

L.G. BALAKRISHNAN & BROS LIMITED



**63rd
ANNUAL REPORT
2018 - 2019**

L.G. BALAKRISHNAN & BROS LIMITED

Corporate Information

BOARD OF DIRECTORS

Sri. B. Vijayakumar
Chairman and Managing Director

Sri. P. Prabakaran
Managing Director

Non-Executive Directors

Sri. S. Sivakumar

Sri. V. Govindarajulu

Sri. P. Shanmugasundaram

Smt. Rajsri Vijayakumar

Sri. V. Rajvirdhan

Sri. R. Vidhya Shankar

Smt. Kanchana Manavalan (w.e.f. 31.01.2019)

Sri.G. D. Rajkumar (w.e.f. 29.04.2019)

Dr. T. Balaji (upto 31.10.2018)

Sri. P. Balasubramanian (upto 31.01.2019)

CHIEF FINANCIAL OFFICER

Sri. N. Rengaraj

GENERAL MANAGER (LEGAL) AND COMPANY SECRETARY

Sri. M. Lakshmi Kanth Joshi

BANKERS

Axis Bank Limited
Corporation Bank
HDFC Bank Limited
HSBC Limited
IndusInd Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Yes Bank Limited

STATUTORY AUDITORS

M/s. Suri & Co
Chartered Accountants
II Floor, A.M.M. Buildings
354, Mettupalayam Road, Coimbatore 641043
Phone No. 0422 - 2433627

COST AUDITOR

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

SECRETARIAL AUDITOR

CS M.D. Selvaraj
MDS & Associates
Company Secretaries in Practice
Surya, 35, Mayflower Avenue, Sowripalaym Road
Coimbatore - 641028
Phone : 0422 2318780

REGISTRAR AND SHARE TRANSFER AGENTS

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

LISTED - STOCK EXCHANGES

BSE Ltd.
National Stock Exchange of India Ltd.

REGISTERED OFFICE

6/16/13, Krishnarayapuram Road,
Ganapathy, Coimbatore - 641 006.
CIN : L29191TZ1956PLC000257
Email: info@lgb.co.in Website: www.lgb.co.in
Phone: 0422 2532325 Fax: 0422 2532333

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63rd ANNUAL GENERAL MEETING

Date : 18th July, 2019
Day : Thursday
Time : 10.45 A.M.
Venue : **Ardra Convention Centre**
"Kaanchan",
9, North Huzur Road
Coimbatore- 641 018.

NOTICE of 63rd Annual General Meeting

NOTICE is hereby given that the **Sixty Third Annual General Meeting of the Members of the Company will be held on Thursday, 18th July, 2019 at 10.45 A.M. at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, to transact the following business:**

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the Financial year ended March 31, 2019.
3. To appoint a Director in place of Sri.P.Prabakaran (DIN 01709564), who retires by rotation and being eligible, seeks re-appointment.
4. To appoint a Director in place of Smt.Rajsri Vijayakumar (DIN 00018244), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended and as per the recommendations of the Nomination and Remuneration Committee, Smt. Kanchana Manavalan (DIN: 07497403), who has given her consent for appointment as an Independent Director of the Company and has also submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI

Listing Regulations and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years, with effect from January 31, 2019 and is not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended and as per the recommendations of the Nomination and Remuneration Committee, Sri.G.D.Rajkumar (DIN: 00197696), who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years, with effect from April, 29, 2019 and is not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149(10), 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI Listing Regulations) and as per the recommendations of the Nomination and Remuneration Committee, Sri.V.Govindarajulu (holding DIN 00016108), whose present term of office as an Independent Director expires on August 31, 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from September 01, 2019 and is not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149(10), 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI Listing Regulations), Sri.P.Shanmugasundaram (holding DIN 00119411) whose present term of office as an Independent Director expires on August 31, 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from September 01, 2019 and is not liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), the consent of the members of the Company be and is hereby accorded to continue the directorship of Sri.P.Shanmugasundaram (holding DIN 00119411) who will attain the age of 75 (seventy five) years on August 10, 2023, as an Independent Director of the Company till the expiry of his term of office."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149(10), 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI Listing

Regulations) and as per the recommendations of the Nomination and Remuneration Committee, Sri.R.Vidhya Shankar (holding DIN 00002498), whose present term of office as an Independent Director expires on August 31, 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from September 01, 2019 and is not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Sri.B.Vijayakumar (DIN 00015583) as a Chairman and Managing Director of the Company, for a further period of 5 (Five) years with effect from January 1, 2020 on the following remuneration as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their Meeting held on April 29, 2019.

