.	Total Liabilities	8,920.57	127.81
8.	Total Assets	8,920.57	127.81
9.	Investments (Excl. investment in subsidiaries)	Nil	Nil
10.	Turnover & Other Income	9,641.37	128.62
11.	Profit / (Loss) Before Taxation	663.12	8.66
12.	Provision for Tax (incl: Deferred Tax)	-	-
13.	Profit / (Loss) after Taxation	663.12	8.66
14.	Proposed Dividend	Nil	Nil
15.	% Share Holding	96.00%	96.00%

Notes

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B" : Associates and Joint Ventures

The Company does not have Associates or Joint Ventures during the year 2021-22.

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Chairman and Managing Director
DIN: 00015583

P.PRABAKARAN

Managing Director
DIN:01709564

Coimbatore
30.04.2022



ANNEXURE F

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

After two consecutive years of decline, Indian Economic activity has gradually inched towards normalcy, after the Second Covid wave, due to effective policies, vaccination drives, by government boosted demand in various segments of the economy, bringing it back on track. The Company ensured business continuity despite the challenges and safeguarded the interests of its stakeholders with a resilient performance. Notwithstanding the unique circumstances created by the pandemic, the Company gained from the sustained domestic demand with a positive mindset in its quest to reach the pre-pandemic levels of sales volume. However, growth will continue to be accompanied by high -frequency volatility.

The new variant of Omicron of COVID did not play a major spoilsport and the society and economy was able to sustain with reasonable health and safety precautions. Despite these challenges, we succeeded in achieving growth and good business results.

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. LGB is setting up a new plant in Nagpur to manufacture Industrial Chains, Conveyor Chains, Automotive components and assemblies. The plant is expected to commence production in Quarter 1 of the Financial Year 2024.

OPPORTUNITIES AND OUTLOOK

The Indian economy has shown strength and emerging as the growth engine for the global automotive market

to the pre pandemic levels. The Government brought in various reforms that boosted the manufacturing sector, backed by its cost competitiveness, rising incomes, rapid urbanization, improving infrastructure, normal monsoon and the scope for greater vehicle penetration. The rising thrust on Make in India and growing localization can support manufacturers to develop more parts on Indian soil. Since these are a new source of growth and our outlook for year 2022-23 is based on continuing healthy growth with slowing momentum, and our expectation that the challenges to our businesses from COVID-19 and our well-defined strategies encompass all potential opportunities across our businesses and aim to optimize the strengths of our business model.

THREATS

Our business and financial performance also depend significantly on worldwide economic conditions. Accordingly, we face global macroeconomic challenges and highly competitive environment. While the overall environment remains uncertain, particularly in light of the effects of the COVID-19 pandemic, increase in raw material prices, global geopolitical tensions, volatility in exchange rates and evolving dynamics in the global trade environment. The hardening of crude oil prices presents a major risk to the outlook on inflation. The Company keenly monitors the price movements and undertakes the necessary strategy or adopts remedial measures to offset this risk and we continue to be aggressive in priority areas with the objective of driving profitable growth over the long term.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company manufactures chains, sprockets and metal formed parts for automotive applications. Its business segments are transmission and metal forming. 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 sales performance during the year is as follows:

Particulars	Consolidated (₹ in lakhs)
Transmission	1,66,989.11
Metal Forming	43,219.71
Total	2,10,208.81

RISKS AND CONCERNS

A Risk Management Policy (Policy) of the Company has been adopted by the Company which aims to detail the objectives and principles of risk management along with an overview of the process and related roles and responsibilities. The Policy lays down Company's approach towards risk mitigation, its risk management objectives and defines the risk management framework of the organisation. In general, the risk assessment and risk minimisation procedure are periodically reviewed by the Audit Committee as well as the Board of Directors of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust internal control system in place commensurate with the size and nature of its business. The internal control system ensures the reliability of financial information through timely and accurate recording of all financial, commercial, and operational transactions, safeguarding of assets from unauthorized use or disposition and stringent adherence to the applicable laws, regulations, and accounting standards. While the Company's internal team is responsible for continuous monitoring of these controls, it has also appointed an external team to oversee and improve the adequacy and efficacy of the control mechanism. The Company's audit committee conducts a quarterly review of audit reports submitted by the internal audit team. Key observations are discussed and communicated to the management who undertakes corrective actions to further augment the efficiency of the internal control system.

FINANCIAL AND OPERATIONAL PERFORMANCE

On consolidated basis, revenue from operations and other income for the financial year under review were

₹ 2,11,412.90 Lakhs as against ₹ 1,61,596.09 Lakhs for the previous financial year registering an increase of 30.83%. The profit before tax and exceptional item was ₹ 30,893.97 Lakhs and the profit after tax, was ₹ 24,574.17 Lakhs for the financial year under review as against ₹13,284.19 Lakhs, respectively for the previous financial year.

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 2,01,771.53 lakhs as against ₹ 1,53,844.24 Lakhs for the previous financial year registering an increase of 31.15%. The profit before tax and exceptional item was ₹ 30,230.84 Lakhs and the profit after tax was ₹ 23,911.04 Lakhs for the financial year under review as against ₹ 14,820.73 Lakhs, respectively for the previous financial year.

Details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof, including, are listed below:

	Year ended March 31, 2022	Year ended March 31, 2021	% of Change
Debtors Turnover (No of Times)	7.94	7.90	0.42
Inventory Turnover (No. of Times)	5.72	5.50	4.14
Interest Coverage Ratio (No. of Times) *	21.91	10.99	99.34
Current Ratio (No. of Times)	2.08	1.71	22.13
Debt Equity Ratio	0.07	0.07	7.52
Operating Profit Margin (in %)	16.16	15.39	5.00
Net Profit Margin (in %)	12	10	23.05
Return on Net Worth (in %) **	27	22	26.33

* Decrease in the borrowings and interest cost of the company has resulted in improvement in the ratio.

** Return on Capital Employed : Revenue growth

along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

HEALTH, SAFETY, SECURITY ENVIRONMENT

The health and safety of our employees is of utmost important to us. We conduct regular self-assessments and audits to ensure compliance with our health and safety guidelines and regulatory requirements. Our ultimate goal is to achieve a level of work-related injuries as close to zero as possible through continuous investment in our safety programs. Additionally, during the COVID-19 pandemic, we have invested heavily to help ensure the health of our employees. Through the use of education and awareness, provision of necessary PPE, and changes to our manufacturing sites and screening, we strive to make our workplaces a safe place for employees during the workday.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company 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.

The permanent employee strength of the Company as on March 31, 2022 was 2274.

CAUTIONARY STATEMENT

The statement forming a part of this Report may contain certain forward-looking remarks with the meaning of applicable Securities Law and Regulations. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes.

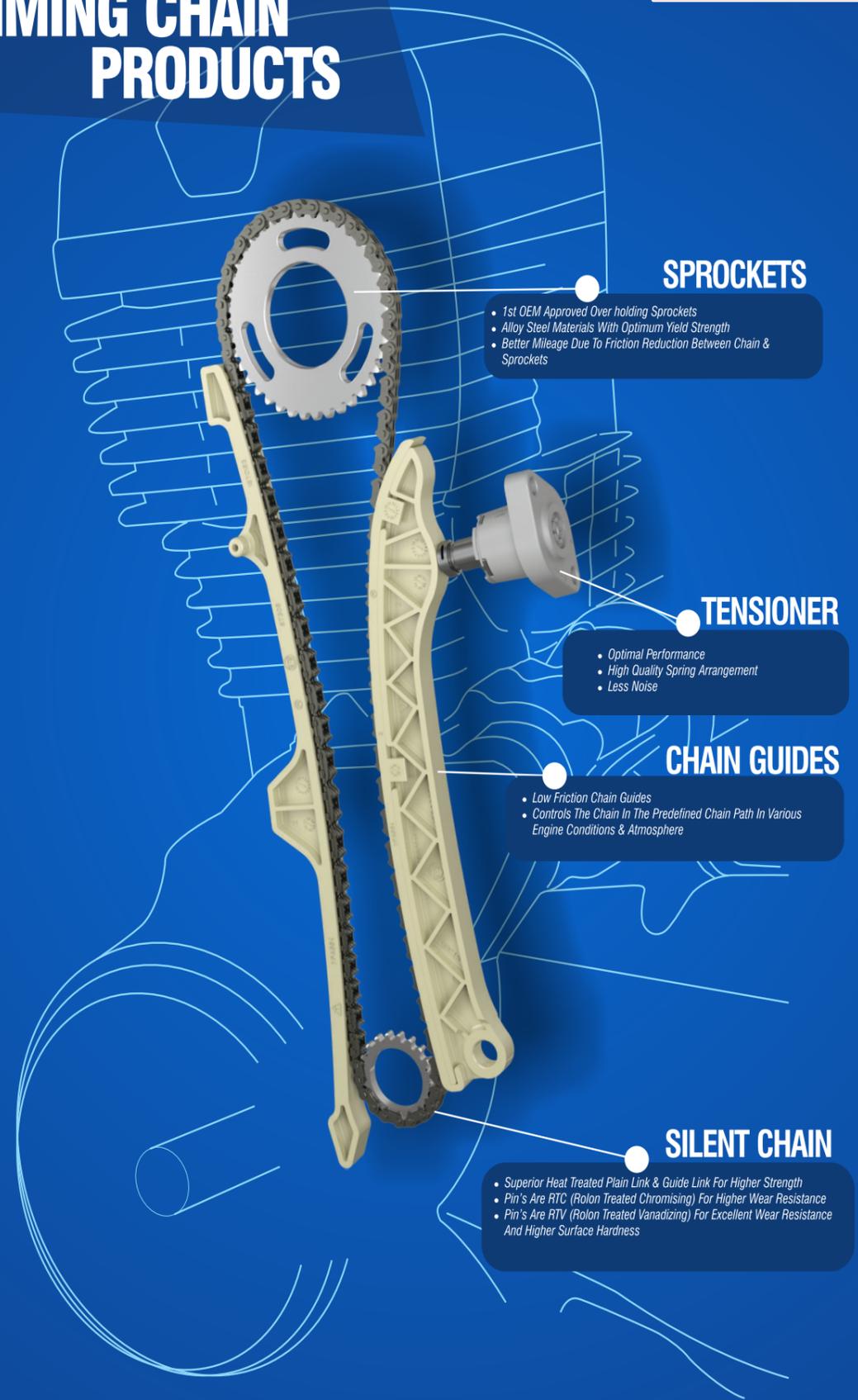
For and on behalf of the Board of Directors

Coimbatore
30.04.2022

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

TIMING CHAIN PRODUCTS



SPROCKETS

- 1st OEM Approved Over holding Sprockets
- Alloy Steel Materials With Optimum Yield Strength
- Better Mileage Due To Friction Reduction Between Chain & Sprockets

TENSIONER

- Optimal Performance
- High Quality Spring Arrangement
- Less Noise

CHAIN GUIDES

- Low Friction Chain Guides
- Controls The Chain In The Predefined Chain Path In Various Engine Conditions & Atmosphere

SILENT CHAIN

- Superior Heat Treated Plain Link & Guide Link For Higher Strength
- Pin's Are RTC (Rolon Treated Chromising) For Higher Wear Resistance
- Pin's Are RTV (Rolon Treated Vanadizing) For Excellent Wear Resistance And Higher Surface Hardness

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:

L.G. Balakrishnan & Bros Limited (“the Company”) believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility, and accountability.

Your Company strives for the highest standards of ethical and sustainable conduct of business to create enduring values for its stakeholders. These principles have evolved over the years and helped the Company in reflecting its core values and practices in all its business conduct even during the testing times of global pandemic, which sets a new normal for all of us. Your Company relies on its principles to be resilient and agile in adapting to the evolving situation. Your Company believes that each of the principal help developing the right corporate culture and standards that fulfils the true purpose of the Corporate Governance. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“the Listing Regulations”).

2. Board of Directors:

The Board comprises experts drawn from diverse fields, professions. At this time, it consists of 11 Members comprising eight Non-executive Directors (six Independent and two Non-independent), three Executive Directors (including two promoters). There are two women Directors on the Board, out of which one is Independent Director. The Independent Directors bring independent judgement in the board’s deliberations and decisions. Accordingly, the composition of the Board of Directors meets the requirement of Section 149 of the Companies Act, 2013 read with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

During the Financial Year March 31, 2022, none of the Directors serves as a Director in more than seven listed companies. Further, none of the Directors holds an Executive Director position and serve as an Independent Director in more than three (3) listed companies. None of the Directors on the Board is a member of more than ten committees or a chairperson of more than five committees, across all public limited companies in which he/she is a Director. For the purpose of determination of Committee position limits, chairperson and membership positions of the Audit Committee and the Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI Listing Regulations.

The details of the composition of the Board as on 31st March, 2022, the attendance record of the Directors at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting (AGM), along with the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given herein below:

Name and DIN	Category & Designation	Attendance			No. of Directorship in other Public Companies*	Number of Committee Positions held in other 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	1	-	-
Sri. P. Prabakaran DIN:01709564	Executive Managing Director	4	4	Yes	-	-	-
Sri.Rajiv Parthasarathy # DIN: 02495329	Executive - Promoter Wholetime Director	4	4	Yes	-	-	-
Smt.Rajsri Vijayakumar # DIN: 00018244	Non-Executive Promoter	4	4	Yes	1	-	1
Sri. S. Sivakumar DIN: 00016040	Non-Executive Non-Independent	4	4	Yes	-	-	-
Smt.Kanchana Manavalan DIN: 07497403	Non-Executive Independent	4	4	Yes	-	-	-
Sri. V. Govindarajulu DIN: 00016108	Non-Executive Independent	4	4	Yes	-	-	-
Sri.P. Shanmugasundaram DIN: 00119411	Non-Executive Independent	4	4	Yes	2	2	-
Sri.R. Vidhya Shankar DIN: 00002498	Non-Executive Independent	4	4	Yes	1	1	1
Sri. G.D. Rajkumar DIN: 00197696	Non-Executive Independent	4	4	Yes	1	-	1
Dr.Vinay Balaji Naidu DIN:09232643	Non- Executive Independent	4	3	Yes	-	-	-

* Exclude directorship in Private Companies and Foreign Companies.

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

Sri. B. Vijayakumar, Chairman and Managing Director is Father of Smt. Rajsri Vijayakumar.

Sri. Rajiv Parthasarathy Wholetime Director is Husband of Smt. Rajsri Vijayakumar.

Details of Directorship of Directors in other Listed Entities and the category of their Directorship as on March 31, 2022:

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	Elgi Equipments Limited	Non-Executive Independent Director
Sri.P.Prabakaran DIN:01709564	NIL	NA
Smt.Rajsri Vijayakumar DIN: 00018244	LGB Forge Limited	Non-Executive Non-Independent Director
Sri.Rajiv Parthasarathy DIN: 02495329	NIL	NA
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	Magna Electro Castings Limited	Non-Executive Independent Director
Dr.Vinay Balaji Naidu DIN:09232643	NIL	NIL

Details of the Board meetings held during the financial year 2021-2022

The Board meets at regular intervals to review the performance of the Company. During the year under review, four (4) Board Meetings were held on June 10, 2021, July 31, 2021, October 30, 2021, January 31, 2022. All the Meetings of Board of Directors during the year were held through Video Conferencing mode due to Covid'19 pandemic situation pursuant to Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Ministry of Corporate Affairs vide their General Circular No.08/2021 dated 03.05.2021 had extended the gap between two consecutive meetings held during the Quarter-April to June, 2021 and July to September, 2021 to 180 days instead of 120 days. Accordingly, the first Board meeting during the FY 2021-22 was held within the extended gap of 180 days and the gap between all the other consecutive Board meeting(s) held during the FY 2021-22 did not exceed 120 days.

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, 2022 are given under the table below

Name	No of Shares held	% of Holding
Smt.Rajsri Vijayakumar	21,79,152	6.94
Smt.Kanchana Manavalan	516	-
Sri.S.Sivakumar	1,194	-
Sri.V.Govindarajulu	-	-
Sri.P.Shanmugasundaram	-	-
Sri.R.Vidhya Shankar	-	-
Sri.G.D.Rajkumar	-	-
Dr.Vinay Balaji Naidu	5,500	0.02

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

None of the Directors were issued any stock options.

Directors Inter-se Relationship

Sri. B. Vijayakumar, Chairman and Managing Director is father of Smt. Rajsri Vijayakumar, Director, and Sri. Rajiv Parthasarathy is Husband of Smt. Rajsri Vijayakumar. None of the other Directors are related to each other.

Familiarization Programme for Independent Directors

The Company has familiarization programme for independent directors with regard their roles, rights, and responsibilities in the Company, the code of conduct to be adhered to, nature of industry in which the Company operates, business model, structure of the management team etc.

The Board Members are regularly updated on changes in Corporate and allied laws, Taxation laws & matters thereto. In the quarterly Board Meetings, Managing Director and Senior Management conduct a session for the Board Members sharing updates about the Company's business strategy, operations and the key trends in the industry relevant for the Company. These updates help the Board Members to keep themselves abreast with the key changes and their impact on the Company.

The details of such familiarization program for financial year 2021-22 have been disclosed on the Company website <http://www.lgb.co.in>.

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.Rajsri Vijayakumar DIN: 00018244	✓	✓	✓	✓	✓	✓
4	Sri.Rajiv Parthasarathy DIN: 02495329	✓	✓	✓	✓	✓	✓
5	Sri.S.Sivakumar DIN: 00016040	✓	✓	✓	✓	✓	✓
6	Smt.Kanchana Manavalan DIN: 07497403	✓	-	✓	✓	✓	✓
7	Sri.V.Govindarajulu DIN: 00016108	✓	-	✓	✓	✓	✓
8	Sri.P.Shanmugasundaram DIN: 00119411	✓	-	✓	✓	✓	✓
9	Sri.R.Vidhya Shankar DIN: 00002498	✓	-	✓	✓	✓	✓
10	Sri. G D Rajkumar DIN: 00197696	✓	✓	✓	✓	✓	✓
11	Dr.Vinay Balaji Naidu DIN:09232643	✓	-	✓	✓	✓	✓

Meeting of Independent Directors

A separate meeting of the Independent Directors of the Company was held on 26.03.2022 without the presence of Non Executive Directors, Executive Directors and Management team to discuss the agenda items as prescribed under applicable laws. All Independent Directors have attended the said meeting. In the opinion of the Board, all the Independent Directors fulfil the conditions of Independence as defined under the Companies Act, 2013 and SEBI (LODR), 2015 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 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 presently comprises of (4) four members, out of which (3) three members are Non-Executive Independent Directors and one is an Executive Director. The Chairperson of the Committee is an Independent Director. All the members of the Audit Committee have accounting and financial management expertise.

The Wholetime Director, Chief Financial Officer, the Head of Internal Audit and the representatives of the Statutory Auditors and Internal Auditors are permanent Invitees to meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the financial year ended March 31, 2022, the Committee met four (4) times on June 10, 2021, July 31, 2021, October 30, 2021, and January 31, 2022. The necessary quorum was present at these meetings

The Ministry of Corporate Affairs vide their General Circular No.08/2021 dated 03.05.2021 had extended the gap between two consecutive meetings held during the Quarter-April to June, 2021 and July to September, 2021 to 180 days instead of 120 days. Accordingly, the first Audit Committee meeting during the FY 2021-22 was held within the extended gap of 180 days and the gap between all the other consecutive Audit Committee meeting(s) held during the FY 2021-22 did not exceed 120 days.

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
Sri.P.Prabakaran*	Non-Executive	Member	4	2

* Sri P. Prabakaran was inducted as member of Audit Committee in the Board Meeting held on 31st July, 2021.

The Chairman of the Audit Committee had attended the last Annual General Meeting held on 09.09.2021.

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 2021-22, before it was placed before the Board of Directors.

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 composition of NRC as on March 31, 2022, and details of attendance of the Committee members at the meetings are given in the following table.

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 07.06.2021, 28.07.2021 & 27.01.2022 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 Company Secretary acts as the Secretary to the Committee. The Chairman of the NRC attended the last AGM of the Company held on September 09, 2021.

Performance Evaluation criteria for Independent Directors:

The Board has prepared performance evaluation policy for evaluating performance of Individual Directors including Chairman of the Company, Board as a whole and its committees thereof. The criteria of the Board evaluation include Board composition, talent, experience and knowledge, presentations and discussions at the Board Meeting, frequency of the Board Meeting, feedback and suggestion given to the management, participation in the discussion etc.

The performance of Non-Independent Directors including Chairman of the Company and the Board as a whole, after taking views of the Executive and Non-Executive Directors were evaluated by the Independent Directors at their Meeting held on 26.03.2022.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Non-Independent and Independent Directors individually as well as the evaluation of the working of various Committees.

The evaluation of the Independent Directors were made on the basis of attendance at the Meeting of the Board, Committee and General Meeting, knowledge about the latest developments, contribution in the Board development processes, participation in the Meetings and events outside Board Meetings, expression of views in best interest of the Company, assistance given in protecting the legitimate interests of the Company, employees and investors, extending individual proficiency and experience for effective functioning and operation of the Company etc.

5. Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of your Company <http://www.lgb.co.in>. The Remuneration Policy is in consonance with the existing industry practice.