1. Salary: Rs.8,75,000/- P.M with annual increment not exceeding 10% of the Salary.
2. Commission: An amount equal to 2 % of the Net Profits of the Company in each financial year computed in accordance with Section 198 of the Companies Act, 2013.

3. Other Benefits: Contribution to Provident Fund as per the rules of the Company and this shall not be included in computation of ceiling on remuneration.

RESOLVED FURTHER THAT the Board and/ or the Nomination and Remuneration Committee of the Company be and is hereby authorized to alter, vary and modify the said terms of appointment and/ or remuneration payable to him, including the monetary value thereof, as per Schedule V of the Companies Act, 2013 or any statutory modification, clarifications or re-enactment thereof from time to time in force.

RESOLVED FURTHER THAT pursuant to Section 196(3) read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, the consent of the Members be and is hereby accorded for the continuance of the employment of Sri.B.Vijayakumar (DIN 00015583) who will attain the age of 70 (Seventy) years on January 22, 2023 as the Chairman and Managing Director till the expiry of his term of office.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matters connected therewith or incidental thereto."

11. 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 have 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 March 31, 2020, on a remuneration of Rs.1.90 lakhs (Rupees One Lakh Ninety Thousand Only) plus taxes as applicable and re-imburement of out-of-pocket expenses incurred in connection with the audit, be and is hereby ratified."

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

The Board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Smt. Kanchana Manavalan (DIN: 07497403) on January 31, 2019, as an Additional Director (Independent and Non-Executive) on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013.

Smt. Kanchana Manavalan holds office up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013. The Company has received notice in writing from a Member under Section 160 of the Act, proposing her candidature for the office of Independent Director of the Company.

Brief profile of Smt. Kanchana Manavalan and her other directorships has been included in this Notice.

The Company has received a declaration from Smt. Kanchana Manavalan stating that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In the opinion of the Board, she fulfill the conditions for appointment as an Independent Director and she is independent of the Management.

The details of the Board and the Committee meetings attended by Smt. Kanchana Manavalan have been given elsewhere in this Annual Report. Smt. Kanchana Manavalan will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which she is a member/ Chairperson.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board of Directors considers it in the interest of the Company to appoint Smt. Kanchana Manavalan as an

Independent Director of the Company for a period of 5 consecutive years with effect from January 31, 2019.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Smt. Kanchana Manavalan, is in any way, interested or concerned, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in item No. 5 of the notice for approval of the members.

Item No. 6:

The Board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Sri.G.D.Rajkumar (DIN: 00197696) on April, 29, 2019, as an Additional Director (Independent and Non-Executive) on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013.

Sri.G.D.Rajkumar holds office up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013. The Company has received notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Independent Director of the Company.

Brief profile of Sri.G.D.Rajkumar and his other directorships has been included in this Notice.

The Company has received a declaration from Sri.G.D.Rajkumar stating that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In the opinion of the Board, he fulfill the conditions for appointment as an Independent Director and he is independent of the Management.

The details of the Board and the Committee meetings attended by Sri.G.D.Rajkumar have been given elsewhere in this Annual Report. Sri.G.D.Rajkumar will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which he is a member/ Chairperson.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of

the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board of Directors considers it in the interest of the Company to appoint Sri.G.D.Rajkumar as an Independent Director of the Company for a period of 5 consecutive years with effect from 29th April, 2019.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Sri.G.D.Rajkumar, is in any way, interested or concerned, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in item No. 6 of the notice for approval of the members.