Remuneration of Directors

Remuneration paid to the Executive Directors for the financial year ended March 31, 2022 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	126.57	674.27	-	800.84
Sri.P.Prabakaran Managing Director	01.06.2019 to 31.05.2024	86.24	168.57	-	254.81
Sri. Rajiv Parthasarathy Whole time Director	01.08.2021 to 31.07.2024	17.92	-	-	17.92

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

All elements of remuneration package of individual directors has been summarized under major groups viz., salary & perquisites and there is no other benefits, bonuses, stock options, pension etc. other than the details disclosed in the above table.

The remuneration of the Key Managerial Personnel comprises of fixed components viz., salary and other perquisites and there are no performance linked incentives.

Remuneration paid to the Non-Executive Directors for the financial year ended March 31, 2022 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.Rajsri Vijayakumar	1.20	-	-	1.20
Sri.S.Sivakumar	1.20	-	-	1.20
Sri.V.Govindarajulu	2.40	-	-	2.40
Sri.P.Shanmugasundaram	2.40	-	-	2.40
Sri.R.Vidhya Shankar	1.20	-	-	1.20
Smt.Kanchana Manavalan	2.40	-	-	2.40
Sri.G.D.Rajkumar	1.20	-	-	1.20
Dr. Vinay Balaji Naidu	0.90	-	-	0.90
Total	12.90	-	-	12.90

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.

The composition of the Stakeholder Relationship Committee and particulars of meetings attended by the members are given below:

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.

The Company Secretary acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to Regulation 6 of the Listing Regulations.

The Chairman of the Stakeholders Relationship Committee had attended the last Annual General Meeting held on 09.09.2021.

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, 3 complaints was received from Shareholder and the same was resolved within the stipulated time. Hence, no complaint/query is remaining unresolved and pending as on 31st March 2022.

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 Practicing 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	222	47967
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	1	550
Number of shareholders to whom shares were transferred from suspense account during the year	1	550
Aggregate number of shareholders and outstanding shares in the suspense account lying as on March 31, 2022.	221	47417

The voting rights on the outstanding unclaimed shares as on March 31, 2022, 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. Risk Management Committee

In compliance with the provisions of regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee and majority of the members of the Committee are Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks and also identify business opportunities. Business risk evaluation and its management is a continuous process within the organization. The Company has framed a Risk Management Policy which includes the terms of reference, is available on the website of the Company at <https://www.lgb.co.in>.

The Committee reviewed the risks and extent of exposure and potential impact analysis was carried out by the Management. It was confirmed by the Managing Director and the Chief Financial Officer that the mitigation actions are monitored.

Name of the Members	Category	Designation
Sri B Vijayakumar	Chairman and Managing Director	Chairman
Sri P Prabakaran	Managing Director	Member
Sri R Vidhyashankar	Non Executive - Independent Director	Member

The Committee met twice during the year on 01.11.2021 & 31.03.2022 and the members as on that date remained present in the meeting. The Company Secretary acts as the secretary to the Committee.

8. 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.

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

Meetings

During the year under review, five meetings of the CSR Committee were held on June 07, 2021, July 28, 2021, October 25, 2021, November 29, 2021, and January 27, 2022. The meetings were attended by all the members of the Committee.

9. Management Discussion and Analysis Report

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

10. 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
2018-19	18.07.2019	10.45 A.M (IST)	Ardra, "Kanchan", 9, North Huzur Road, Coimbatore - 641018	<ol style="list-style-type: none"> Approval for re-appointment of Sri.V.Govindarajulu as Independent Director for the second term w.e.f 01.09.2019 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. Approval for re-appointment of Sri.R.Vidhya Shankar as Independent Director for the second term w.e.f 01.09.2019 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.
2019-20	20.08.2020	3:30 pm (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM),	NIL

Financial Year	Date	Time	Venue	Special Resolution passed, if any
2020-21	09.09.2021	2.00 PM (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM),	<ol style="list-style-type: none"> Appointment of Dr. Vinay Balaji Naidu as Independent Director Appointment of Sri.RajivParthasarathy as a Whole-time Director, (designated as Senior Vice President - Operations) Approval of the members of the Company be and is hereby accorded to continue the payment of remuneration to Sri. B. Vijayakumar, Chairman and Managing Director for the remaining period of his current tenure as Chairman and Managing Director.

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.

11.Means of Communication

Financial Results	The Quarterly, Half yearly and Annual Results of the Company are available on the website of the Company https://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.

12.General Shareholders' Information

Annual General Meeting (date, time and venue)	Annual General Meeting is proposed to be held on 25 th August, 2022, at 10.30 A.M. (IST) 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 31 st , 2022, the financial results were announced on April 30, 2022.	
Financial Year 2022 - 2023 * Tentative	Quarter ending June 30, 2022	End of July 2022*
	Quarter ending September 30, 2022	End of October 2022*
	Quarter ending December 31, 2022	End of January 2023*
	Year ended March 31 st 2023	End of April 2023*
Date of Book Closure	The dates of Book Closure are from 19.08.2022 to 25.08.2022 (both days inclusive)	
Dividend payment date	Dividend, if declared at the AGM shall be remitted electronically i.e. through NACH/NEFT etc., wherever bank details of shareholders are available and in other cases, through demand drafts on or before 20.09.2022	
a) Listing on Stock Exchanges:	BSE Ltd. National Stock Exchange of India Ltd.	
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 2022 - 2023 to the above Stock Exchanges

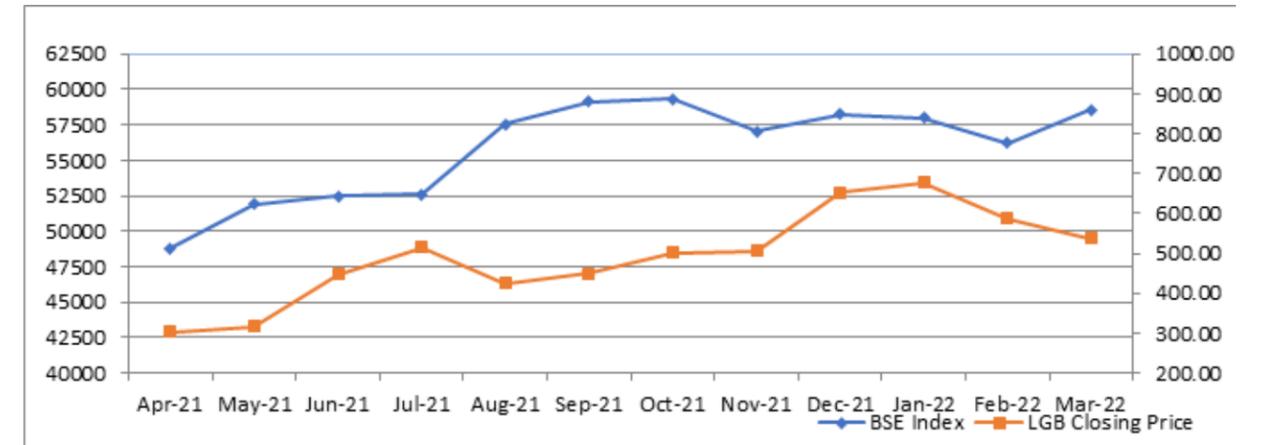
MARKET PRICE DATA: Monthly high/low of market price of the Company's equity shares traded on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the last financial year was as under:

Stock market data for the year 2021-2022

	NSE		BSE	
	Month's High (Rs)	Month's Low (Rs)	Month's High (₹)	Month's Low (₹)
April - 2021	323.00	282.00	322.95	282.00
May	337.25	284.10	337.30	284.10
June	488.80	315.05	488.20	313.00
July	545.75	442.25	545.00	438.95
August	524.70	399.25	524.20	399.05
September	454.00	402.00	454.00	404.25
October	549.00	437.00	548.90	438.00
November	589.00	460.00	591.00	460.05
December	668.20	479.00	667.80	479.05
January - 2022	726.00	621.00	724.65	620.20
February	730.00	545.65	735.55	545.85
March	599.00	515.45	597.50	517.10

(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.

Reconciliation of share capital audit

A qualified Company Secretary in practice has carried out the reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Registrar & Transfer Agents

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

Share Transfer System:

The company's shares are transferable through the depository system in dematerialized form. With effect from 1st April, 2019, the transfer of shares held in physical form by the listed entity / Registrar and Share Transfer Agent are not permitted in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. Further, the Securities and Exchange Board of India (“SEBI”) vide its Circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated that the Company or its Registrars and Share Transfer Agents shall issue the securities in dematerialized form only while dealing the requests for issue of duplicate share certificate, transmission or transposition with effect from 25th January, 2022. Accordingly, our Registrar and Share Transfer Agents, M/s.Cameo Corporate Services Limited has processed the applications / requests received for transmission or transposition within a period of 15 days from the date of receipt of the requisite documents, if the documents are complete in all respects. All request for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL within 15 days. The Stakeholders Relationship Committee generally meets as and when necessary to review investor grievances and other related matters as per their terms of reference.

Distribution of Shareholding:

The shareholding distribution of the equity shares as on March 31, 2022 is given below:-

Range	No. of Holders	No. of Shares [Face Value of ₹ 10/-]	% of Shares
1 - 100	31,736	10,27,861	3.27
101 - 500	8,400	20,39,053	6.50
501 - 1000	1,581	12,02,310	3.83
1001 - 2000	912	13,38,681	4.26
2001 - 3000	294	7,37,450	2.35
3001 - 4000	158	5,53,186	1.76
4001 - 5000	98	4,50,594	1.44
5001 - 10000	215	15,58,641	4.97
10001 - and above	209	2,24,84,640	71.62
Total	43,603	3,13,92,416	100.00

Pattern of Shareholding as on March 31st, 2022

Sl. No	Category	No of Holders	No. of Shares held	% to paid-up capital
1.	Promoters and promoter group	15	1,07,72,406	34.32
2.	Mutual Funds/UTI	2	34,87,294	11.11
3.	Financial Institutions/Banks	1	8	-
4.	FII/NRI/OCB	1,229	29,39,248	9.36
5.	Bodies Corporate / Clearing Member	302	13,84,158	4.41
6.	Investor Education & Protection Fund	1	54,329	0.17
7.	Public	42,053	1,27,54,973	40.63
	Total	43,603	3,13,92,416	100

Dematerialization of Shares and Liquidity

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	2,70,49,685	86.17
Central Depository Services (India) Limited	37,44,386	11.93
Physical	5,98,345	1.90
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, Krishnarapuram 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, Viswanathapuri, 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.
- Kondayampalayam Village, SF No. 195, Pillaiyar Kovil Street, Near Powerhouse, Kottaipalayam Post Coimbatore Pincode - 641 110.
- Manesar: Plot No. 17, Section - 3, IMT Manesar Gurgaon Pincode 122 050.
- Chennai: No. 49, Sidco Industrial Estate, Ambattur Chennai Pincode 600098
- Annur: 3/145, Kovai Road, Ottrapalayam Village, Annur, Coimbatore Pincode - 641 653
- Rudrapur: Khasra No. 390, Village- Danpur, Kashipur Road, Rudrapur, Pincode - 263 153 Uttarkhand
- Pant Nagar: Plot No. 16, Sector 9, II E, Sidgul, Pant Nagar, Uddamsingh Nagar, Pincode - 263 153. Uttarkhand
- Khushkhera, G-1, 356 RIICO Industrial Area, Alwar District Pincode - 301707, RAJASTHAN
- Kariyampalayam: SF. No. 266/1B & 1C, RD Building. Kumarapalayam Road, Kariyampalayam Post, Annur, Coimbatore Pincode - 641 653.
- Pillaippampalayam: SF.NO.225 - 227 - 123 D, Annur Road, Annur VIA Pillaippampalayam, Coimbatore Pincode - 641 653.
- SF.NO.225 - 227 - 223 D, Annur VIA Pillaippampalayam, Coimbatore Pincode - 641 653.
- Jalna: Plot No. A -7, Jalna Phase III, Industrial Area (MIDC) Maharashtra - 431 213
- Ahmed Nagar: MIDC, Supa Area, Supa Parner Industrial Area, Ahmed Nagar, Maharashtra Pincode - 414 301
- Pillaippampalayam: S.F.Nos. 225, 226, 227/1,2,3 A, Annur (Via), Pillaippampalayam, Coimbatore Pincode - 641 653.
- Saravanampatti: SF No. 17/4-B, Saravanampatti Village, Coimbatore North Taluk, Coimbatore

Address for Correspondence

<p><i>M/s.Cameo Corporate Services Limited,</i> “Subramanian Building” No.1 Club House Road, Chennai - 600 002, Phone : 044 28460390</p>
<p><i>M.Lakshmikanth Joshi,</i> Senior General Manager (Legal) and Company Secretary 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006. Phone No.0422-4611212, email: lk.joshi@lgb.co.in</p>

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>

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 <http://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, 2022, 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 Securities and 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 ₹ 15.00 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 2021-22, 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 and CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on April 30, 2022, 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 accessed 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, 2022, 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 : 30.04.2022

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, 2022** 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 for the financial year ended 31st March, 2022.

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 : 30.04.2022

M D SELVARAJ

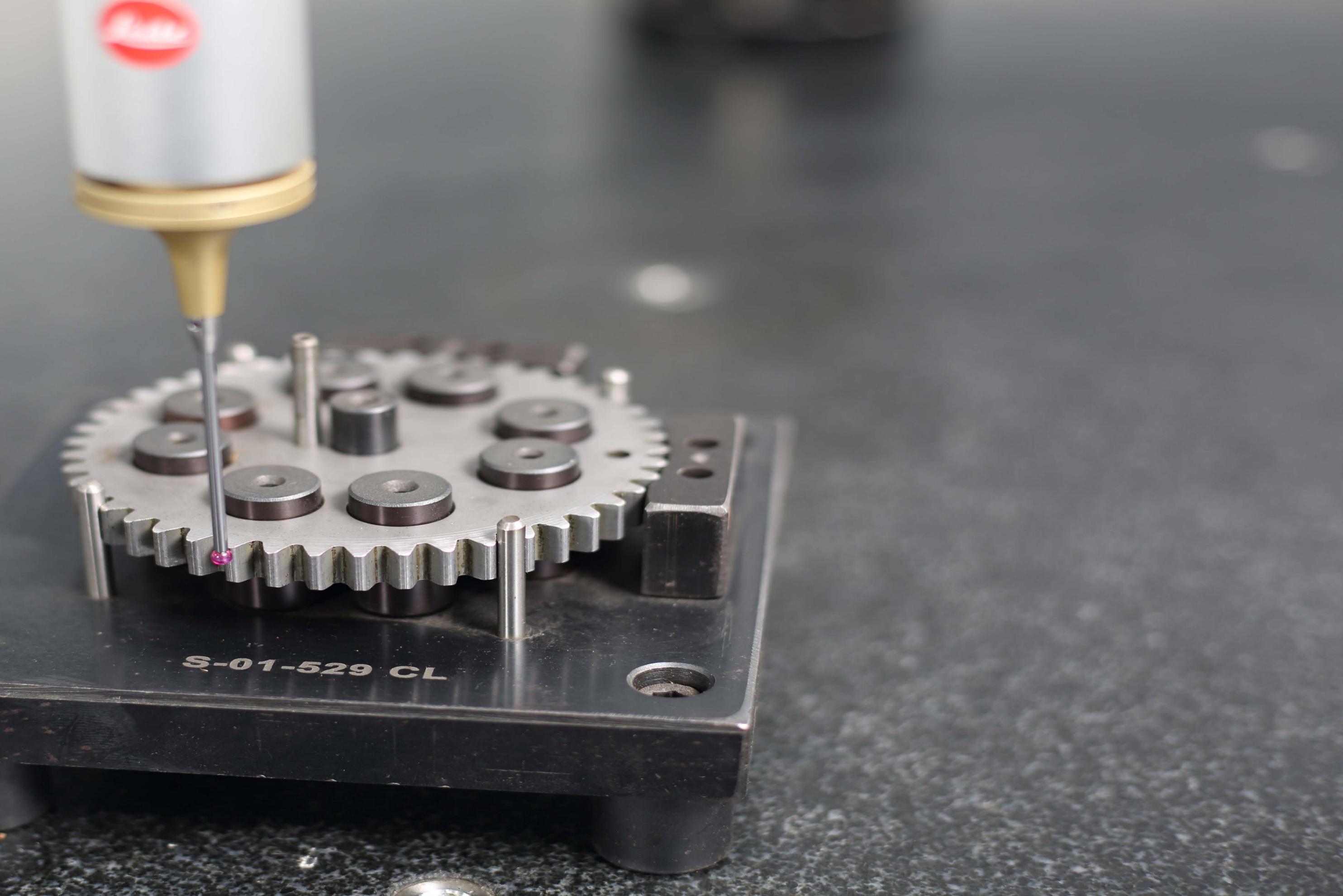
MDS & Associates

Company Secretaries

FCS No.: 960; C P No.: 411

UDIN: F000960D000250682

Peer Review No. 985/2020



S-01-529 CL

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, 2022, 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. Rajiv Parthasarathy Whole-time Director (designated as "Senior Vice-President Operations")	02495329	10-06-2021
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 Gopalsamy	00197696	29-04-2019
11.	Mr. Vinay Balaji Naidu	09232643	04-08-2021

Ensuring the eligibility for the appointment / re-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.

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960; C P No.: 411
UDIN: F000960D000250649
Peer Review No. 985/2020

Place : Coimbatore
Date : 30.04.2022

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	https://www.lgb.co.in
5	E-mail id	info@lgb.co.in
6	Financial Year reported	March 31, 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code of product/service 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 23 manufacturing facilities. For More Details, Please refer to Annual Report 2021-2022 Page No. 71 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 more than 10 countries through either sales or alliance

Section B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 313,924,160
2	Total Turnover	₹ 201,771.53 Lakhs
3	Total profit after taxes	₹ 23,911.04
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.20%
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 subsidiaries 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	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	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 being 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. https://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								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	NOT APPLICABLE								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next one year									
6	Any other reason (please specify)									

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.

Annually.

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 has started publishing BR report from financial year 2019-20 annually. The BR Reports are available on the Company's website <http://www.lgb.co.in>. as a part of the annual report.

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?	The Company believes in upholding the values of transparency, accountability and good governance. Apart from the Business Responsibility Policy, the Company has Code of Conduct' (inter alia covering Anti-Bribery and Anti-Corruption Directives) and an effective vigil mechanism and Whistle Blower Policy. The policies, rules and guidelines in the Code of Conduct apply to all employees / associates, including contractual employees of the Company and its subsidiaries. The Company also encourages its Suppliers / Contractors / Others to practice the same in a fair manner.
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 footprint 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)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Majority of Company's inputs by value are sourced from suppliers who adhere to sustainable sourcing principles. The suppliers include market leaders in India and overseas with an impressive track record.
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.

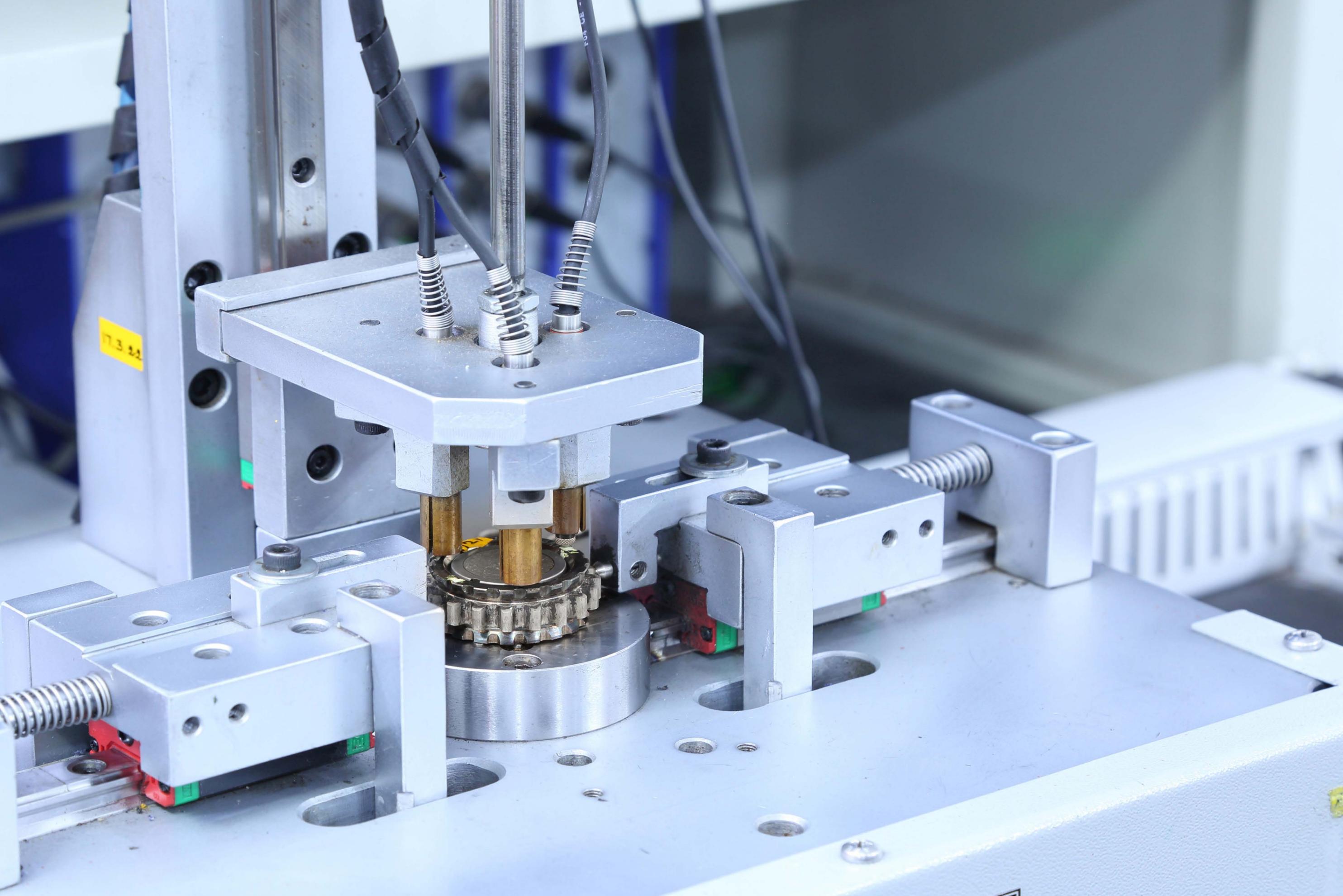
Principle 3 Businesses should promote the wellbeing of all employees	
1. Please indicate the Total number of employees	2274
2. Please indicate the Total number of employees hired on temporary /contractual/ casual basis.	8749 (including trainees)
3. Please indicate the Number of permanent women employees.	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.	At LGB, our broader objective is to contribute to the well-being of the communities and society. The Company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities around its manufacturing locations and focusing on key areas like promoting education amongst Children in rural areas, promoting health care including preventive health care and sanitation and Disaster Management and contributing its CSR funds towards combating COVID Pandemic. The detailed report on the same is mentioned in Annexure C to our Annual Report.

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?	Yes, through LGB Code of Conduct.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any Stakeholders complaints during the Financial Year 2021-2022 under this principle.
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?	The Company currently does not have any projects related to Clean Development Mechanism.
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.	The Company continuously endeavour to use the latest energy efficient technologies to ensure optimal utilisation of the resources without having to compromise with the quality of its products. The Company has in place an Environment Management Systems (EMS) which deals with preventing, mitigating and controlling environmental damages and disasters and also devises plans to deal with contingencies
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	All Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year & are being reported accordingly.
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.	None

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 <ol style="list-style-type: none"> 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	Yes. For more details on our CSR Initiatives, please refer Annexure C 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 Intermediaries.
3. Have you done any impact assessment of your initiative?	The Company reviews outcomes of the various interventions on a continuous basis and monitors gains to the community arising out of all its CSR activities. Feedback is sought from beneficiaries and partners.
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 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.	Community participation is an integral part of all our social projects. The Company's initiatives are based on critical and felt needs of the community and the focus of the CSR policy is on health, education, and environment. Consultations are undertaken with the community, gram panchayats and other local bodies to understand the need. This ensures active participation by the community, and efforts are also put in to ensure that the development initiatives are successfully adopted by the community. In FY 2021-22, the community development initiatives were focused on COVID-19 pandemic relief and benefitted numerous beneficiaries.
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.	There were no customer complaints / consumer cases pending as at the end of Financial Year 2021-22.
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. The Company adheres to all the applicable statutory laws regarding product labelling and displays relevant information on product label.
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.	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company during the last five years and as at the end of Financial Year 2021-22.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Customer satisfaction surveys are being conducted frequently for betterment of the products, feedback and improving delivering mechanism.



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 2022, 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31st March 2022, 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) computation of the allowance for credit losses.</p>

S.No	Key Audit Matters	Auditor's Response
2	<p>Assessment of carrying value of investments:</p> <p>The company has invested in listed equity instruments and also in unlisted equity instruments. We consider this a key audit matter given the relative significance of the value of investments</p>	<p>Our procedures in relation to assessing the carrying value of investments include the following observation.</p> <p>(1) The equity investments other than those measured as per Ind AS 27 are carried at fair values as on 31st March 2022. (2) The equity investments in subsidiaries are measured at cost as per Ind AS 27.</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 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 auditors' 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, 2020 ("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 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) 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.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note No.29 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.
- The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with

- v. the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- (b) As stated in Note No. 10(iv)(b) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 22211916AIELYU3942

Place: Coimbatore
Date: 30.04.2022

‘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)
- i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - ii) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment 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/transfer deed/conveyance deed/scheme of arrangements approved by Hon’ble high Courts & appropriate authorities and property tax receipts 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.
- 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.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
- (a) 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. No material discrepancies were noticed on such verification which were more than 10% in aggregate for each class of inventory.
 - (b) According to information and explanations furnished to us, the quarterly stock statements filed by the Company with banks are in agreement with the books of accounts of the Company.
- 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 and hence reporting under clause 3(iii) of the order is not applicable to the company.
- iv. The Company has not provided any loans, guarantees or security as specified in Sec 185 or 186 of the Act. In respect of investments made by the company, we are of the opinion that the provisions of Section 185 and 186 of the Act have been complied with.
- 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, duty of customs, duty of excise, 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 (₹ In Lakhs)	Amount Unpaid (₹ 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
Central Excise Act	Excess Credit availed	62.72	13.68	2016-17	CESTAT New Delhi
Tamil Nadu Value Added Tax Act	Input Tax Credit/ Sales return	355.98	172.47	2007-08, 2008-09, 2010-11, 2011-12	Sales Tax Appellate Tribunal, Coimbatore (Department Appeal)
Tamil Nadu Value Added Tax Act	Differential tax rate	4.86	4.86	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	Dispute on tax charged for Canteen sales	14.02	14.02	2006-07 to 2011-12	Sales Tax Appellate Tribunal, Chennai
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	Commissioner (Appeals)
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. According to the information and explanation provided to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. In our Opinion and according to the information and explanation provided to us,

(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised any money by way of initial public offer or further public offer during the year.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debt instruments and hence reporting under this clause is not applicable.

xi. In our opinion and according to the information and explanation provided to us,

(a) 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.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) No whistle blower complaints have been received by the Company during the year (and up to the date of this report).

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. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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.

- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) at the end of the previous financial year and at the end of the current financial year on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
 - (b) In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount to a Special Account within a period of 30 days from the end of the financial year in compliance with the provision of sub-section (6) of section 135 of the said Act.
- xxi. The company does not have any Indian Subsidiary and hence reporting under this clause is not applicable to the company.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 22211916AIELYU3942

Place: Coimbatore
Date: 30.04.2022

“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 with reference to financial statements of L.G.BALAKRISHNAN & BROS LIMITED (“the Company”), as of 31st March 2022 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 and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 with reference to standalone financial statements based on our audit. We conducted our audit in accordance with 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 with reference to standalone financial statements. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company’s internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to Financial Statement:

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

Opinion:

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal financial controls with reference to financial statements 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: 22211916AIELYU3942

Place: Coimbatore
Date: 30.04.2022

BALANCE SHEET AS AT 31.03.2022

₹ in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments and Intangible assets			
(i) Property, Plant and Equipments	1	44,320.58	47,937.32
(ii) Capital work-in-progress		1,424.05	417.91
(iii) Investment Property	1	963.49	1,107.17
(iv) Intangible assets	1	95.59	136.21
(v) Right of use Asset	1	840.05	1,098.36
(b) Financial assets			
(i) Investments	2	13,687.46	9,551.00
(ii) Other financial assets	3	1,539.85	1,456.74
(c) Other non-current assets	4	1,272.88	946.50
Total Non-Current Asset		64,143.95	62,651.21
2 Current assets			
(a) Inventories	5	41,353.66	28,827.41
(b) Financial assets			
(i) Trade receivables	6	27,678.72	22,916.93
(ii) Cash and cash equivalents	7A	5,666.52	5,790.09
(iii) Bank balances other than (ii) above	7B	22,852.41	8,641.31
(iv) Other financial assets	8	245.42	133.97
(c) Current tax Asset(Net)		-	724.83
(d) Other current assets	9	3,270.35	2,918.99
Total Current Assets		1,01,067.08	69,953.53
3 Asset held for Sale	1	8.55	8.55
Total Assets		1,65,219.58	1,32,613.29
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	3,139.24
(b) Other Equity	11	1,08,443.22	83,759.85
Total Equity		1,11,582.46	86,899.09

BALANCE SHEET AS AT 31.03.2022 (CONTD..)

₹ in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	1,291.09	931.73
(ii) Lease Liabilities		1,042.94	1,266.90
(b) Provisions	13	1,437.96	1,085.54
(c) Deferred tax liabilities (net)		1,340.38	1,412.27
Total Non Current Liabilities		5,112.37	4,696.44
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	6,696.67	4,854.05
(ii) Trade payables			
- total outstanding dues of micro & small enterprises		1,786.73	1,406.58
- total outstanding dues other than micro & small enterprises	15	23,140.49	22,016.29
(iii) Other financial liabilities	16	14,214.11	11,828.48
(b) Provision	17	31.42	38.81
(c) Current tax Liabilities(Net)		103.48	-
(d) Other current liabilities	18	2,551.85	873.55
Total Current Liabilities		48,524.75	41,017.76
Total Equity & Liabilities		1,65,219.58	1,32,613.29

See accompanying notes forming part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

 For **SURI & CO.**

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

Senior General Manager

(Legal) and Company

Secretary

ACS NO. A14273

Place : Coimbatore

Date : 30.04.2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
A. CONTINUING OPERATIONS			
1 Revenue from operations(net)	19	2,00,797.60	1,53,147.43
2 Other income	20	973.93	696.81
3 Total Income (1 + 2)		2,01,771.53	1,53,844.24
4 Expenses:			
(a) Cost of materials consumed	21 a	97,339.06	68,409.18
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21 b	(7,178.38)	680.62
(c) Employee benefits expense	22	27,714.42	22,729.05
(d) Finance costs	23	788.13	920.71
(e) Depreciation and amortisation expense		7,734.22	7,749.26
(f) Other expenses	24	45,143.24	35,169.48
Total Expenses		1,71,540.69	1,35,658.30
5 Profit before exceptional items and tax (3-4)		30,230.84	18,185.94
6 Exceptional items		2,273.75	1,362.26
7 Profit / (Loss) before tax for the period(5+6)		32,504.59	19,548.20
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	25	8,741.88	4,950.90
(b) Current-tax expense relating to prior year		307.46	-
(c) Deferred tax	26	(455.79)	(223.43)
Net tax expense		8,593.55	4,727.47
9 Profit / (Loss) for the period (7 - 8)		23,911.04	14,820.73
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		159.01	388.49
(2) On account of Investment Fair valuation		4,136.47	4,030.14
(ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		(383.90)	(390.90)
(B) Items that will be reclassified to Profit or Loss Account		-	-
11 Total Comprehensive income for the year		27,822.62	18,848.46
12 Earnings per share (Face value of ₹ 10/- each)			
(a) Basic		76.17	47.21
(b) Diluted		76.17	47.21

See accompanying notes forming part of the financial statements

As per our report of even date attached

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 : 30.04.2022

B. VIJAYAKUMAR

Chairman and Managing Director

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

Senior General Manager

(Legal) and Company

Secretary ACS NO. A14273

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2022

₹ in Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A Cash flow from operating activities		
Net Profit before Tax	32,504.59	19,548.20
Adjustments for:		
Depreciation	7,734.22	7,749.26
Provision for Doubtful Debts	109.30	(128.24)
Profit/Loss on sale of assets	(10.11)	(40.87)
Profit/Loss on Sale of Investment	-	(35.64)
Assets condemned/Written off	23.26	84.66
Provision for contingencies	300.00	-
Interest and Finance Charges	788.13	920.71
Interest Income	(772.09)	(408.69)
Dividend Income	(33.12)	(0.77)
	8,139.59	8,140.42
Operating profit before working capital changes	40,644.18	27,688.62
Changes in Working Capital		
Provisions - Non Current	211.42	148.96
Other Financial Assets - Non Current	(83.12)	(119.21)
Other Non Current Assets	(326.38)	(178.31)
Inventories	(12,526.25)	(1,914.53)
Trade Receivables	(4,871.09)	(6,955.26)
Other Financial Assets - Current	(111.45)	(66.72)
Other Current Assets	(351.36)	(2,366.71)
Trade Payables	1,504.36	9,740.67
Other financial liabilities	2,374.53	251.48
Current Liabilities	1,678.30	92.46
Provisions - Current	(7.39)	(6.92)
Cash generated from operations	28,135.75	26,314.53
Income tax paid, net of refunds received	(8,221.03)	(4,711.39)
Net Cash generated from operating activities (A)	19,914.72	21,603.14
B. Cash flow from Investing activities		
Capital expenditure, including capital advances	(4,705.97)	(3,730.91)
Investment in Foreign subsidiary	-	(598.29)
Investment in Others	-	(313.20)
Proceeds from sale of fixed assets	11.82	55.46
Proceeds from sale of Investments	-	42.90
Bank Balances not considered as cash and cash equivalents	(14,211.10)	(8,482.42)
Dividend income	33.12	0.77
Interest Income	772.09	408.69
Net cash used in Investing activities (B)	(18,100.04)	(12,617.00)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2022

₹ in Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
C. Cash flow from financing activities		
Interest and Finance Charges	(680.45)	(796.96)
Dividend Paid including Tax	(3,128.14)	(20.08)
Lease Payments	(331.64)	(312.76)
Borrowings - Current and Non-current (Net)	2,201.98	(2,305.27)
Net cash used in financing activities (C)	(1,938.25)	(3,435.07)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	(123.57)	5,551.07
Cash and Cash Equivalents at the beginning of the year	5,790.09	239.02
Cash and Cash Equivalents at the end of the year	5,666.52	5,790.09

See accompanying notes forming part of the financial statements

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

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

 Place : Coimbatore
 Date : 30.04.2022

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
 Senior General Manager
 (Legal) and Company
 Secretary
 ACS NO. A14273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
STATEMENT OF CHANGES IN EQUITY
A. Equity Share Capital

(₹ in Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Balance as at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital during the year	-	-
Balance as at end of the year	3,139.24	3,139.24

B. Other Equity

(₹ in Lakhs)

For the Year ended 31 March, 2022

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI - Equity instruments	
Balance as at 01.04.2021	1,530.99	70,000.00	9,832.20	2,396.66	83,759.85
Changes in accounting policies and prior period errors	-	-	-	-	-
Restated Balance as at 01.04.2021	1,530.99	70,000.00	9,832.20	2,396.66	83,759.85
Profit for the Year	-	-	23,911.04	-	23,911.04
Other comprehensive income / (losses)	-	-	118.99	3,792.58	3,911.57
Dividends	-	-	(3,139.24)	-	(3,139.24)
Transfer to Reserves	-	20,000.00	(20,000.00)	-	-
Balance as at 31.03.2022	1,530.99	90,000.00	10,722.99	6,189.24	1,08,443.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

For the Year ended 31 March, 2021

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI - Equity instruments	
Balance as at 01.04.2020	1,530.99	60,000.00	4,720.76	(1,340.36)	64,911.40
Changes in accounting policies and prior period errors	-	-	-	-	-
Restated Balance as at 01.04.2020	1,530.99	60,000.00	4,720.76	(1,340.36)	64,911.40
Profit for the Year	-	-	14,820.73	-	14,820.73
Other comprehensive income / (losses)	-	-	290.71	3,737.02	4,027.72
Dividends	-	-	-	-	-
Transfer to Reserves	-	10,000.00	(10,000.00)	-	-
Balance as at 31.03.2021	1,530.99	70,000.00	9,832.20	2,396.66	83,759.85

See accompanying notes forming part of the financial statements

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

 Chartered Accountants
 Firm Registration No.: 004283S
M. SIVARAM
 Partner
 Membership No.211916

 Place : Coimbatore
 Date : 30.04.2022

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
 Senior General Manager
 (Legal) and Company
 Secretary
 ACS NO. A14273



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 and metal forming. 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.

Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non current classification.

(a) An asset is treated as Current when it is -

- Expected to be realised or intended to be sold or

consumed in normal operating cycle;

- Held primarily for the purpose of trading;
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

(b) A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in "Material Changes and commitments affecting the financial position between the end of the fiscal and date of the report" in the Board's report.

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:

- Derivative financial instruments
- 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 30th April, 2022.

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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.

RODTEP and other export incentives

The products of the company are eligible for various export incentives from the Government of India. Such incentives are recognised as other operating revenue when there is a reasonable assurance that the company will comply with all the necessary conditions attached to that.

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 other non-current assets 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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:

- 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 Assets at FVTOCI

The Company classifies a Financial Assets 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022

1 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment										Intangible Assets			Total	Investment Property	Asset held for sale	Total
	Land	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment	Other Assets	Total	Technical know how	Computer Software	Right of use Asset					
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	299.87	260.57	1,614.97	1,116.97	123.21			78,544.24
Additions	6.11	322.52	2,992.23	32.41	73.86	124.04	27.71	100.08	3,678.96	-	20.88	-	-	-	3,699.84		3,699.84
Disposals / Transfers	(0.02)	(4.14)	(291.13)	(2.94)	(12.16)	(3.13)	(9.71)	(70.55)	(393.78)	-	-	-	-	-	(393.78)		(393.78)
Cost as at March 31, 2022	7,981.80	13,830.68	50,873.19	300.33	2,526.52	653.56	258.00	1,989.75	78,413.83	299.87	281.45	1,614.97	1,116.97	123.21			81,850.30
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	230.42	193.81	516.61	9.80	114.66			28,256.63
Charge for the year	16.94	868.74	5,710.87	34.57	239.38	76.97	37.71	285.57	7,270.73	30.56	30.94	258.31	143.68	-			7,734.22
Disposals / Transfers	-	(2.63)	(271.70)	(2.82)	(11.01)	(2.97)	(9.14)	(68.54)	(368.81)	-	-	-	-	-	(368.81)		(368.81)
Depreciation as at March 31, 2022	93.37	4,048.75	27,191.75	176.55	990.05	231.92	140.35	1,220.53	34,093.25	260.98	224.75	774.92	153.48	114.66			35,622.04
Net Block																	
As at March 31, 2021	7,899.28	10,329.66	26,419.51	126.06	1,703.14	374.73	128.22	956.72	47,937.32	69.45	66.76	1,098.36	1,107.17	8.55			50,287.61
As at March 31, 2022	7,888.43	9,781.93	23,681.44	123.78	1,536.47	421.64	117.65	769.22	44,320.58	38.89	56.70	840.05	963.49	8.55			46,228.26

Revaluation during the year - Nil (Previous Year - Nil)

CWIP

Particulars	31.03.2022	31.03.2021
Capital Work in Progress	1,424.05	417.91

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
CWIP	1424.05	-	-	-	1424.05
Project in Progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

CWIP completion schedule where completion is overdue or has exceeded the cost compared to its original plan - Nil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
2 INVESTMENTS

(₹ In Lakhs)

Particulars	Number of Shares	Face Value in ₹	As at 31 March, 2022			Number of Shares	Face Value in ₹	As at 31 March, 2021		
			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	871.97	1.00		3257.13	3257.13
(b) Investment in Equity instruments										
(Fully paid up) (Quoted)										
At Fair value through Other Comprehensive Income										
(i) Others:										
Elgi Equipments Limited	2459412	1.00	6875.29		6875.29	2459412	1.00	4691.33		4691.33
LGB Forge Limited	29000000	1.00	3132.00		3132.00	29000000	1.00	1087.50		1087.50
Super Spinning Mills Limited	10000	1.00	1.15		1.15	10000	1.00	0.40		0.40
Tube Investments of India Limited	1100	1.00	17.87		17.87	1100	1.00	13.13		13.13
Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited)	1100	1.00	6.80		6.80	1100	1.00	6.59		6.59
Union Bank of India (Formerly known as Corporation Bank)	3960	2.00	1.53		1.53	3960	2.00	1.34		1.34
(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		11.90	11.90	5000	10.00		6.79	6.79
Silent Chain India (P) Limited	770	10.00		1.92	1.92	770	10.00		1.43	1.43
LG Farm Products (P) Limited	10000	10.00		7.57	7.57	10000	10.00		5.61	5.61
South West Engineering India Limited	427	1000.00		148.27	148.27	427	1000.00		166.55	166.55
Super Speeds (P) Limited	130500	10.00		226.03	226.03	130500	10.00		313.20	313.20
			10,034.64	3,652.82	13,687.46			5,800.29	3,750.71	9,551.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
3 OTHER FINANCIALS ASSETS		
(a) Security and other deposits	1,539.85	1,456.74
Total	1,539.85	1,456.74
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	689.57	396.54
(b) Rent and other advances	315.93	282.58
(c) Advance recoverable	229.55	229.55
(d) Income and claims receivable	37.83	37.83
Total	1,272.88	946.50
5 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	12,105.49	7,433.98
(b) Work-in-progress	12,521.69	9,107.40
(c) Finished products	12,146.25	8,382.16
(d) Others		
(i) Packing materials	509.15	370.36
(ii) Stores & spares	1,908.28	1,850.77
(iii) Loose tools	2,162.80	1,682.74
Total	41,353.66	28,827.41
6 TRADE RECEIVABLE		
(i) Unsecured, considered good	27,678.72	22,916.93
(ii) Having significant increase in credit risk	-	-
(ii) Credit Impairment	157.27	47.97
Less: Allowance for expected credit losses	157.27	47.97
Total	27,678.72	22,916.93

TRADE RECEIVABLES SCHEDULE

For the year ended March 31, 2022

PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	27,269.23	393.69	0.16	-	-	27,663.08
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	23.82	60.11	-	8.16	92.09
Disputed - considered doubtful	-	13.31	1.29	1.76	64.46	80.82
Less: Allowance for expected credit losses	(68.29)	(13.31)	(1.29)	(1.76)	(72.62)	(157.27)
Total	27,200.94	417.51	60.27	-	-	27,678.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs		As at 31.03.2021 ₹ in Lakhs			
For the year ended March 31, 2021						
PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	22,743.87	110.98	20.28	0.44	-	22,875.57
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	10.95	8.16	-	2.70	21.81
Disputed - considered doubtful	-	0.30	2.76	-	64.46	67.52
Less: Allowance for expected credit losses	-	-	-	-	(47.97)	(47.97)
Total	22,743.87	122.23	31.20	0.44	19.19	22,916.93
7 CASH AND CASH EQUIVALENTS						
A Cash and cash equivalents (as per IND AS 7 Cash Flow Statements)						
(a) Cash- on- Hand			4.74			5.37
(b) Balances with Banks						
(i) In Current Account			22.50			6.85
(ii) In Collection Account			139.28			177.87
(iii) In Deposit Account with less than 3 months maturity			5,500.00			5,600.00
Total			5,666.52			5,790.09
B Other Bank Balances						
(a) In Margin money with Banks			271.00			271.00
(b) In Deposit Account with more than 3 months maturity			22,500.00			8,300.00
(c) In Earmarked Accounts						
Unpaid Dividend Account			81.41			70.31
Total			22,852.41			8,641.31
Total Cash and cash equivalents (A+B)			28,518.93			14,431.40
8 OTHER FINANCIAL ASSETS						
(a) Loans and advances to employees			37.12			41.81
(b) Interest accrued on Deposits			208.30			92.16
Total			245.42			133.97

Notes:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
9 OTHER CURRENT ASSETS		
(a) Prepaid expenses	554.27	261.08
(b) Balance with govt authorities	77.72	158.79
(c) Advance recoverable	110.83	135.41
(d) Income and claims receivable	239.69	291.38
(e) Supplier Advance	2,287.84	2,072.33
Total	3,270.35	2,918.99

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹ in Lakhs	Number of shares	₹ 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:

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, 2022					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3,139.24	-	-	-	3,139.24
Year ended 31st March, 2021					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3,139.24	-	-	-	3,139.24

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
10 (ii) Details of shares held by Promoter

Name of the shareholder	As at 31 March 2022		As at 31 March, 2021		% Change during the year
	Number of shares held	% of holding	Number of shares held	% of holding	
Equity shares with voting rights					
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00	-
Rajsri Vijayakumar	21,79,152	6.94	21,79,152	6.94	-
LGB Auto Products Private Limited	17,50,000	5.57	17,50,000	5.57	-
Jeshta Family Private Trust	15,60,000	4.97	15,60,000	4.97	-
LG Farm Products Private Limited	8,00,000	2.55	8,00,000	2.55	-
L G Sports Private Limited	4,00,000	1.27	4,00,000	1.27	-
K Nithin	2,00,000	0.64	2,04,800	0.65	(0.01)
Super Transports Private Limited	1,40,000	0.45	1,40,000	0.45	-
K Arjun	1,16,845	0.37	2,09,541	0.67	(0.30)
Elgi Automotive Service Pvt Ltd	80,000	0.25	80,000	0.25	-
Super Speeds Private Limited	50,000	0.16	50,000	0.16	-
Vijayshree Vijayakumar	24,500	0.08	25,698	0.08	-
Tribe Investment & Services P Ltd	10,705	0.03	10,705	0.03	-
Silent Chain India Pvt Ltd	7,200	0.02	7,200	0.02	-
Rajiv Parthasarathy	4	-	4	-	-
V.Rajviradhan	-	-	27,40,065	8.73	(8.73)
Total	1,07,72,406	34.32	1,36,11,165	43.36	(9.04)

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

Name of the shareholder	As at 31 March 2022		As at 31 March, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00
Rajsri Vijayakumar	21,79,152	6.94	21,79,152	6.94
L.G.B.Auto Products (P) Ltd	17,50,000	5.57	17,50,000	5.57
HDFC Small Cap Fund	24,75,303	7.89	20,92,758	6.67
V.Rajviradhan	-	-	27,40,065	8.73
Nippon Life India Trustee Ltd A/c Nippon India Small Cap Fund	9,30,297	2.96	20,44,142	6.51

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

(a) The company has only one class of equity shares having a par value of ₹ 10/- each. The equity shares of the Company ranks pari passu in all aspects including rights and entitlement to dividend.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b) Dividend proposed by Board of Directors (₹ 15/- per Equity Share) for the Financial Year 2021-2022 for Face Value ₹ 10/- is subject to approval of Shareholders in ensuing Annual General Meeting.

10 (v) 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.)

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ 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	70,000.00	60,000.00
Add:Transfer from surplus in Statement of Profit and Loss	20,000.00	10,000.00
Closing balance	90,000.00	70,000.00
(c) Other Comprehensive Income - FVOCI - Equity Instruments		
Opening Balance	2,396.66	(1,340.36)
Add:Accounted during the year	3,792.58	3,737.02
Closing balance	6,189.24	2,396.66
(d) Retained Earnings		
Opening balance	9,832.20	4,720.76
Add : Profit/(Loss) for the year	23,911.04	14,820.73
Add : Remeasurement of defined employee benefit plans	118.99	290.71
Less : Final Dividend & Dividend tax paid for FY 2020-21	3,139.24	-
Less : Transferred to General reserve	20,000.00	10,000.00
Closing balance	10,722.99	9,832.20
Total	1,08,443.22	83,759.85
12 BORROWINGS		
(a) Term loans :		
From banks		
Secured	-	-
(b) Fixed deposits:		
From other parties		
Unsecured	150.29	172.93
From related parties		
Unsecured	1,140.80	758.80
Total	1,291.09	931.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
12 (i)

- (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 7.00% during the year.

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
13 PROVISIONS		
(i) Provision for contingencies	1,000.00	700.00
(ii) Provision for Leave Salary	330.45	283.15
(iii) Others	107.51	102.39
	1,437.96	1,085.54
14 BORROWINGS		
(a) Loan repayable on demand		
From banks		
Secured (Refer 14(i) (c) below)	5,096.94	3,516.17
(b) Loan from directors		
Unsecured	380.00	50.00
(c) Loan from corporates		
Unsecured	905.00	395.00
(d) Current maturities of long-term debt (Refer Note (iii) below)	314.73	892.88
	6,696.67	4,854.05

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 5.00% to 10.35%
 (c) Break-up of loan repayable on demand and financial institutions.

Particulars	As at 31 March 2022		As at 31 March, 2021	
	Secured ₹ in Lakhs	Unsecured ₹ in Lakhs	Secured ₹ in Lakhs	Unsecured ₹ in Lakhs
Loan repayable on Demand				
From Banks				
Union Bank of India	(0.21)	-	(1.75)	-
HDFC Bank Ltd	2,219.05	-	813.93	-
ICICI Bank Ltd	(11.75)	-	747.27	-
Indusind Bank Ltd	(0.76)	-	(6.38)	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31 March 2022		As at 31 March, 2021	
	Secured ₹ in Lakhs	Unsecured ₹ in Lakhs	Secured ₹ in Lakhs	Unsecured ₹ in Lakhs
IDBI Bank Ltd	390.61	-	463.10	-
Hongkong and Shanghai Banking Corporation Ltd	2,500.00	-	1,500.00	-
Total - Loan from banks	5,096.94	-	3,516.17	-

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
14 (ii) Note: There was no default in the repayment of loans and interest during the year.		
14 (iii) Current maturities of Long-term debt:		
Fixed Deposits:	314.73	892.88
Total - Current maturities of Long-term debt	314.73	892.88
15 TRADE PAYABLE		
Trade payables		
- total outstanding dues of micro & small enterprises	1,786.73	1,406.58
- total outstanding dues other than micro & small enterprises	23,140.49	22,016.29
	24,927.22	23,422.87

TRADE PAYABLE AGEING SCHEDULE
For The Year Ended 31 March, 2022

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - years	More than 3 years	Total
MSME	1,786.29	-	-	-	1,786.29
Others	23,122.50	-	-	-	23,122.50
Disputed dues - MSME	-	0.44	-	-	0.44
Disputed dues - Others	-	13.65	4.34	-	17.99
Total	24,908.79	14.09	4.34	-	24,927.22

For The Year Ended 31 March, 2021

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - years	More than 3 years	Total
MSME	1,391.71	-	-	-	1,391.71
Others	21,973.69	-	-	-	21,973.69
Disputed dues - MSME	-	14.87	-	-	14.87
Disputed dues - Others	-	42.60	-	-	42.60
Total	23,365.40	57.47	-	-	23,422.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
16 OTHER FINANCIAL LIABILITIES		
(a) Interest accrued but not due on secured loans	17.81	-
(b) Interest accrued but not due on Unsecured loans	29.02	22.29
(c) Interest accrued on deposits from customers	69.90	61.66
(d) Unclaimed dividends (Refer (i) below)	81.41	70.31
(e) Payable on purchase of fixed assets	469.28	614.25
(f) Other Liabilities	13,546.69	11,059.97
Total	14,214.11	11,828.48
16 (i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
17 PROVISIONS		
(a) Provision for Leave Salary	31.42	38.81
Total	31.42	38.81
18 OTHER CURRENT LIABILITIES		
(a) Statutory remittances	1,275.61	204.45
(b) Advance and deposits from customers etc.,	1,276.24	669.10
Total	2,551.85	873.55
19 REVENUE FROM OPERATIONS		
a) Sale of products	1,83,563.38	1,42,415.95
b) Other operating revenue		
(i) Scrap sales	16,516.83	9,946.57
(ii) Duty drawback and other export incentives	717.39	784.91
Revenue from operations (Gross)	2,00,797.60	1,53,147.43
20 OTHER INCOME		
a) Interest income		
(i) Interest on fixed deposit with banks	729.26	381.56
(ii) Interest on deposit with TNEB	36.43	15.99
(iii) Others	6.40	11.14
Total Interest Income	772.09	408.69
b) Dividend income:	33.12	0.77
c) Other non-operating income		
(i) Rental and lease income	77.03	84.70
(ii) Agricultural income	3.23	6.99
(iii) Profit on sale of assets	10.11	41.10
(iv) Miscellaneous receipts	78.35	154.56
Total	973.93	696.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
21(A) COST OF MATERIALS CONSUMED		
Opening Stock:	7,804.34	4,918.44
Add:Purchases	1,02,149.37	71,295.08
Less:Closing Stock	12,614.65	7,804.34
Cost of material consumed	97,339.06	68,409.18
B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	12,146.25	8,382.15
Work-in-progress	12,521.69	9,107.40
	24,667.94	17,489.55
Inventories at the beginning of the year		
Finished goods	8,382.16	7,865.34
Work-in-progress	9,107.40	10,304.83
	17,489.56	18,170.17
Net decrease / (increase)	(7,178.38)	680.62
22 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	25,059.95	20,695.75
(b) Contribution to provident and other funds	1,475.46	1,168.74
(c) Staff welfare expenses	1,179.01	864.56
Total	27,714.42	22,729.05
23 FINANCE COSTS		
(a) Interest expenses:		
(i) On borrowings:	680.45	796.96
(ii) On Lease Liability	107.68	123.75
Total	788.13	920.71
24 OTHER EXPENSES		
(a) Consumption of stores and spare parts	12,965.17	9,675.78
(b) Processing charges	9,194.48	6,927.92
(c) Power and Fuel	8,122.09	6,625.98
(d) Rent including lease rentals	520.22	450.79
(e) Repairs & maintenance of		
(i) Buildings	278.88	287.24
(ii) Machinery	2,118.63	1,670.66
(iii) Other assets	2,032.55	1,354.40
(f) Insurance	173.01	145.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
(g) Rates and taxes	214.94	203.58
(h) Travelling and conveyance	297.33	237.69
(i) Printing and stationery	30.85	20.13
(j) Postage, telegram and telephones	93.00	110.54
(k) Freight, packing & forwarding	6,814.75	5,942.72
(l) Advertisement, publicity and selling expenses	117.89	162.80
(m) Bank charges	75.17	77.32
(n) Legal and professional charges	344.53	231.00
(o) Payments to auditors (Refer note (i) below)	20.50	19.81
(p) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	286.29	240.05
(q) Bad debts written off	-	-
(r) Assets condemned & written off	23.26	84.66
(s) Provision for doubtful debts/advances	109.30	(128.24)
(t) Loss on sale of Assets	-	0.23
(u) Provision for contingencies	300.00	-
(v) Loss on foreign currency transactions and translation	37.30	(9.87)
(w) Sitting fees	12.90	10.29
(x) Watch and Ward	883.91	766.65
(y) Agricultural expenses	24.64	14.23
(z) Miscellaneous expenses	51.65	47.15
	45,143.24	35,169.48
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of GST input credit wherever applicable)		
(a) To Statutory Auditors:		
For statutory audit	15.00	13.50
For certification and other services	-	2.06
(b) To Tax Auditors:		
For taxation matters	3.50	2.50
(c) To cost auditors for cost audit	2.00	1.75
Total	20.50	19.81
(ii) Details of CSR Expenditure:		
(i) Contribution to		
Educational Aids to Students	110.64	52.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Deposit with Bank account	101.04	-
Covid-19 Vaccination camp and Mask expenses	26.89	-
Chief Minister's Relief Fund	25.00	50.00
Amrit Centre for Special Needs	10.00	10.00
Lift irrigation Project	6.00	-
LRG & GD Trust	-	10.00
CCTV camera	2.04	3.03
L.G.B Educational Foundation	-	75.00
Food Supplied to Poor families	-	15.09
Mysore School Building	-	9.93
Car Shed - Annur Police Station	-	3.32
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
(ii) Contribution to others	4.68	4.62
	286.29	240.05
25 INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	8,741.88	4,950.90
Adjustments for current tax of prior periods	307.46	-
Total current tax expense	9,049.34	4,950.90
26 DEFERRED TAX:		
Decrease/ (Increase) in deferred tax assets	-	-
(Decrease)/ Increase in deferred tax Liabilities	(455.79)	(223.43)
Total deferred tax expense/ (benefit)	(455.79)	(223.43)
Income tax expense	8,593.55	4,727.47
The Income-tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	32,504.59	19,548.20
Income-tax expense calculated at 25.168%	8,180.76	4,919.89
Add: Tax effect on earlier year disallowances	307.46	-
Less: Tax effect on non-deductible expense	118.14	-
Less: Net tax effect on additional deduction	(12.81)	(192.42)
Total tax expense	8,593.55	4,727.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
27 FAIR VALUE MEASUREMENT

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2022					March 31, 2021				
	FVTPL	FVOCI	Amor- tised Cost	Total Car- rying Value	Total Fair Value	FVTPL	FVOCI	Amor- tised Cost	Total Car- rying Value	Total Fair Value
Financial Assets										
Investments										
- Equity instruments (other than subsidiary and associates)	-	10,430.33	-	10,430.33	10,430.33	-	6,293.87	-	6,293.87	6,293.87
Trade Receivables	-	-	27,678.72	27,678.72	27,678.72	-	-	22,916.93	22,916.93	22,916.93
Cash and bank balances	-	-	28,518.93	28,518.93	28,518.93	-	-	14,431.40	14,431.40	14,431.40
Other Financial assets	-	-	1,785.29	1,785.29	1,785.29	-	-	1,590.71	1,590.71	1,590.71
Total Financial Assets	-	10,430.33	57,982.94	68,413.27	68,413.27	-	6,293.87	38,939.04	45,232.91	45,232.91
Financial Liabilities										
Borrowings	-	-	7,987.76	7,987.76	7,987.76	-	-	5,785.78	5,785.78	5,785.78
Trade Payables	-	-	24,927.22	24,927.22	24,927.22	-	-	23,422.87	23,422.87	23,422.87
Lease Liabilities	-	-	1,042.94	1,042.94	1,042.94	-	-	1,266.90	1,266.90	1,266.90
Other Financial liabilities	-	-	14,214.12	14,214.12	14,214.12	-	-	11,828.48	11,828.48	11,828.48
Total Financial Liabilities	-	-	48,172.04	48,172.04	48,172.04	-	-	42,304.03	42,304.03	42,304.03

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Particulars	March 31, 2022				March 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	10,034.64	-	-	10,034.64	5,800.29	-	-	5,800.29
Unlisted Equity instruments	395.69	-	-	395.69	493.58	-	-	493.58
Total Financial Assets	10,430.33	-	-	10,430.33	6,293.87	-	-	6,293.87
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

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

Particulars	March 31, 2022				March 31, 2021			
	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(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.

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.

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Fair Market Value of Investment Properties		
a) Land	538.99	538.99
b) Building	424.50	568.18
Total	963.49	1,107.17

28 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 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Gearing Ratio:		
Debt	1,291.09	931.73
Less: Cash and bank balances	28,518.93	14,431.40
Net debt	(27,227.84)	(13,499.67)
Total equity	1,11,582.46	86,899.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Net debt to equity ratio (%)	-24.40%	-15.53%
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Loans Given	-	-
Other non-current financial assets	1,539.86	1,456.74
Trade receivables	27,678.72	22,916.93
Cash and cash equivalents	5,666.52	5,790.09
Bank balances other than above	22,852.41	8,641.31
Other financial assets	245.42	133.97
b. Mandatorily measured at fair value through OCI (FVOCI)		
- Equity instruments (other than subsidiary and associates)	10,430.33	6,293.87
Financial liabilities		
a. Measured at amortised cost		
Borrowings	7,987.76	5,785.78
Trade payables	24,927.22	23,422.87
Other financial liabilities	14,214.11	11,828.48
Lease Liabilities	1,042.94	1,266.90

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
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 company does not have any open forward contracts as on 31st March 2022.

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:

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, 2022							
USD	14,58,329.10	-	14,58,329.10	63,30,999.38	-	63,30,999.38	48,72,670.28
EUR	11,316.00	-	11,316.00	28,16,262.44	-	28,16,262.44	28,04,946.44
GBP	-	-	-	2,74,084.06	-	2,74,084.06	2,74,084.06
JPY	4,55,90,500.00	-	4,55,90,500.00	-	-	-	(4,55,90,500.00)
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)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
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.

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.

	₹ in Lakhs			
	Due in 1 st year	Due in 2 nd to 5 th year	Due after 5 th year	Carrying amount
March 31, 2022				
Trade payables	24,927.22	-	-	24,927.22
Other financial liabilities	14,214.11	-	-	14,214.11
Borrowings	6,696.68	-	-	6,696.68
	45,838.01	-	-	45,838.01
March 31, 2021				
Trade payables	23,422.87	-	-	23,422.87
Other financial liabilities	11,828.48	-	-	11,828.48
Borrowings	4,854.05	-	-	4,854.05
	40,105.40	-	-	40,105.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	March 31, 2022	March 31, 2021
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
29 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	162.72	100.00
(ii) Entry Tax	408.36	408.36
(iii) VAT/CST	374.86	399.47
(iv) Income Tax	1,304.34	1,304.34
TOTAL	2,250.28	2,212.17
(b) Guarantee given by Bankers and outstanding	276.63	77.94
(c) Corporate guarantee given for others	-	2,700.00
(d) Estimated customs duty obligation on Imports, if corresponding export obligation is not satisfied	512.99	432.75
Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	6,106.33	2,869.78

30 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 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
(i) Principal amount remaining unpaid to any supplier as at end of the accounting year	1,786.73	1,406.58
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	NIL	NIL
(iii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
(iv) Amount of interest due and payable for the period of delay in making payment but without adding interest as specified in the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
(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

31a) Remuneration to Chairman and Managing Director (CMD) and Managing Director (MD) and Whole Time Director (WTD) is included in Salary, Wages & Bonus: (₹ in Lakhs)

Particulars	For the year ended 31 March, 2022			For the year ended 31 March, 2021		
	CMD	MD	WTD	CMD	MD	WTD
Salaries & Allowances	113.01	77.00	16.00	106.31	71.00	-
Commission	674.27	168.57	-	399.53	99.88	-
Contribution to Provident Fund	13.56	9.24	1.92	12.38	8.25	-
Total	800.84	254.81	17.92	518.22	179.13	-

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 and Whole Time Director:

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Profit before tax	32,504.59	19,548.20
Add: Managerial remuneration (Refer Note)	1,073.57	697.35
Sitting fees to directors	12.90	10.29
Provision for doubtful debts/advances	109.30	(128.24)
Loss on Sales of Assets	-	0.23
Assets condemned and written off	23.26	84.66
Less: Profit on Sale of Assets/Investments	10.11	235.94
Net profit	33,713.51	19,976.55
Maximum remuneration payable to Chairman & Managing Director and Managing Director - 10% of the net profit	3,371.35	1,997.66
Commission payable @ 2% of Net Profit to CMD	674.27	399.53
Commission payable @ 0.50% of Net Profit to MD	168.57	99.88

Note : The remuneration paid / payable to the Chairman and Managing Director and Managing Director and Wholetime Director for the year is within the limits specified in Section 197 of the Companies Act, 2013.

32 DETAILS OF GOVERNMENT GRANTS

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Government grants received by the Company during the year towards		
Duty drawback and other export incentives	717.39	784.91
Subsidy received	2,273.75	1,167.43
Total	2,991.14	1,952.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
33 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 ₹ 1,073.45 Lakhs (Year ended 31 March, 2021 ₹ 812.29 Lakhs) for Provident Fund contributions and ₹ 21.89 Lakhs (Year ended 31 March, 2021 ₹ 7.86 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 ₹ 217.71 Lakhs (Year ended 31 March, 2021 ₹ 173.07 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 22 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 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Components of employer expenses		
Current service cost	190.46	175.57
Interest cost	197.98	185.94
Expected return on Plan Assets	(226.02)	(185.99)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	162.42	175.52
Actual contribution and the benefit payments for the year		
Actual benefit payments	(134.56)	(120.27)
Actual contribution	358.59	382.50
Other Comprehensive Income		
Opening OCI	213.65	391.19
Actuarial Loss / (Gain) on DBO	(123.84)	(194.75)
Actuarial Loss / (Gain) on Assets	39.57	17.21
Total recognized in Other Comprehensive Income	(84.27)	(177.54)
Closing Recognised in OCI	129.38	213.65
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	2,833.56	2,703.52
Fair value of plan assets	3,308.08	2,897.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Funded Status [Surplus/(Deficit)] *	474.52	194.08
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	474.52	194.08
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	2,703.52	2,657.03
Current service cost	190.46	175.57
Interest cost	197.98	185.94
Actuarial (gain) / loss on obligation	(123.84)	(194.75)
Benefits paid	(134.56)	(120.27)
Present value of DBO at the end of the year	2,833.56	2,703.52
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	2,897.60	2,466.59
Acquisition adjustment		
Expected return on Plan Assets	226.02	185.99
Contributions by the employer	358.59	382.50
Actuarial gain / (loss)	(39.57)	(17.21)
Benefits paid	(134.56)	(120.27)
Plan Assets at the end of the year	3,308.08	2,897.60
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	2,833.56	2,703.52
Closing FV of Plan Assets	3,308.08	2,897.60
Funded Status [Surplus/(Deficit)] *	474.52	194.08
* - 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)	7.51%	7.16%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	7.51%	7.16%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
* - Included in "Contribution to Provident & Other Funds" in Note 22 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on Obligation	(123.84)	(194.75)
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	39.57	17.21
Total comprehensive Income for the year	(84.27)	(177.54)
Actuarial (Gains) and Losses Recognized in the year	(84.27)	(177.54)
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.

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
(iv) Sensitivity Analysis:		
A. Discount Rate + 100 BP	-9.60%	-9.02%
Defined Benefit Obligation [PVO]	2,561.43	2,459.54
B. Discount Rate - 100 BP	11.32%	10.60%
Defined Benefit Obligation [PVO]	3,154.26	2,989.95
C. Salary Escalation Rate + 100 BP	10.09%	9.70%
Defined Benefit Obligation [PVO]	3,119.55	2,965.75
D. Salary Escalation Rate - 100 BP	-8.91%	-8.56%
Defined Benefit Obligation [PVO]	2,581.13	2,472.00
E. Attrition Rate + 100 BP	-2.79%	-2.83%
Defined Benefit Obligation [PVO]	2,754.39	2,627.04
F. Attrition Rate - 100 BP	3.23%	3.26%
Defined Benefit Obligation [PVO]	2,925.16	2,791.58

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 15.11 years (2020-21 - 15.91 years). The expected maturity analysis of undiscounted gratuity is as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Less than 1 year	115.39	157.33
Between 1 - 2 years	123.73	125.96
Between 2 - 3 years	148.12	138.76
Between 3 - 4 years	165.46	197.20
Between 4 - 5 years	229.81	190.94
More than 5 years	6,887.12	5,754.88
34 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	77.03	84.70
As Lessee		
b Interest expenses on lease liability	107.68	123.75
Expenses related to short term leases and lease of low value assets	517.10	447.25
Total cashflow for leases	848.74	760.01
35 EARNINGS PER SHARE		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In ₹ Lakhs	23,911.04	14,820.73
Profit attributable to Equity Shareholders - In ₹ Lakhs (A)	23,911.04	14,820.73
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 ₹	10	10
Basic and Diluted Earnings Per Share-In ₹ (A/B) (Not annualized)	76.17	47.21
36 DEFERRED TAX LIABILITY		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	1,281.64	1,675.11
On account of provision for right to use assets	211.42	276.44
On account of provision for lease liability	(262.49)	(318.85)
On account of provision for doubtful debts	(39.58)	(12.07)
On account of provision for contingencies	(251.68)	(176.18)
On account of provision for bonus	(264.29)	-
On account of provision for gratuity	119.44	48.85

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
On account of provision for leave salary	(91.08)	(81.03)
On account of provision for Investments in Shares	637.00	-
	1,340.38	1,412.27
37 DETAILS OF R&D EXPENSES		
1) Capital expenditure	80.36	35.92
2) Salaries & wages	362.40	366.87
3) Material costs	134.80	76.27
4) Maintenance expenses	77.49	51.52
5) Other expenses	121.70	35.95
	776.75	566.53

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.

38 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:

₹ in Lakhs

Particulars	As at 1 st April, 2021	Additions	Utilisation	As at 31 March, 2022
Provision for other contingencies (Excise/ Customs / IT)	700.00	300.00	-	1,000.00
	(700.00)	-	-	(700.00)

Provision for Doubtful Debts:

Particulars	As at 1 st April, 2021	Additions	Utilisation	As at 31 March, 2022
Provision for Doubtful Debts	47.97	109.30	-	157.27
	(176.21)	-	128.24	(47.97)

Note: Figures in brackets relate to the previous year.

39 The title deeds of immovable properties which are freehold, based on the registered sale deeds/transfer deed/conveyance deed/scheme of arrangements approved by Hon'ble high Courts & appropriate authorities and property tax receipts, are held in the name of the Company as at Balance sheet date.

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

40 The company has no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

41 Ratios:

Ratio	Numerator	Denominator	31.03.2022	31.03.2021	Inc. / Dec.
a) Current Ratio	Current assets	Current liabilities	2.08	1.71	22.13%
b) Debt-Equity Ratio	Total debt	Equity	0.07	0.07	7.52%
c) Debt Service Coverage Ratio	Earnings available for debt service	Total debt service	21.91	10.99	99.34%
d) Return of Equity Ratio	Net profits after taxes	Average shareholder equity	22%	17%	25.51%
e) Inventory Turnover Ratio	Sales	Average inventory	5.72	5.50	4.14%
f) Trade Receivables Turnover Ratio	Net sales	Average accounts receivables	7.94	7.90	0.42%
g) Trade Payables Turnover Ratio	Net purchases	Average trade payables	4.23	3.73	13.27%
h) Net Capital Turnover Ratio	Net sales	Working Capital	2.02	1.98	2.36%
i) Net Profit Ratio	Net profit	Net sales	12%	10%	23.05%
j) Return on Capital employed	Earning before interest and taxes	Capital employed	27%	22%	26.33%
k) Return on investment	Income generated from investments	Time weighted average investments	44%	107%	-59.16%

The following ratios show a change more than 25% as compared to last year. The reasons for the high variance is as under

1. Debt Service Coverage Ratio : Decrease in the borrowings and interest cost of the company has resulted in improvement in the ratio.
2. Return on Equity Ratio : Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.
3. Return on Capital Employed : Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.
4. Return on investment : Decrease in Fair Market value of quoted investments owing to market conditions has resulted in a decline in the ratio.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

42 No Scheme of Arrangement is approved u/s. 230 to 237 of the Companies Act for the company.

43 Expenditure Incurred on Corporate Social Responsibility (CSR) Activities:

Profit Before Tax as per Section 198 of the Act:	₹ in Lakhs
Financial Year - 2018 - 19	19,268.91
Financial Year - 2019 - 20	10,488.83
Financial Year - 2020 - 21	13,185.42
Total	42,943.16
Average Profit Before Tax as per Section 135(5) of the Act	14,314.39
a) 2% of Average Profit to be Spent for CSR Activities	286.29
b) CSR Expenditure Incurred	286.29
c) Shortfall at the end of the year	-
d) Total of previous years shortfall	-
e) reason for shortfall	NA
f) nature of CSR activities	Education Promoting Health Care including Preventive Health Care Contribution to State Disaster Management Authority
g) details of related party transactions	Nil
h) Movement in provision with respect to a liability incurred	Nil

44 The Company's borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

45 The company is not declared as a wilful defaulter by any bank or financial institution.

46 The company has no relationship with struck-off companies.

47 The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

48 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49 The company has not been received any funds from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

50 The company has no income which has been surrendered or disclosed as income during the year in any of the tax assessments under the Income Tax Act 1961.

51 The company has not traded/invested in crypto currency/ virtual currency during the financial year.

52 Loans and Advances in the nature of loan granted to Promoter, KMP and related parties: Nil

53 There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the the statutory period.

54 The company has not issued any securities for a specific purpose.

55 The company has utilised the borrowings from banks and financial institutions for the purpose for which it was availed

56 There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in "Material Changes and commitments affecting the financial position between the end of the fiscal and date of the report" in the Board's report

57 Since the Company prepares consolidated financial statements, segment information as revised by IND AS 108 "Operating Segments" has been disclosed in consolidated financial statements.

58 Exceptional item represents subsidy received.

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

60 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.

61 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.

62 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

63 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%

Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel

Elgi Automotive Services Private Limited	Lakshmi Printers
L.G.B. Auto Products Private Limited	Veena Coach Products
LG Farm Products Private Limited	G-Plast Private Limited
LG Sports Private Limited	Gedee Weiler Private Limited
Super Transports Private Limited	Metal Forms Private Limited
Super Speeds Private Limited	Paatimachi Private Limited
LGB Forge Limited	Rajvirdhan Private Limited
Tribe Investments & Services Private Limited	Silent Chain India Private Limited
South West Engineering India Private Limited	UMS Technologies Private Limited

Key management personnel

Sri. B. Vijayakumar	Chairman & Managing Director
Sri. P. Prabakaran	Managing Director
Sri.Rajiv Parthasarathy	Whole Time Director
Sri.N.Rengaraj	Chief Financial Officer
Sri.M.Lakshmi Kanth Joshi	Senior General Manager (Legal) and Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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. Samriddhi Andal	Daughter's daughter
Minor.Vidhur Narayanan	Daughter's Son
Relatives of Sri. P. Prabakaran:	
Sri.K. Palanichamy	Father
Smt.Rajalakshmi	Mother
Smt.D. Maheswari	Wife
Sri.P. Suryakumar	Son

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	Remuneration to Key Managerial Personnel	-	-	-	-	1,162.45	778.79	-	-	1,162.45	778.79
	Sri.B.Vijayakumar	-	-	-	-	800.84	518.22	-	-	800.84	518.22
	Sri.P. Prabakaran	-	-	-	-	254.81	179.13	-	-	254.81	179.13
	Sri.Rajiv Parthasarathy	-	-	-	-	17.92	-	-	-	17.92	-
	Sri.N.Rengaraj	-	-	-	-	51.61	47.32	-	-	51.61	47.32
	Sri.Lakshminanth Joshi	-	-	-	-	37.27	34.12	-	-	37.27	34.12
2	Loan Receipts (Borrowings)	765.00	520.00	-	-	870.00	441.00	140.00	225.00	1,775.00	1,186.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	-	-	-	-	-	-	-	-	-	-
	Associates	-	-	-	-	-	-	-	-	-	-
	L.G.Sports (P) Ltd	300.00	205.00	-	-	-	-	-	-	300.00	205.00
	LGB Auto Products (P) Limited	365.00	125.00	-	-	-	-	-	-	365.00	125.00
	LG Farm Products (P) Limited	20.00	165.00	-	-	-	-	-	-	20.00	165.00
	Super Speeds (P) Limited	35.00	25.00	-	-	-	-	-	-	35.00	25.00
	Silent Chain (P) Limited	45.00	-	-	-	-	-	-	-	45.00	-
	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Sri.B.Vijayakumar	-	-	-	-	870.00	441.00	-	-	870.00	441.00
	Relatives of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	140.00	225.00	140.00	225.00

a) Transactions during the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
3	Loan Repayment (Borrowing)	255.00	390.00	-	-	570.00	921.00	110.00	175.00	935.00	1,486.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	-	-	-	-	-	-	-	-	-	-
	Associates	-	-	-	-	-	-	-	-	-	-
	L.G.Sports (P) Ltd	220.00	70.00	-	-	-	-	-	-	220.00	70.00
	LG Farm Products (P) Limited	10.00	305.00	-	-	-	-	-	-	10.00	305.00
	Super Speeds (P) Limited	25.00	15.00	-	-	-	-	-	-	25.00	15.00
	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Sri.B.Vijayakumar	-	-	-	-	570.00	921.00	-	-	570.00	921.00
	Relatives of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	110.00	175.00	110.00	175.00
4	Fixed Deposits Receipts (Borrowings)	10.00	10.00	-	-	-	547.80	-	-	10.00	557.80
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	-	-	-	-	-	-	-	-	-	-
	Associates	-	-	-	-	-	-	-	-	-	-
	Silent Chain (P) Limited	10.00	10.00	-	-	-	-	-	-	10.00	10.00
	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Sri.B.Vijayakumar	-	-	-	-	-	540.00	-	-	-	540.00
	Sri.P. Prabakaran	-	-	-	-	-	3.80	-	-	-	3.80
	Sri.N.Rengaraj	-	-	-	-	-	4.00	-	-	-	4.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹ in Lakhs									
5	Fixed Deposits Repayments (Borrowings)	-	-	-	-	-	-	205.00	10.00	250.00	15.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	L G Farm Products (P) Limited	-	-	-	-	-	-	-	-	-	-
	L.G.Sports (P) Ltd	-	-	-	-	-	-	-	-	-	-
	Silent Chain (P) Limited	45.00	5.00	-	-	-	-	-	-	45.00	5.00
	Elgi Automotive Services (P) Limited	-	-	-	-	-	-	-	-	-	-
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	-	-	50.00	-	50.00	-
	Sri.P. Prabakaran	-	-	-	-	-	-	75.00	10.00	75.00	10.00
	Sri.N.Rengaraj	-	-	-	-	-	-	75.00	-	75.00	-
	Relatives of Key Managerial Personnel										
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	50.00	-	50.00	-
	Minor.Vidhur Narayanan	-	-	-	-	-	-	75.00	10.00	75.00	10.00
	Minor.Samriddhi Andral	-	-	-	-	-	-	75.00	-	75.00	-
	Smt.D.Maheswari	-	-	-	-	-	-	5.00	-	5.00	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹ in Lakhs									
6	Interest Expense	65.48	45.99	-	-	109.34	108.55	23.17	38.18	197.99	192.72
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial Personnel										
	L.G.Sports (P) Ltd	30.62	12.75	-	-	-	-	-	-	30.62	12.75
	LGB Auto Products (P) Limited	25.03	10.20	-	-	-	-	-	-	25.03	10.20
	L G Farm Products (P) Limited	0.46	12.15	-	-	-	-	-	-	0.46	12.15
	Others	9.37	10.89	-	-	-	-	-	-	9.37	10.89
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	98.85	99.22	-	-	98.85	99.22
	Sri.P. Prabakaran	-	-	-	-	10.22	9.21	-	-	10.22	9.21
	Sri.N.Rengaraj	-	-	-	-	0.27	0.12	-	-	0.27	0.12
	Relatives of Key Managerial Personnel										
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	11.70	20.77	11.70	20.77
	Minor.Samriddhi Andral	-	-	-	-	-	-	5.19	7.80	5.19	7.80
	Minor.Vidhur Narayanan	-	-	-	-	-	-	5.19	8.49	5.19	8.49
	Smt.D.Maheswari	-	-	-	-	-	-	1.09	1.12	1.09	1.12
7	Equity Investment - LGB-USA	-	-	-	598.29	-	-	-	-	-	598.29
8	Dividend Receipts	13.08	0.03	-	-	-	-	-	-	13.08	0.03
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Super Speeds Private Limited	13.05	-	-	-	-	-	-	-	13.05	-
	Others	0.03	0.03	-	-	-	-	-	-	0.03	0.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
9	Dividend Payments	479.79	-	-	-	346.00	-	431.92	-	1,257.71	-
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Auto Products (P) Limited	175.00	-	-	-	-	-	-	-	175.00	-
	B Vijayakumar (Jeshta Family Pvt Trust)	156.00	-	-	-	-	-	-	-	156.00	-
	L G Farm Products (P) Limited	80.00	-	-	-	-	-	-	-	80.00	-
	L.G.Sports (P) Ltd	40.00	-	-	-	-	-	-	-	40.00	-
	Others	28.79	-	-	-	-	-	-	-	28.79	-
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	345.40	-	-	-	345.40	-
	Sri.P. Prabakaran	-	-	-	-	0.48	-	-	-	0.48	-
	Sri.N.Rengaraj	-	-	-	-	0.12	-	-	-	0.12	-
	Relatives of Key Managerial Personnel										
	Sri.V.Rajvirdhan	-	-	-	-	-	-	170.00	-	170.00	-
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	217.92	-	217.92	-
	Others	-	-	-	-	-	-	44.00	-	44.00	-
10	Rent Income	78.57	74.46	-	-	-	-	-	-	78.57	74.46
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	56.39	55.49	-	-	-	-	-	-	56.39	55.49
	Super Transports Private Limited	11.62	10.42	-	-	-	-	-	-	11.62	10.42
	Others	10.56	8.55	-	-	-	-	-	-	10.56	8.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
11	Purchase of Materials, Spares & power	2,097.60	1,249.74	-	-	-	-	-	-	2,097.60	1,249.74
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	1,150.00	499.59	-	-	-	-	-	-	1,150.00	499.59
	Lakshmi Printers	708.24	511.12	-	-	-	-	-	-	708.24	511.12
	G-Plast P Ltd	124.46	109.88	-	-	-	-	-	-	124.46	109.88
	Others	114.90	129.15	-	-	-	-	-	-	114.90	129.15
12	Processing/ Conversion Charges	304.85	196.65	-	-	-	-	-	-	304.85	196.65
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	South Western Engineering India Private Limited	-	19.02	-	-	-	-	-	-	-	19.02
	Veena Coach Products	164.67	130.70	-	-	-	-	-	-	164.67	130.70
	Super Speeds Private Limited	115.23	-	-	-	-	-	-	-	115.23	-
	Others	24.95	46.93	-	-	-	-	-	-	24.95	46.93
13	Sale of Materials, Stores and Service Charges	1,084.53	454.43	-	-	-	-	-	-	1,084.53	454.43
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Metal Forms (P) Limited	1,076.51	447.52	-	-	-	-	-	-	1,076.51	447.52
	Others	8.02	6.91	-	-	-	-	-	-	8.02	6.91
14	Processing charges Receipts	289.62	274.45	-	-	-	-	-	-	289.62	274.45
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	278.36	274.29	-	-	-	-	-	-	278.36	274.29
	Others	11.26	0.16	-	-	-	-	-	-	11.26	0.16
15	Sale of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Purchase of Property, Plant and Equipment	-	896.71	-	-	-	-	-	-	-	896.71
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	-	-	-	-	-	-	-	-	-	-
	South Western Engineering India Private Limited	-	892.88	-	-	-	-	-	-	-	892.88
	Others	-	3.83	-	-	-	-	-	-	-	3.83
	Total	5,488.52	4,117.46	-	598.29	3,057.79	2,797.14	910.09	448.18	9,456.40	7,961.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Receivable balance	814.37	160.60	-	-	-	-	-	-	814.37	160.60
	LGB Forge Limited	29.10	-	-	-	-	-	-	-	29.10	-
	Metal Forms (P) Limited	782.49	159.99	-	-	-	-	-	-	782.49	159.99
	Others	2.78	0.61	-	-	-	-	-	-	2.78	0.61
2	Payable balance	283.11	198.06	-	-	-	-	-	-	283.11	198.06
	LGB Forge Limited	189.70	112.48	-	-	-	-	-	-	189.70	112.48
	Others	93.41	85.58	-	-	-	-	-	-	93.41	85.58
3	Unsecured borrowings balance	905.00	395.00	-	-	300.00	-	80.00	50.00	1,285.00	445.00
	L G Sports (P) Limited	300.00	220.00	-	-	-	-	-	-	300.00	220.00
	LGB Auto Products (P) Limited	515.00	150.00	-	-	-	-	-	-	515.00	150.00
	Silent Chain (P) Limited	45.00	-	-	-	-	-	-	-	45.00	-
	Super Speeds Private Limited	35.00	25.00	-	-	-	-	-	-	35.00	25.00
	L G Farm Products (P) Limited	10.00	-	-	-	-	-	-	-	10.00	-
	Sri.B. Vijayakumar	-	-	-	-	300.00	-	-	-	300.00	-
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	80.00	50.00	80.00	50.00

b) Balance outstanding at the end of the year



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 Balance Sheet as at 31st March 2022, 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 2022, 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 and (2) computation of the allowance for credit losses.</p>

S.No	Key Audit Matters	Auditor's Response
2	<p>Assessment of carrying value of investments:</p> <p>The company has invested in listed equity instruments and also in unlisted equity instruments. We consider this a key audit matter given the relative significance of the value of investments.</p>	<p>Our procedures in relation to assessing the carrying value of investments include the following observation.</p> <p>(1) The equity investments other than those measured as per Ind AS 27 are carried at fair values as on 31st March 2022. (2) The equity investments in subsidiaries are measured at cost as per Ind AS 27.</p>

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

The Holding Company's Management and 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 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 are 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 Management and 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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 with reference to 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting in preparation of consolidated

financial statement 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 Group 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 or business activities 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. Our responsibilities in this regard are further described in "other matters " paragraph in this audit report

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matters

We did not audit the financial statements/financial information of 3 subsidiaries whose financial statements/financial information reflect assets of ₹ 8920.58 lakhs as at 31 December 2021, total revenue of ₹ 9411.20 lakhs, total profit after tax of ₹ 663.12 lakhs and net cash outflows of ₹ 76.22 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. This 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, this 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.
- 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 2022 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 2022 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. 29 to the Consolidated Financial Statements.
 - ii. The Group 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.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or its subsidiaries or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
 - v.
 - (a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 - (b) As stated in Note No. 10 (iv) (b) to the financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 22211916AIEMIW5898

Place: Coimbatore
Date: 30.04.2022

“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 2022, 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 Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 Holding Company’s and its subsidiary companies incorporated in India, internal financial controls with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements. 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 with reference to consolidated financial

statement were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting:

A Company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, 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 with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial control with reference to consolidated financial statements 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.: 0042835
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 22211916AIEMIW5898

Place: Coimbatore
Date: 30.04.2022

CONSOLIDATED BALANCE SHEET AS AT 31.03.2022

₹ in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments and Intangible assets			
(i) Property, Plant and Equipments	1	47,406.72	51,372.08
(ii) Capital work-in-progress		1,454.50	633.22
(iii) Investment Property	1	963.49	1,107.17
(iv) Goodwill on amalgamation		1,542.30	1,516.35
(v) Intangible assets	1	95.59	136.21
(vi) Right of use Asset	1	840.05	1,098.36
(b) Financial assets			
(i) Investments	2	10,430.33	6,293.87
(ii) Other financial assets	3	1,539.86	1,456.74
(c) Other non-current assets	4	1,272.88	946.50
		65,545.72	64,560.50
2 Current assets			
(a) Inventories	5	43,577.84	30,128.49
(b) Financial assets			
(i) Trade receivables	6	29,377.66	24,664.95
(ii) Cash and cash equivalents	7A	5,802.88	6,002.66
(iii) Other bank balances	7B	22,852.41	8,641.31
(iv) Other financial assets	8	245.42	133.97
(c) Current tax Asset		-	724.82
(d) Other current assets	9	3,472.55	2,945.36
		1,05,328.76	73,241.56
3 Asset held for Sale	1	8.55	8.55
Total Assets		1,70,883.03	1,37,810.61
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	3,139.24
(b) Other Equity	11	1,10,107.18	84,799.58
Equity Attributable to Owners of the Company		1,13,246.42	87,938.82
Non-controlling interest		206.24	172.24
Total		1,13,452.66	88,111.06

CONSOLIDATED BALANCE SHEET AS AT 31.03.2022

₹ in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	2,132.78	1,923.16
(ii) Lease liabilities		1,042.94	1,266.90
(b) Provisions	13	1,437.96	1,085.54
(c) Deferred tax liabilities (net)		1,340.38	1,412.27
		5,954.06	5,687.87
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	6,863.34	5,162.49
(ii) Trade payables			
- total outstanding dues of micro & small enterprises	15	1,786.73	1,406.58
- total outstanding dues other than micro & small enterprises	15	25,749.51	24,598.83
(iii) Other financial liabilities	16	14,389.98	11,931.42
(b) Provision	17	31.42	38.81
(c) Current tax Liabilities		103.48	-
(d) Other current liabilities	18	2,551.85	873.55
		51,476.31	44,011.68
Total Liabilities		1,70,883.03	1,37,810.61

See accompanying notes forming part of the financial statements

As per our report of even date attached

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 30.04.2022

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

 Senior General Manager
(Legal) and Company

Secretary

ACS NO. A14273

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
A. CONTINUING OPERATIONS			
1 Revenue from operations(net)	19	2,10,208.81	1,60,899.28
2 Other income	20	1,204.09	696.81
3 Total Income (1 + 2)		2,11,412.90	1,61,596.09
4 Expenses:			
(a) Cost of materials consumed	21 a	1,02,361.89	73,213.57
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	21 b	(7,459.59)	787.33
(c) Employee benefits expense	22	29,687.71	24,615.75
(d) Finance costs	23	835.98	1,004.20
(e) Depreciation and amortisation expense		8,321.81	8,331.80
(f) Other expenses	24	46,771.13	36,994.05
Total Expenses		1,80,518.93	1,44,946.70
5 Profit before exceptional items and tax (3-4)		30,893.97	16,649.39
6 Exceptional items		2,273.75	1,362.27
7 Profit before tax (5+6)		33,167.72	18,011.66
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	25	8,741.88	4,950.90
(b) Current-tax expense relating to prior year		307.46	-
(c) Deferred tax	26	(455.79)	(223.43)
Net tax expense		8,593.55	4,727.47
9 Profit for the period (7 - 8)		24,574.17	13,284.19
10 Share in Profit of associate		-	-
11 Profit after tax before share of profit of associate		24,574.17	13,284.19
12 Net profit attributable to:			
Owners		24,547.65	13,345.65
Non Controlling interest		26.52	(61.46)
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		159.01	388.48
(2) On account of Investment Fair valuation		4,136.47	4,030.14
(ii) (ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		(383.90)	(390.90)
(B) Items that will be reclassified to Profit or Loss Account		-	-
14 Total Comprehensive income for the period		28,485.75	17,311.91
15 Earnings per share (Face value of ₹ 10/- each)			
(a) Basic		78.20	42.51
(b) Diluted		78.20	42.51

See accompanying notes forming part of the financial statements

As per our report of even date attached

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 30.04.2022

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

 Senior General Manager
(Legal) and Company

Secretary ACS NO. A14273

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31.03.2022

₹ in Lakhs

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
A Cash flow from operating activities				
Net Profit before Tax		33,167.72		18,011.66
Adjustments for:				
Depreciation	8,321.81		8,331.80	
Provision for Doubtful Debts	109.30		(128.24)	
Profit/Loss on sale of assets	(1.03)		(40.26)	
Profit/Loss on Sale of Investment	-		(35.64)	
Assets condemned/Written off	23.25		84.66	
Provision for contingencies	300.00		-	
Interest and Finance Charges	835.98		1,004.20	
Interest Income	(772.09)		(408.69)	
Dividend Income	(33.12)	8,784.10	(0.77)	8,807.06
		41,951.82		26,818.72
Operating profit before working capital changes				
Changes in Working Capital				
Provisions - Non Current	211.43		148.97	
Other Financial Assets - Non Current	(83.13)		(119.21)	
Other Non Current Assets	(326.38)		(178.31)	
Inventories	(13,449.36)		(1,159.48)	
Trade Receivables	(4,822.00)		(7,076.12)	
Other Financial Assets - Current	(111.45)		(66.72)	
Other Current Assets	(527.18)		(2,350.37)	
Trade Payables	1,504.60		9,664.89	
Other financial liabilities	2,447.46		(69.18)	
Current Liabilities	1,678.30		92.46	
Provisions - Current	(7.39)	(13,485.10)	(6.92)	(1,119.99)
Cash generated from operations		28,466.72		25,698.73
Income tax paid, net of refunds received		(8,221.03)		(4,598.48)
Net Cash generated from operating activities (A)		20,245.69		21,100.25
B Cash flow from Investing activities				
Capital expenditure, including capital advances	(4,769.18)		(3,839.19)	
Investment in Others	-		(313.20)	
Proceeds from sale of fixed assets	7.21		56.41	
Proceeds from sale of investments	-		42.90	
Bank Balances not considered as cash and cash equivalents	(14,211.10)		(8,482.42)	
Dividend income	33.12		0.77	
Interest Income	772.09		408.69	
Net cash used in Investing activities (B)		(18,167.86)		(12,126.04)

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31.03.2022

₹ in Lakhs

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
C Cash flow from financing activities				
Interest and Finance Charges	(728.30)		(880.45)	
Dividend Paid including Tax	(3,128.14)		(20.08)	
Lease payments	(331.64)		(312.76)	
Borrowings - Current and Non-current (Net)	1,910.47		(2,100.92)	
Net cash used in financing activities (C)		(2,277.61)		(3,314.21)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)		(199.78)		5,660.00
Cash and Cash Equivalents at the beginning of the year		6,002.66		342.66
Cash and Cash Equivalents at the end of the year		5,802.88		6,002.66

See accompanying notes forming part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

 For **SURI & CO.**

 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

 Senior General Manager
 (Legal) and Company
 Secretary
 ACS NO. A14273

Place : Coimbatore

Date : 30.04.2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
STATEMENT OF CHANGES IN EQUITY
A. Equity Share Capital

(₹ in Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Balance as at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital during the year	-	-
Balance as at end of the year	3,139.24	3,139.24

B. Other Equity

(₹ in Lakhs)

For the Year ended 31 March, 2022

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings	FVOCI - Equity instruments	
Balance as at 01.04.2021	1,530.99	(205.39)	70,000.00	11,077.33	2,396.66	84,799.58
Changes in accounting policies and prior period errors	-	-	-	-	-	-
Restated Balance as at 01.04.2021	1,530.99	(205.39)	70,000.00	11,077.33	2,396.66	84,799.58
Profit for the Year	-	-	-	24,547.64	-	24,547.64
Other comprehensive income / (losses)	-	-	-	118.99	3,792.58	3,911.58
Dividends	-	-	-	(3,139.24)	-	(3,139.24)
Transfer to Reserves	-	(12.38)	20,000.00	(20,000.00)	-	(12.38)
Balance as at 31.03.2022	1,530.99	(217.77)	90,000.00	12,604.72	6,189.24	1,10,107.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

For the Year ended 31 March, 2021

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings	FVOCI - Equity instruments	
Balance as at 01.04.2020	1,530.99	(332.43)	60,000.00	7,616.31	(1,340.36)	67,474.51
Changes in accounting policies and prior period errors	-	-	-	-	-	-
Restated Balance as at 01.04.2020	1,530.99	(332.43)	60,000.00	7,616.31	(1,340.36)	67,474.51
Profit for the Year	-	-	-	13,345.65	-	13,345.65
Total Comprehensive Income for the period	-	-	-	290.71	3,737.02	4,027.73
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 01.04.2021	1,530.99	(205.39)	70,000.00	11,077.33	2,396.66	84,799.59

See accompanying notes forming part of the financial statements

As per our report of even date attached

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 30.04.2022

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

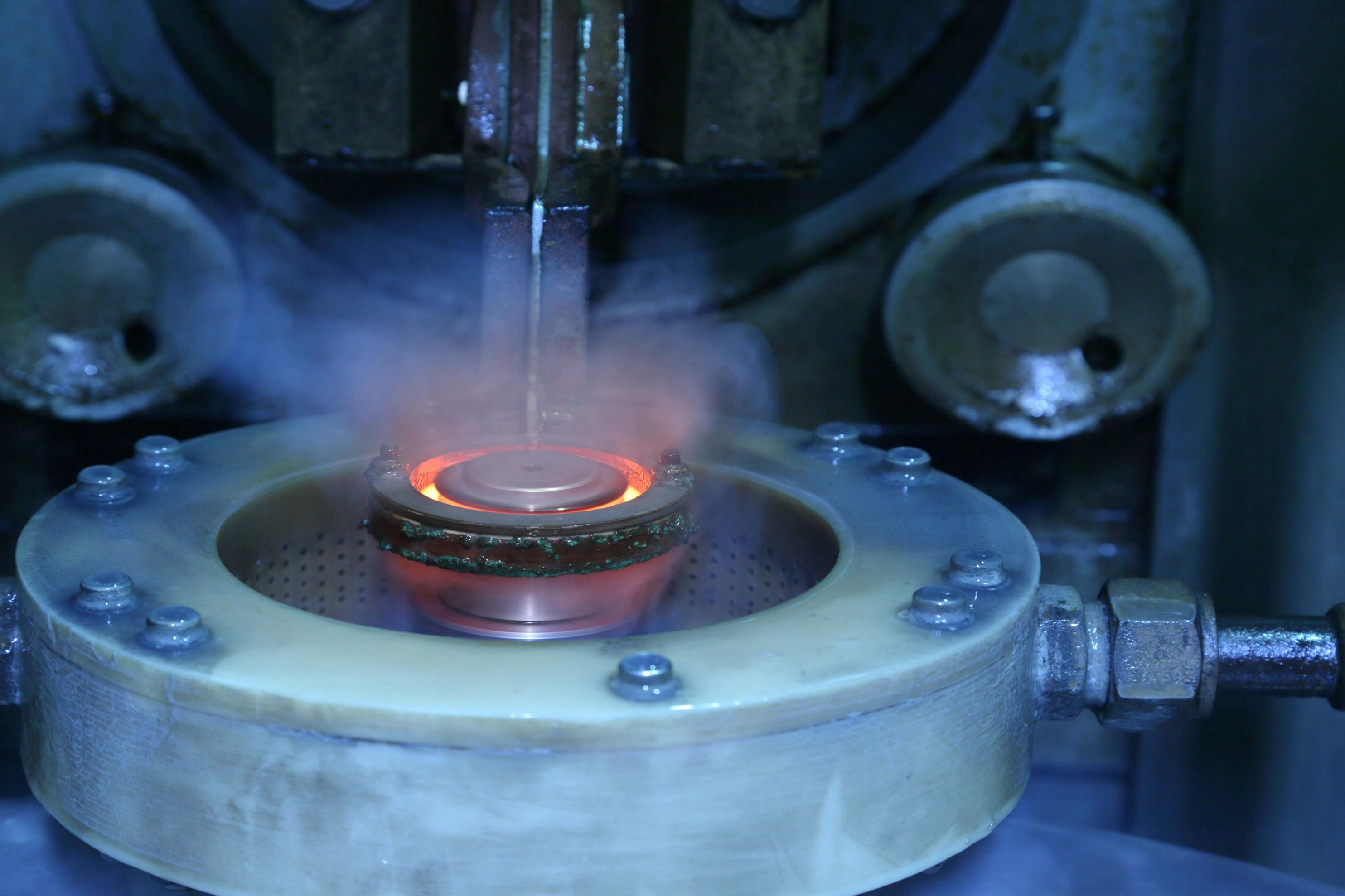
M. LAKSHMI KANTH JOSHI

Senior General Manager

(Legal) and Company

Secretary

ACS NO. A14273



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 and metal forming. 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.

Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non current

classification. (a) An asset is treated as Current when it is -

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

(b) A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities

There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in "Material Changes and commitments affecting the financial position between the end of the fiscal and date of the report" in the Board's report.

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022, 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 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 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:

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	
						31.03.2022	31.03.2021
1	LGB- USA INC	Subsidiary	USA	L.G.Balakrishnan & Bros Ltd	31.12.2021	96.00%	96.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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	
						31.03.2022	31.03.2021
2	GFM Acquisition LLC (Formerly known as GFM Corporation)	Step down Subsidiary	USA	LGB-USA, INC	31.12.2021	98.47%	98.47%
3	GFM LLC	Step down Subsidiary	USA	GFM Acquisition LLC	31.12.2021	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.

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 30th April, 2022.

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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.

RODTEP and other export incentives

The products of the company are eligible for various export incentives from the Government of India. Such incentives are recognised as other operating revenue when there is a reasonable assurance that the company will comply with all the necessary conditions attached to that.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 other non-current assets 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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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:

- 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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).
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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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022

1 Property, plant and equipment and intangible assets (₹ In Lakhs)

Particulars	Property, plant and equipment										Intangible Assets		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	Technical know how	Computer Software	Total				
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	299.87	261.96	81,355.18	1,614.97	1,116.97	123.21	84,210.33
Additions	6.11	322.52	3,223.05	32.41	73.86	124.04	27.71	117.32	3,927.02	-	20.88	3,947.90	-	-	-	3,947.90
Disposals / Transfers	(0.02)	(4.14)	(332.72)	(2.94)	(12.16)	(15.91)	(9.71)	(70.55)	(448.15)	-	-	(448.15)	-	-	-	(448.15)
Cost as at March 31, 2022	7,990.35	15,582.65	54,473.87	320.45	2,542.08	652.16	364.86	2,345.80	84,272.22	299.87	282.84	84,854.93	1,614.97	1,116.97	123.21	87,710.08
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	230.42	195.20	29,846.89	516.61	9.80	114.66	30,487.96
Charge for the year	16.94	922.21	6,115.14	37.64	239.38	78.14	58.75	394.72	7,862.93	30.56	30.94	7,924.43	258.31	143.68	-	8,326.41
Disposals / Transfers	-	(2.63)	(313.29)	(2.82)	(11.01)	(11.28)	(9.14)	(68.54)	(418.70)	-	-	(418.70)	-	-	-	(418.70)
Depreciation as at March 31, 2022	93.37	4,377.13	29,274.09	192.89	994.42	230.84	222.53	1,480.21	36,865.50	260.98	226.14	37,352.62	774.92	153.48	114.66	38,395.69
Net Block																
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	69.45	66.76	51,508.29	1,098.36	1,107.17	8.55	53,722.37
As at March 31, 2022	7,896.98	11,205.52	25,199.78	127.56	1,547.66	421.32	142.33	865.59	47,406.72	38.89	56.70	47,502.31	840.05	963.49	8.55	49,314.39

Revaluation during the year - Nil (Previous year - Nil)

Particulars	31.03.2022	31.03.2021
Capital Work in Progress	1,454.50	633.22

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in Progress	1,454.50	-	-	-	1,454.50
Project temporarily suspended	-	-	-	-	-

CWIP completion schedule where completion is overdue or has exceeded the cost compared to its original plan - Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
2 Investments

₹ in Lakhs

Particulars	Number of Shares	Face Value in ₹	As at 31 March, 2022			Number of Shares	Face Value in ₹	As at 31 March, 2021		
			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	6875.29		6875.29	2459412	1.00	4691.33		4691.33
LGB Forge Limited	29000000	1.00	3132.00		3132.00	29000000	1.00	1087.50		1087.50
Super Spinning Mills Limited	10000	1.00	1.15		1.15	10000	1.00	0.40		0.40
Tube Investments of India Limited	1100	1.00	17.87		17.87	1100	1.00	13.13		13.13
Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited)	1100	1.00	6.80		6.80	1100	1.00	6.59		6.59
Union Bank of India (Formerly known as Corporation Bank)	3960	2.00	1.53		1.53	3960	2.00	1.34		1.34
(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		11.90	11.90	5000	10.00		6.79	6.79
Silent Chain India (P) Limited	770	10.00		1.92	1.92	770	10.00		1.43	1.43
LG Farm Products (P) Limited	10000	10.00		7.57	7.57	10000	10.00		5.61	5.61
South West Engineering India (P) Limited	427	1000.00		148.27	148.27	427	1000.00		166.55	166.55
Super Speeds (P) Limited	130500	10.00		226.03	226.03	130500	10.00		313.20	313.20
			10,034.64	395.69	10,430.33			5,800.29	493.58	6,293.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
3 OTHER FINANCIALS ASSETS		
(a) Security and other deposits	1,539.86	1,456.74
Total	1,539.86	1,456.74
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	689.57	396.54
(b) Rent and other advances	315.93	282.58
(c) Advance recoverable	229.55	229.55
(d) Income and claims receivable	37.83	37.83
Total	1,272.88	946.50
5 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	13,197.69	7,867.08
(b) Work-in-progress	13,024.39	9,625.27
(c) Finished products	12,775.53	8,715.06
(d) Others		
(i) Packing materials	509.15	370.36
(ii) Stores & spares	1,908.28	1,867.97
(iii) Loose tools	2,162.80	1,682.75
Total	43,577.84	30,128.49
6 TRADE RECEIVABLE		
(i) Unsecured, considered good	29,377.66	24,664.95
(ii) Having significant increase in credit risk	-	-
(ii) Credit Impairment	157.27	47.97
Less: Allowance for expected credit losses	157.27	47.97
Total	29,377.66	24,664.95

TRADE RECEIVABLES SCHEDULE

PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	28,968.17	393.69	0.16	-	-	29,362.02
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	23.82	60.11	-	8.16	92.09
Disputed - considered doubtful	-	13.31	1.29	1.76	64.46	80.82
Less: Allowance for expected credit losses	(68.29)	(13.31)	(1.29)	(1.76)	(72.62)	(157.27)
Total	28,899.88	417.51	60.27	-	-	29,377.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs				
For the year ended March 31, 2021						
PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	24,491.89	110.98	20.28	0.44	-	24,623.59
Undisputed - considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	10.95	8.16	-	2.70	21.81
Disputed - considered doubtful	-	0.30	2.76	-	64.46	67.52
Less: Allowance for expected credit losses	-	-	-	-	(47.97)	(47.97)
Total	24,491.89	122.23	31.20	0.44	19.19	24,664.95
7 CASH AND CASH EQUIVALENTS						
A Cash and cash equivalents (as per IND AS 7 Cash Flow Statements)						
(a) Cash- on- Hand		141.10	217.94			
(b) Balances with Banks						
(i) In Current Account		22.50	6.85			
(ii) In Collection Account		139.28	177.87			
(iii) In Deposit Account		5,500.00	5,600.00			
Total		5,802.88	6,002.66			
B Other Bank Balances						
(a) In Margin money with Banks		271.00	271.00			
(i) In Deposit Account		22,500.00	8,300.00			
(b) In Earmarked Accounts						
(i) Unpaid Dividend Account		81.41	70.31			
Total		22,852.41	8,641.31			
Total Cash and cash equivalents (A+B)		28,655.29	14,643.97			
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	37.12	41.80				
(b) Interest accrued on Deposits	208.30	92.17				
Total	245.42	133.97				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
9 OTHER CURRENT ASSETS		
(a) Prepaid expenses	582.82	286.48
(b) Balance with govt authorities	77.72	158.79
(c) Advance recoverable	110.83	135.40
(d) Income and claims receivable	413.34	292.36
(e) Supplier Advance	2,287.84	2,072.33
Total	3,472.55	2,945.36

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of shares	₹ in Lakhs	Number of shares	₹ 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:
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, 2022					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3,139.24	-	-	-	3,139.24
Year ended 31st March, 2021					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3,139.24	-	-	-	3,139.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
10 (ii) Details of shares held by Promoter

Name of the shareholder	As at 31 March 2022		As at 31 March, 2021		% Change during the year
	Number of shares held	% of holding	Number of shares held	% of holding	
Equity shares with voting rights					
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00	-
Rajsri Vijayakumar	21,79,152	6.94	21,79,152	6.94	-
LGB Auto Products Private Limited	17,50,000	5.57	17,50,000	5.57	-
Jeshta Family Private Trust	15,60,000	4.97	15,60,000	4.97	-
LG Farm Products Private Limited	8,00,000	2.55	8,00,000	2.55	-
L G Sports Private Limited	4,00,000	1.27	4,00,000	1.27	-
K Nithin	2,00,000	0.64	2,04,800	0.65	(0.01)
Super Transports Private Limited	1,40,000	0.45	1,40,000	0.45	-
K Arjun	1,16,845	0.37	2,09,541	0.67	(0.30)
Elgi Automotive Service Pvt Ltd	80,000	0.25	80,000	0.25	-
Super Speeds Private Limited	50,000	0.16	50,000	0.16	-
Vijayshree Vijayakumar	24,500	0.08	25,698	0.08	-
Tribe Investment & Services P Ltd	10,705	0.03	10,705	0.03	-
Silent Chain India Pvt Ltd	7,200	0.02	7,200	0.02	-
Rajiv Parthasarathy	4	-	4	-	-
V.Rajviridhan	-	-	27,40,065	8.73	(8.73)
	1,07,72,406	34.32	1,36,11,165	43.36	(9.04)

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

Name of the shareholder	As at 31 March 2022		As at 31 March, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00
Rajsri Vijayakumar	21,79,152	6.94	21,79,152	6.94
L.G.B.Auto Products (P) Ltd	17,50,000	5.57	17,50,000	5.57
HDFC Small Cap Fund	24,75,303	7.89	20,92,758	6.67
V.Rajviridhan	-	-	27,40,065	8.73
Nippon Life India Trustee Ltd A/c Nippon India Small Cap Fund	9,30,297	2.96	20,44,142	6.51

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

(a) The company has only one class of equity shares having a par value of ₹ 10/- each. The equity shares of the Company ranks pari passu in all aspects including rights and entitlement to dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b) Dividend proposed by Board of Directors (₹ 15/- per Equity Share) for the Financial Year 2021-2022 for Face Value ₹ 10/- is subject to approval of Shareholders in ensuing Annual General Meeting.

10 (v) 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.

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ 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	70,000.00	60,000.00
Add:Transfer from surplus in Statement of Profit and Loss	20,000.00	10,000.00
Closing balance	90,000.00	70,000.00
(c) Foreign Currency Translation Reserve		
Opening Balance	(205.39)	(332.43)
Add:Adjustment for translation of Non integral Foreign operations	(12.38)	127.04
Closing Balance	(217.77)	(205.39)
(d) Other Comprehensive Income		
Opening Balance	2,396.66	(1,340.36)
Add:Accounted during the period	3,792.58	3,737.02
Closing balance	6,189.24	2,396.66
(e) Retained Earnings		
Opening Balance	11,077.33	7,616.31
Add:Profit/(Loss) for the year	24,547.64	13,345.65
Add: Remeasurement of Defined Employee Benefit Plans	118.99	290.71
Add: Transferred from Minority Interest	-	17.33
Less:Final Dividend & Dividend tax paid for FY 2020-21	3,139.24	-
Less: Premium paid on By-back shares	-	192.67
Less:Transferred to General reserve	20,000.00	10,000.00
Closing balance	12,604.72	11,077.33
Total	1,10,107.18	84,799.58
12 BORROWINGS:		
(a) Term loans : (Refer (i) below)		
From banks		
Secured	841.69	991.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
(b) Fixed deposits:		
From other parties		
Unsecured	150.29	172.93
From related parties		
Unsecured	1,140.80	758.80
Total	2,132.78	1,923.16

12 (i) Details of Security for Borrowings:

(a) Interest rate relating to Term Loans from Banks is in the range of USD LIBOR + 2.50% to 2.65%.

12 (ii) Repayment schedule

Particulars	Term of repayment	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Term loan from banks:			
Secured:			
The Huntington National Bank	Repayable in monthly instalments of USD 5,275 and USD 13,321 with a balloon payment of the remaining balance due on December 5, 2023 & January 5, 2024 respectively.	841.69	991.43
Total - Term loans from banks		841.69	991.43

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 7.00% during the year

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
13 PROVISIONS		
(i) Provision for contingencies	1,000.00	700.00
(ii) Provision for Leave Salary	330.45	283.15
(iii) Others	107.51	102.39
	1,437.96	1,085.54
14 BORROWINGS		
(a) Loan repayable on demand		
From banks		
Secured (Refer Note 14(i)(c))	5,096.94	3,516.17
(b) Loan from directors		
Unsecured	380.00	50.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
(c) Loan from Inter corporates		
Unsecured	905.00	395.00
(d) Current maturities of long-term debt (Refer Note (iii) below)	481.40	1,201.32
	6,863.34	5,162.49

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 5.00% to 10.35%

(c) Break-up of loan repayable on demand and financial institutions.

Particulars	As at 31 March 2022		As at 31 March, 2021	
	Secured	Unsecured	Secured	Unsecured
Loan repayable on Demand (₹ in Lakhs)				
From Banks				
Union Bank of India	(0.21)	-	(1.75)	-
HDFC Bank Ltd	2,219.05	-	813.93	-
ICICI Bank Ltd	(11.75)	-	747.27	-
Indusind Bank Ltd	(0.76)	-	(6.38)	-
IDBI Bank Ltd	390.61	-	463.10	-
Hongkong and Shanghai Banking Corporation Ltd	2,500.00	-	1,500.00	-
Total - Loan from banks	5,096.94	-	3,516.17	-

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

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
14 (iii) Current maturities of Long-term debt: Refer Note 12(i) for the details of Securities		
Term Loan		
From Banks		
Secured	166.67	308.44
Fixed Deposits:	314.73	892.88
Total - Current maturities of Long-term debt	481.40	1,201.32
15 TRADE PAYABLE		
Trade payables		
- total outstanding dues of micro & small enterprises	1,786.73	1,406.58
- total outstanding dues other than micro & small enterprises	25,749.51	24,598.83
	27,536.24	26,005.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs			
TRADE PAYABLE AGEING SCHEDULE					
For The Year Ended 31 March, 2022					
PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - years	More than 3 years	Total
MSME	1,786.29	-	-	-	1,786.29
Others	25,731.52	-	-	-	25,731.52
Disputed dues - MSME	-	0.44	-	-	0.44
Disputed dues - Others	-	13.65	4.35	-	18.00
Total	27,517.81	14.09	4.35	-	27,536.25
For The Year Ended 31 March, 2021					
PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - years	More than 3 years	Total
MSME	1,391.71	-	-	-	1,391.71
Others	24,556.23	-	-	-	24,556.23
Disputed dues - MSME	-	14.87	-	-	14.87
Disputed dues - Others	-	42.60	-	-	42.60
Total	25,947.94	57.47	-	-	26,005.41
16 OTHER FINANCIAL LIABILITIES:					
(a) Interest accrued but not due on secured loans	17.81	-			
(b) Interest accrued but not due on Unsecured loans	29.02	22.29			
(c) Interest accrued on deposits from customers	69.90	61.66			
(d) Unclaimed dividends (Refer (i) below)	81.41	70.31			
(e) Payable on purchase of fixed assets	469.28	614.25			
(f) Other Liabilities	13,722.56	11,162.91			
Total	14,389.98	11,931.42			
16 (i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.					
17 PROVISIONS					
(a) Provision for Leave Salary	31.42	38.81			
Total	31.42	38.81			
18 OTHER CURRENT LIABILITIES:					
(a) Statutory remittances	1,275.61	204.45			
(b) Advance and deposits from customers etc.,	1,276.24	669.10			
Total	2,551.85	873.55			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
19 REVENUE FROM OPERATIONS:		
a) Sale of products	1,92,974.59	1,50,167.80
b) Other operating revenue		
(i) Scrap sales	16,516.83	9,946.57
(ii) Duty drawback and other export incentives	717.39	784.91
Revenue from operations (Gross)	2,10,208.81	1,60,899.28
20 OTHER INCOME		
a) Interest income		
(i) Interest on fixed deposit with banks	729.26	381.56
(ii) Interest on deposit with TNEB	36.43	15.99
(iii) Others	6.40	11.14
Total Interest Income	772.09	408.69
b) Dividend income:	33.12	0.77
c) Other non-operating income		
(i) Rental and lease income	77.03	84.70
(ii) Agricultural income	3.23	6.99
(iii) Profit on sale of assets	10.11	41.10
(iv) Miscellaneous receipts	308.51	154.56
Total	1,204.09	696.81
21A COST OF MATERIALS CONSUMED		
Opening Stock:	8,237.43	5,451.16
Add: Purchases	1,07,831.31	75,999.85
Less: Closing Stock	13,706.85	8,237.44
Cost of material consumed	1,02,361.89	73,213.57
21B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	12,775.53	8,715.06
Work-in-progress	13,024.39	9,625.27
	25,799.92	18,340.33
Inventories at the beginning 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Net decrease / (increase)	(7,459.59)	787.33
22 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	26,972.53	22,327.11
(b) Contribution to provident and other funds	1,426.86	1,281.90
(c) Staff welfare expenses	1,288.32	1,006.74
Total	29,687.71	24,615.75
23 FINANCE COSTS		
(a) Interest expenses:		
(i) On borrowings:	728.30	880.45
(ii) On Lease Liability	107.68	123.75
Total	835.98	1,004.20
24 OTHER EXPENSES		
(a) Consumption of stores and spare parts	13,160.72	9,873.39
(b) Processing charges	9,194.48	6,927.92
(c) Power and Fuel	8,305.19	6,797.73
(d) Rent including lease rentals	520.22	450.79
(e) Repairs & maintenance of		
(i) Buildings	278.88	287.24
(ii) Machinery	2,118.63	1,670.66
(iii) Other assets	2,489.24	1,849.55
(f) Insurance	453.19	460.48
(g) Rates and taxes	271.80	228.77
(h) Travelling and conveyance	309.41	241.86
(i) Printing and stationery	30.85	20.13
(j) Postage, telegram and telephones	109.15	125.70
(k) Freight, packing & forwarding	6,864.99	6,021.44
(l) Advertisement, publicity and selling expenses	392.28	563.55
(m) Bank charges	86.26	89.10
(n) Legal and professional charges	406.97	310.19
(o) Payments to auditors (Refer note (i) below)	20.50	19.81
(p) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	286.29	240.05
(q) Bad debts written off	-	-
(r) Assets condemned & written off	23.26	84.66
(s) Provision for doubtful debts/advances	109.30	(128.24)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
(t) Loss on sale of Assets	9.08	0.85
(u) Provision for contingencies	300.00	-
(v) Loss on foreign currency transactions and translation	37.30	(9.87)
(w) Sitting fees	12.90	10.29
(x) Watch and Ward	883.91	766.65
(y) Agricultural expenses	24.64	14.23
(z) Miscellaneous expenses	71.69	77.12
	46,771.13	36,994.05
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of GST input credit wherever applicable)		
(a) To Statutory Auditors:		
For statutory audit	15.00	13.50
For certification and other services	-	2.06
(b) To Tax Auditors:		
For taxation matters	3.50	2.50
(c) To cost auditors for cost audit	2.00	1.75
Total	20.50	19.81
(ii) Details of CSR Expenditure:		
(i) Contribution to		
Educational Aids to Students	110.64	52.60
Deposit with Bank account	101.04	-
Covid-19 Vaccination camp and Mask expenses	26.89	-
Chief Minister's Relief Fund	25.00	50.00
Amrit Centre for Special Needs	10.00	10.00
Lift irrigation Project	6.00	-
LRG & GD Trust	-	10.00
CC TV camera	2.04	3.03
L.G.B Educational Foundation	-	75.00
Food Supplied to Poor families	-	15.09
Mysore School Building	-	9.93
Car Shed - Annur Police Station	-	3.32
PPE Kits 200Nos.	-	2.13
Furnitures to Govt High school, Idigarai	-	1.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
65 inch TV to School at Jalna	-	1.59
Camera to Kovilpalayam Police Station	-	1.11
(ii) Contribution to others	4.68	4.62
Total	286.29	240.05
25 INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	8,741.88	4,950.90
Adjustments for current tax of prior periods	307.46	-
Total current tax expense	9,049.34	4,950.90
26 DEFERRED TAX:		
Decrease/ (Increase) in deferred tax assets	-	-
(Decrease)/ Increase in deferred tax Liabilities	(455.79)	(223.43)
Total deferred tax expense/ (benefit)	(455.79)	(223.43)
Income tax expense	8,593.55	4,727.47
The Income-tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	32,504.59	19,548.20
Income-tax expense calculated at 25.168%	8,180.76	4,919.89
Add: Tax effect on earlier year disallowances	307.46	-
Less: Tax effect on non-deductible expense	118.14	-
Add:/(Less):Net tax effect on additional deduction	(12.81)	(192.42)
Total tax expense	8,593.55	4,727.47

27 FAIR VALUE MEASUREMENT

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2022					March 31, 2021				
	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)	-	10,430.33	-	10,430.33	10,430.33	-	6,293.87	-	6,293.87	6,293.87
Trade Receivables	-	-	29,377.66	29,377.66	29,377.66	-	-	24,664.95	24,664.95	24,664.95
Cash and bank balances	-	-	28,655.29	28,655.29	28,655.29	-	-	14,643.97	14,643.97	14,643.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

Particulars	March 31, 2022					March 31, 2021				
	FVTPL	FVTOCI	Amor-tised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amor-tised Cost	Total Carrying Value	Total Fair Value
Other Financial assets	-	-	1,785.29	1,785.29	1,785.29	-	-	1,590.71	1,590.71	1,590.71
Total Financial Assets	-	10,430.33	59,818.24	70,248.57	70,248.57	-	6,293.87	40,899.63	47,193.50	47,193.50
Financial Liabilities										
Borrowings			8,996.12	8,996.12	8,996.12			7,085.66	7,085.66	7,085.66
Trade Payables			27,536.25	27,536.25	27,536.25			26,005.41	26,005.41	26,005.41
Other Financial liabilities			15,432.92	15,432.92	15,432.92			13,198.32	13,198.32	13,198.32
Total Financial Liabilities	-	-	51,965.29	51,965.29	51,965.29	-	-	46,289.39	46,289.39	46,289.39

(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, 2022				March 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	10,034.64	-	-	10,034.64	5,800.29	-	-	5,800.29
Unlisted Equity instruments	395.69	-	-	395.69	493.58	-	-	493.58
Total Financial Assets	10,430.33	-	-	10,430.33	6,293.87	-	-	6,293.87
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

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

Particulars	March 31, 2022				March 31, 2021			
	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	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
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.

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.

28 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Gearing Ratio:		
Debt	2,132.78	1,923.16
Less: Cash and bank balances	28,655.29	14,643.97
Net debt	(26,522.51)	(12,720.81)
Total equity	1,13,246.42	87,938.82
Net debt to equity ratio (%)	-23.42%	-14.47%
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Loans Given	-	-
Other non-current financial assets	1,539.86	1,456.74
Trade receivables	29,377.66	24,664.95
Cash and cash equivalents	5,802.88	6,002.66
Bank balances other than above	22,852.41	8,641.31
Other financial assets	245.42	133.97
b. Mandatorily measured at fair value through OCI (FVOCI)		
- Equity instruments (other than subsidiary and associates)	10,430.33	6,293.87
Financial liabilities		
a. Measured at amortised cost		
Borrowings	8,996.12	7,085.66
Trade payables	27,536.25	26,005.41
Other financial liabilities	14,389.98	11,931.42
Lease Liabilities	1,042.94	1,266.90

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 company does not have any open forward contracts as on 31st March 2022

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:

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, 2022							
USD	14,58,329.10	-	14,58,329.10	63,30,999.38	-	63,30,999.38	48,72,670.28
EUR	11,316.00	-	11,316.00	28,16,262.44	-	28,16,262.44	28,04,946.44
GBP	-	-	-	2,74,084.06	-	2,74,084.06	2,74,084.06
JPY	4,55,90,500.00	-	4,55,90,500.00	-	-	-	(4,55,90,500.00)
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)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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.

₹ in Lakhs

	Due in 1 st year	Due in 2 nd to 5 th year	Due after 5 th year	Carrying amount
March 31, 2022				
Trade payables	27,536.25	-	-	27,536.25
Other financial liabilities	15,432.92	-	-	15,432.92
Borrowings	6,863.33	-	-	6,863.33
	49,832.50	-	-	49,832.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 ₹ in Lakhs

	Due in 1 st year	Due in 2 nd to 5 th year	Due after 5 th year	Carrying amount
March 31, 2021				
Trade payables	26,005.41	-	-	26,005.41
Other financial liabilities	13,198.32	-	-	13,198.32
Borrowings	5,162.49	-	-	5,162.49
	44,366.22	-	-	44,366.22

	March 31, 2022	March 31, 2021
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

Particulars	As at 31.03.2022	As at 31.03.2021
29 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	162.72	100.00
(ii) Entry Tax	408.36	408.36
(iii) VAT/CST	374.86	399.47
(iv) Income Tax	1,304.34	1,304.34
TOTAL	2,250.28	2,212.17
(b) Guarantee given by Bankers and outstanding	276.63	77.94
(c) Corporate guarantee given for others	-	2,700.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	512.99	432.75

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:		
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	6,106.33	2,869.78

30 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 ₹ 1,073.45 Lakhs (Year ended 31 March, 2021 ₹ 812.29 Lakhs) for Provident Fund contributions and ₹ 21.89 Lakhs (Year ended 31 March, 2021 ₹ 7.86 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 ₹ 217.71 Lakhs (Year ended 31 March, 2021 ₹ 173.07 Lakhs) in the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 22 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 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Components of employer expenses		
Current service cost	190.46	175.57
Interest cost	197.98	185.94
Expected return on Plan Assets	(226.02)	(185.99)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	162.42	175.52
Actual contribution and the benefit payments for the year		
Actual benefit payments	(134.56)	(120.27)
Actual contribution	358.59	382.50
Other Comprehensive Income		
Opening OCI	213.65	391.19
Actuarial Loss / (Gain) on DBO	(123.84)	(194.75)
Actuarial Loss / (Gain) on Assets	39.57	17.21
Total recognized in Other Comprehensive Income	(84.27)	(177.54)
Closing Recognised in OCI	129.38	213.65
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	2,833.56	2,703.52
Fair value of plan assets	3,308.08	2,897.60
Funded Status [Surplus/(Deficit)] *	474.52	194.08
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	474.52	194.08
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	2,703.52	2,657.03
Current service cost	190.46	175.57
Interest cost	197.98	185.94
Actuarial (gain) / loss on obligation	(123.84)	(194.75)
Benefits paid	(134.56)	(120.27)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31.03.2022 ₹ in Lakhs	As at 31.03.2021 ₹ in Lakhs
Present value of DBO at the end of the year	2,833.56	2,703.52
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	2,897.60	2,466.59
Acquisition adjustment		
Expected return on Plan Assets	226.02	185.99
Contributions by the employer	358.59	382.50
Actuarial gain / (loss)	(39.57)	(17.21)
Benefits paid	(134.56)	(120.27)
Plan Assets at the end of the year	3,308.08	2,897.60
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	2,833.56	2,703.52
Closing FV of Plan Assets	3,308.08	2,897.60
Funded Status [Surplus/(Deficit)] *	474.52	194.08
* - 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)	7.51%	7.16%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	7.51%	7.16%
* - Included in "Contribution to Provident & Other Funds" in Note 22 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on Obligation	(123.84)	(194.75)
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	39.57	17.21
Total comprehensive Income for the year	(84.27)	(177.54)
Actuarial (Gains) and Losses Recognized in the year	(84.27)	(177.54)
Unrecognized Actuarial (Gains) and Losses for the year	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

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 ₹ 200.00 Lakhs to the Gratuity Fund next year.

(iv) Sensitivity Analysis:

Particulars	As at 31.03.2022	As at 31.03.2021
A. Discount Rate + 100 BP	-9.60%	-9.02%
Defined Benefit Obligation [PVO]	2,561.43	2,459.54
B. Discount Rate - 100 BP	11.32%	10.60%
Defined Benefit Obligation [PVO]	3,154.26	2,989.95
C. Salary Escalation Rate + 100 BP	10.09%	9.70%
Defined Benefit Obligation [PVO]	3,119.55	2,965.75
D. Salary Escalation Rate - 100 BP	-8.91%	-8.56%
Defined Benefit Obligation [PVO]	2,581.13	2,472.00
E. Attrition Rate + 100 BP	-2.79%	-2.83%
Defined Benefit Obligation [PVO]	2,754.39	2,627.04
F. Attrition Rate - 100 BP	3.23%	3.26%
Defined Benefit Obligation [PVO]	2,925.16	2,791.58

v 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.

vi 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 31.03.2022	As at 31.03.2021
Less than 1 year	115.39	157.33
Between 1 - 2 years	123.73	125.96
Between 2 - 3 years	148.12	138.76
Between 3 - 4 years	165.46	197.20
Between 4 - 5 years	229.81	190.94
More than 5 years	6,887.12	5,754.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	₹ in Lakhs	
	As at 31.03.2022	As at 31.03.2021
31 SEGMENTAL REPORTING:		
Primary Segment information		
(Business Segments):		
A. Segment Revenue:		
Transmission	1,66,989.11	1,30,205.89
Metal Forming	43,219.71	30,693.39
Total	2,10,208.82	1,60,899.28
B. Segment Results:		
Transmission	27,055.74	18,166.18
Metal Forming	6,016.15	424.82
Total	33,071.89	18,591.00
Less: (i) Interest	835.98	1,004.20
(ii) Other unallocable expenditure net off unallocable income	(931.81)	(424.86)
Profit before Tax	33,167.72	18,011.66
Less: Provision for taxation	8,593.55	4,727.47
Profit after Tax	24,574.17	13,284.19

C. Other Information

Particulars	As at 31.03.2022				
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	1,13,227.15	33,372.34	3,055.14	5,746.19	46.23
	(88,405.83)	(28,877.49)	(2,514.36)	(5,607.03)	-
Metal Forming	39,791.24	13,784.73	892.76	2,575.62	122.66
	(35,839.24)	(12,632.58)	(1,580.88)	(2,724.77)	-
Unallocated	17,864.64	10,479.54	-	-	-
	(13,565.54)	(8,361.72)	(-)	(-)	(-)

Note : Components of business segments are as under:

Transmission	Chains & Sprockets
Metal Forming	Fine Blanking, Maching and Wire drawing products

Particulars	₹ in Lakhs	
	As at 31.03.2022	As at 31.03.2021
D. Secondary Segment Information (Geographical Segment)		
(1) Segment Revenue:		
Within India	1,75,147.51	1,34,117.70
Outside India	35,061.30	26,781.58
Total	2,10,208.81	1,60,899.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	₹ in Lakhs	
	As at 31.03.2022	As at 31.03.2021
(2) Segment Assets:		
Within India	1,57,534.21	1,25,652.17
Outside India	13,348.83	10,086.10
Total	1,70,883.04	1,35,738.27
(3) Capital Expenditure:		
Within India	3,699.84	4,072.96
Outside India	248.06	22.28
Total	3,947.90	4,095.24
32 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	77.03	84.70
As Lessee		
b Interest expenses on lease liability	107.68	123.75
Expenses related to short term leases and lease of low value assets	517.10	447.25
Total cashflow for leases	848.74	760.01
33 EARNINGS PER SHARE		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In ₹ Lakhs	24,547.65	13,345.65
Profit attributable to Equity Shareholders - In ₹ Lakhs (A)	24,547.65	13,345.65
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 ₹	10	10
Basic and Diluted Earnings Per Share-In ₹ (A/B)(Not annualized)	78.20	42.51
34 DEFERRED TAX LIABILITY (NET):		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	1,281.64	1,675.12
On account of provision for right to use assets	211.42	276.44
On account of provision for lease liability	(262.49)	(318.85)
On account of provision for doubtful debts	(39.58)	(12.07)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	₹ in Lakhs	
	As at 31.03.2022	As at 31.03.2021
On account of provision for contingencies	(251.68)	(176.18)
On account of provision for bonus	(264.29)	-
On account of provision for gratuity	119.43	48.85
On account of provision for leave salary	(91.07)	(81.04)
On account of provision for Investments in Shares	637.00	-
	1,340.38	1,412.27

35 The title deeds of immovable properties which are freehold, based on the registered sale deeds/transfer deed/conveyance deed/scheme of arrangements approved by Hon'ble high Courts & appropriate authorities and property tax receipts, are held in the name of the Company as at Balance sheet date.

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.

36 The Group has no proceedings initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

37 No Scheme of Arrangement is approved u/s. 230 to 237 of the Companies Act for the company.

38 The Group's borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

39 The Group has no relationship with struck-off companies.

40 The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 The Group has not been received any funds from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

42 The Group has no income which has been surrendered or disclosed as income during the year in any of the tax assessments under the Income Tax Act 1961.

43 The Group has not traded/invested in crypto currency/ virtual currency during the financial year.

44 Loans and Advances in the nature of loan granted to Promoter, KMP and related parties: Nil

45 There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the the statutory period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

46 The Group has not issued any securities for a specific purpose.

47 The Group has utilised the borrowings from banks and financial institutions for the purpose for which it was availed.

48 There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in "Material Changes and commitments affecting the financial position between the end of the fiscal and date of the report" in the Board's report

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

50 Exceptional item represents subsidy received.

51 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.

52 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 Group has considered available information up to the date of approval of these financial results to arrive at its estimates. The Group 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.

53 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.

54 Related party disclosure
a) List of parties having significant influence

As per our report of even date attached

For and on behalf of the Board of Directors

For **SURI & CO.**

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

Senior General Manager

(Legal) and Company

Secretary ACS NO. A14273

Place : Coimbatore

Date : 30.04.2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Associate Companies

NIL

Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel

Elgi Automotive Services Private Limited	Lakshmi Printers
L.G.B. Auto Products Private Limited	Veena Coach Products
LG Farm Products Private Limited	G-Plast Private Limited
LG Sports Private Limited	Gedee Weiler Private Limited
Super Transports Private Limited	Metal Forms Private Limited
Super Speeds Private Limited	Paatimachi Private Limited
LGB Forge Limited	Rajvirdhan Private Limited
Tribe Investments & Services Private Limited	Silent Chain India Private Limited
South West Engineering India Private Limited	UMS Technologies Private Limited

Key management personnel

Sri. B. Vijayakumar	Chairman and Managing Director
Sri. P. Prabakaran	Managing Director
Sri.Rajiv Parthasarathy	Whole Time Director
Sri.N.Rengaraj	Chief Financial Officer
Sri.M.Lakshmi Kanth Joshi	Senior General Manager (Legal) and Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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. Samriddhi Andal	Daughter's daughter
Minor.Vidhur Narayanan	Daughter's Son
Relatives of Sri. P. Prabakaran:	
Sri.K. Palanichamy	Father
Smt.Rajalakshmi	Mother
Smt.D. Maheswari	Wife
Sri.P. Suryakumar	Son

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

a) Transactions during the year

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹ in Lakhs							
1	Remuneration to Key Managerial Personnel	-	-	1,162.45	778.79	-	-	1,162.45	778.79
	Sri.B.Vijayakumar	-	-	800.84	518.22	-	-	800.84	518.22
	Sri.P. Prabakaran	-	-	254.81	179.13	-	-	254.81	179.13
	Sri.N.Rengaraj	-	-	51.61	47.32	-	-	51.61	47.32
	Sri.Rajiv Parthasarathy	-	-	17.92	-	-	-	17.92	-
	Sri.Lakshminanth Joshi	-	-	37.27	34.12	-	-	37.27	34.12
2	Loan Receipts (Borrowings)	765.00	520.00	870.00	441.00	140.00	225.00	1,775.00	1,186.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Associates								
	L.G.Sports Ltd	300.00	205.00	-	-	-	-	300.00	205.00
	LGB Auto Products (P) Limited	365.00	125.00	-	-	-	-	365.00	125.00
	LG Farm Products (P) Limited	20.00	165.00	-	-	-	-	20.00	165.00
	Super Speeds (P) Limited	35.00	25.00	-	-	-	-	35.00	25.00
	Silent Chain (P) Limited	45.00	-	-	-	-	-	45.00	-
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	870.00	441.00	-	-	870.00	441.00
	Relatives of Key Managerial Personnel								
	Smt.Rajsri Vijayakumar	-	-	-	-	140.00	225.00	140.00	225.00
3	Loan Repayment (Borrowing)	255.00	390.00	570.00	921.00	110.00	175.00	935.00	1,486.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Associates								
	L.G.Sports P Ltd	220.00	70.00	-	-	-	-	220.00	70.00
	LG Farm Products (P) Limited	10.00	305.00	-	-	-	-	10.00	305.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

a) Transactions during the year

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		₹ in Lakhs							
	Super Speeds (P) Limited	25.00	15.00	-	-	-	-	25.00	15.00
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	570.00	921.00	-	-	570.00	921.00
	Relatives of Key Managerial Personnel								
	Smt.Rajsri Vijayakumar	-	-	-	-	110.00	175.00	110.00	175.00
4	Fixed Deposits Receipts (Borrowings)	10.00	10.00	-	547.80	-	-	10.00	557.80
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Associates								
	Silent Chain (P) Limited	10.00	10.00	-	547.80	-	-	10.00	557.80
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	-	540.00	-	-	-	540.00
	Sri.P. Prabakaran	-	-	-	3.80	-	-	-	3.80
	Sri.N.Rengaraj	-	-	-	4.00	-	-	-	4.00
5	Fixed Deposits Repayments (Borrowings)	45.00	5.00	-	-	205.00	10.00	250.00	15.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Associates								
	L G Farm Products (P) Limited	-	-	-	-	-	-	-	-
	L.G.Sports (P) Ltd	-	-	-	-	-	-	-	-
	Silent Chain (P) Limited	45.00	5.00	-	-	-	-	45.00	5.00
	Elgi Automotive Services (P) Limited	-	-	-	-	-	-	-	-
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	-	-	-	-	-	-
	Sri.P. Prabakaran	-	-	-	-	-	-	-	-
	Sri.N.Rengaraj	-	-	-	-	-	-	-	-
	Relatives of Key Managerial Personnel								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Smt. Rajsri Vijayakumar	-	-	-	-	50.00	-	50.00	-
	Minor. Vidhur Narayanan	-	-	-	-	75.00	10.00	75.00	10.00
	Minor. Samridhi Andar	-	-	-	-	75.00	-	75.00	-
	Smt. D. Maheswari	-	-	-	-	5.00	-	5.00	-
6	Interest Expense	65.48	45.99	109.34	108.55	23.17	38.18	197.99	192.72
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	L.G.Sports (P) Ltd	30.62	12.75	-	-	-	-	30.62	12.75
	LGB Auto Products (P) Limited	25.03	10.20	-	-	-	-	25.03	10.20
	L G Farm Products (P) Limited	0.46	12.15	-	-	-	-	0.46	12.15
	Others	9.37	10.89	-	-	-	-	9.37	10.89
	Key Managerial Personnel								
	Sri. B. Vijayakumar	-	-	98.85	99.22	-	-	98.85	99.22
	Sri. P. Prabakaran	-	-	10.22	9.21	-	-	10.22	9.21
	Sri. N. Rengaraj	-	-	0.27	0.12	-	-	0.27	0.12
	Relatives of Key Managerial Personnel								
	Smt. Rajsri Vijayakumar	-	-	-	-	11.70	20.77	11.70	20.77
	Minor. Samridhi Andar	-	-	-	-	5.19	7.80	5.19	7.80
	Minor. Vidhur Narayanan	-	-	-	-	5.19	8.49	5.19	8.49
	Smt. D. Maheswari	-	-	-	-	1.09	1.12	1.09	1.12
7	Equity Investment - LGB-USA	-	-	-	-	-	-	-	-
8	Dividend Receipts	13.08	0.03	-	-	-	-	13.08	0.03
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Super Speeds Private Limited	13.05	-	-	-	-	-	13.05	-
	Others	0.03	0.03	-	-	-	-	0.03	0.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
9	Dividend Payments	479.79	-	346.00	-	431.92	-	1,257.71	-
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Auto Products (P) Limited	175.00	-	-	-	-	-	175.00	-
	B Vijayakumar (Jeshta Family Pvt Trust)	156.00	-	-	-	-	-	156.00	-
	L G Farm Products (P) Limited	80.00	-	-	-	-	-	80.00	-
	L.G.Sports (P) Ltd	40.00	-	-	-	-	-	40.00	-
	Others	28.79	-	-	-	-	-	28.79	-
	Key Managerial Personnel								
	Sri. B. Vijayakumar	-	-	345.40	-	-	-	345.40	-
	Sri. P. Prabakaran	-	-	0.48	-	-	-	0.48	-
	Sri. N. Rengaraj	-	-	0.12	-	-	-	0.12	-
	Relatives of Key Managerial Personnel								
	Sri. V. Rajviradhan	-	-	-	-	170.00	-	170.00	-
	Smt. Rajsri Vijayakumar	-	-	-	-	217.92	-	217.92	-
	Others	-	-	-	-	44.00	-	44.00	-
10	Rent Income	78.57	74.46	-	-	-	-	78.57	74.46
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	56.39	55.49	-	-	-	-	56.39	55.49
	Super Transports Private Limited	11.62	10.42	-	-	-	-	11.62	10.42
	Others	10.56	8.55	-	-	-	-	10.56	8.55
11	Purchase of Materials, Spares & power	2,097.60	1,249.74	-	-	-	-	2,097.60	1,249.74
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	1,150.00	499.59	-	-	-	-	1,150.00	499.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Lakhs

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
	Lakshmi Printers	708.24	511.12	-	-	-	-	708.24
	G-Plast P Ltd	124.46	109.88	-	-	-	-	124.46
	Others	114.90	129.15	-	-	-	-	114.90
	Processing/Conversion Charges	304.85	196.65	-	-	-	-	304.85
12	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel							
	South Western Engineering India Private Limited	-	19.02	-	-	-	-	19.02
	Veena Coach Products	164.67	130.70	-	-	-	-	164.67
	Super Speeds Private Limited	115.23	-	-	-	-	-	115.23
	Others	24.95	46.93	-	-	-	-	24.95
	Sale of Materials, Stores and Service Charges	1,084.53	454.43	-	-	-	-	1,084.53
13	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel							
	Metal Forms (P) Limited	1,076.51	447.52	-	-	-	-	1,076.51
	Others	8.02	6.91	-	-	-	-	8.02
	Processing charges Receipts	289.62	274.45	-	-	-	-	289.62
14	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel							
	LGB Forge Limited	278.36	274.29	-	-	-	-	278.36
	Others	11.26	0.16	-	-	-	-	11.26
	Sale of Property, Plant and Equipment	-	-	-	-	-	-	-
15	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel							
	Purchase of Property, Plant and Equipment	-	896.71	-	-	-	-	896.71
16	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel							
	Total	5,488.52	4,117.46	3,057.79	2,797.14	910.09	448.18	9,456.40
	Total							7,362.78

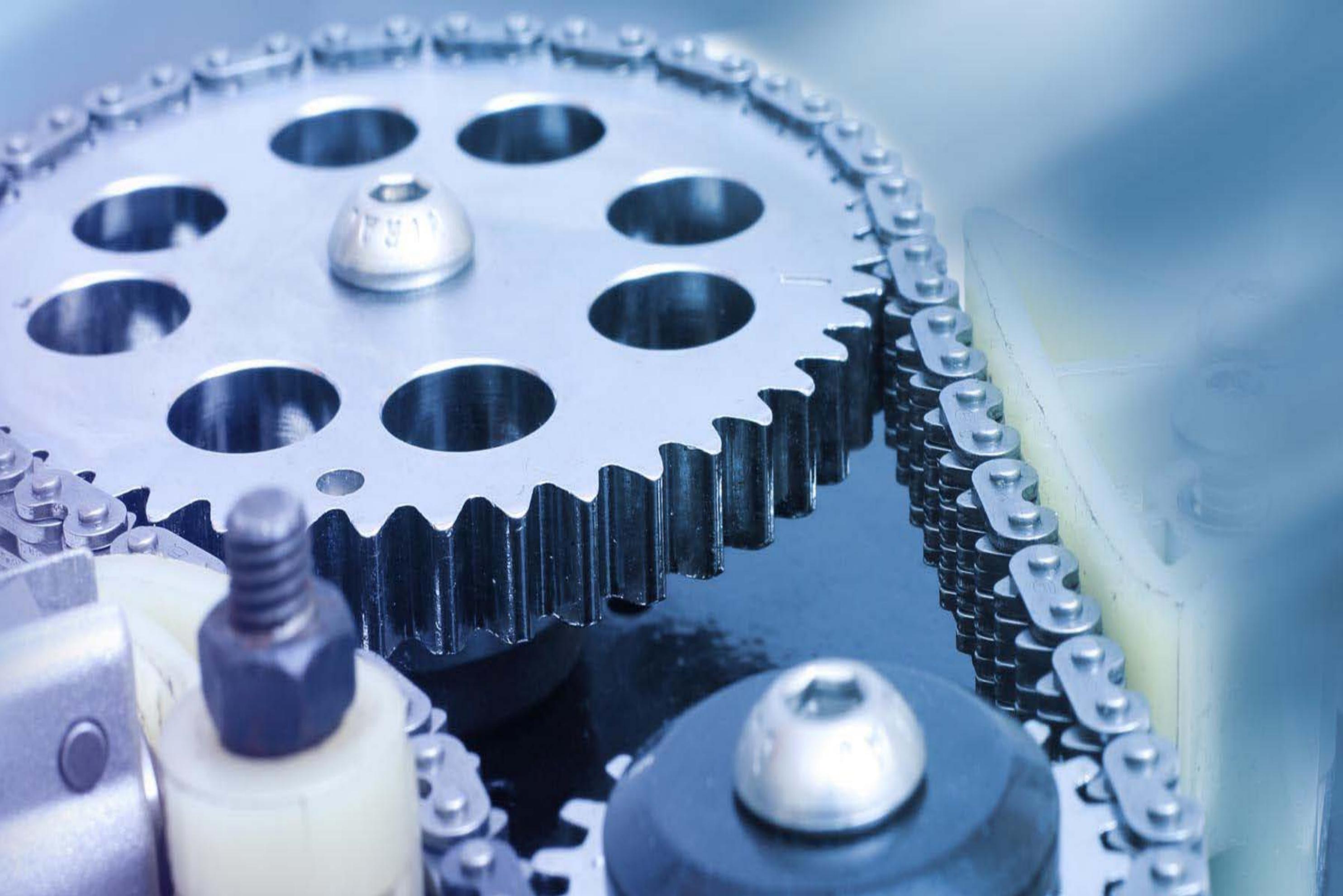
₹ in Lakhs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
	LGB Forge Limited	-	-	-	-	-	-	-
	South Western Engineering India Private Limited	-	892.88	-	-	-	-	892.88
	Others	-	3.83	-	-	-	-	3.83
	Total	5,488.52	4,117.46	3,057.79	2,797.14	910.09	448.18	9,456.40
	Total							7,362.78

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
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
1	Receivable balance	814.37	160.60	-	-	-	-	814.37
	LGB Forge Limited	29.10	-	-	-	-	-	29.10
	Metal Forms (P) Limited	782.49	159.99	-	-	-	-	782.49
	Others	2.78	0.61	-	-	-	-	2.78
2	Payable balance	283.11	198.06	-	-	-	-	283.11
	LGB Forge Limited	189.70	112.48	-	-	-	-	189.70
	Others	93.41	85.58	-	-	-	-	93.41
3	Unsecured borrowings balance	905.00	395.00	300.00	300.00	50.00	50.00	1,285.00
	L G Sports Limited	300.00	220.00	-	-	-	-	300.00
	LGB Auto Products (P) Limited	515.00	150.00	-	-	-	-	515.00
	Silent Chain (P) Limited	45.00	-	-	-	-	-	45.00
	Super Speeds Private Limited	35.00	25.00	-	-	-	-	35.00
	L G Farm Products (P) Limited	10.00	-	-	-	-	-	10.00
	Sri.B. Vijayakumar	-	-	300.00	-	-	-	300.00
	Smt.Rajsri Vijayakumar	-	-	-	-	80.00	50.00	80.00
	Total							50.00





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SPECIAL FEATURES

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SPECIAL FEATURES

- Corrosion Resistant
- Lustrous Aesthetics
- Enhanced Wear Resistance Due to Quadruple Sealing





5G Technology Belts

With Durable Aramid Fibre

GET THE 5G ADVANTAGE

-  **ADVANCED TECHNOLOGY**
-  **BETTER LIFE EXPECTANCY**
-  **SMOOTH TRANSMISSION**
-  **LOW NOISE**
-  **HIGH TEMPERATURE RESISTANCE**



IMPROVED TOP FABRIC

ANTI SLIP RUBBER

PROTECTIVE POLYAMIDE FABRIC FOR BOTTOM COG

DURABLE ARAMID FIBRE BLEND

HIGH TENSILE CORD



L.G. BALAKRISHNAN & BROS LIMITED

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

CIN : L29191TZ1956PLC000257

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

Website: <https://www.lgb.co.in> Fax: 0422 2532333