Item No.7,8,9 :

As per the provisions of Sections 149, 152, 160 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Sri.V.Govindarajulu, Sri. P. Shanmugasundaram and Sri. R. Vidhya Shankar as Independent Directors as per the requirements of the Companies Act, 2013 at the Annual General Meeting held on July 09, 2014 to hold office upto August 31, 2019 for a first term of five consecutive years.

As the above named Independent Directors shall be completing their first term of appointment upon completion of five years from the respective dates of their appointment during the current year, they are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by way of passing a Special Resolution.

All the above named persons have consented to their re-appointment and confirmed that they do not suffer from any disqualifications which stand in the way of their re-appointment as Independent Directors.

The performance evaluation of the Independent Directors was conducted by the entire Board of Directors (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that "no listed Company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect". Accordingly, Sri.P.Shanmugasundaram will attain the age of 75 years on August 10, 2023 and hence, continuation of his directorship beyond the age of 75 years requires the approval of members by way of a special resolution.

Accordingly, based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on April 29, 2019, respectively have recommended the re-appointment of the aforesaid persons as Independent Directors for a second term of five consecutive years commencing from the dates on which their present appointments with the Company expire.

During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act and as per Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and they are independent of the Management.

The brief profile of all the Appointee Independent Directors is mentioned under "Profile of Directors" forming part of this Notice and details of the remuneration paid/payable to them are as provided in the Corporate Governance Report forming part of the annual report for the year 2018-2019.

The Company has also received notices from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing their re-appointment as Independent Directors for the second term of 5 consecutive years.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board recommends the Resolutions as set out in Item Nos. 7, 8 and 9 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in any way deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 7, 8 and 9 of the Notice.

Item Nos. 10:

Sri.B.Vijayakumar, Chairman and Managing Director of the Company was appointed for a period of 5 years from 01.01.2015 and his appointment is due for renewal on 31.12.2019. He was one of the promoter and main contributor to the growth and development of the Company and has more than 42 years of rich industrial experience and managerial experience. Under his stellar leadership the Company has grown rapidly with manufacturing facilities spread across India and Overseas. In recognition of his contribution in the Company and as per the recommendation of the Nomination & Remuneration Committee and the approval of the Audit Committee, the Board of Directors, at its meeting held on 29.04.2019, has approved the re-appointment of Sri.B.Vijayakumar as Chairman and Managing Director for a further period of 5 years from 01.01.2020. They have also approved the remuneration as proposed in the resolution which is in line with Section 197 read with Schedule V of the Companies Act, 2013.

Further, Sri.B.Vijayakumar, during his tenure of office as Chairman and Managing Director, will attain the age of 70 years on January 22, 2023. In view of his experience and expertise knowledge and in pursuance of Section 196(3) read with Schedule V of the Companies Act, 2013, the Board of Directors recommends the continuance of the employment of Sri.B.Vijayakumar as the Chairman and Managing Director beyond the age of 70 years till the

expiry of his term of office. The Board therefore recommends the special resolution as set out in Item No.10 of the Notice for your approval.

None of the Directors and/or key managerial personnel of your Company and their relatives, except Sri.B.Vijayakumar, Chairman and Managing Director, Sri.V.Rajvirdhan and Smt.Rajsri Vijayakumar, Directors, are concerned or interested, financially or otherwise, in the above Resolution.

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

Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Dr.G.L.Sankaran, Cost Accountant (Membership No.4482) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2019-2020. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing ordinary resolution as set out in item no.11 of the notice for ratification of remuneration payable to the Cost Auditor for conducting the cost audit of the Company, if required, for the financial year ending March 31, 2020.

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.11 of the Notice, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution as set out at Item No.11 of the Notice for approval by the members.

NOTES:

- 1. A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument**

appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty eight hours before the commencement of AGM. A Proxy Form for the AGM is enclosed herewith.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Members may note that M/s. Suri & Co., Chartered Accountants, Coimbatore, (FRN: 004283S), the Statutory Auditors of the Company were appointed by the Shareholders at their Annual General Meeting (AGM) held on 27th July, 2017, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2022, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide notification dated 7th May 2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Accordingly, the original resolution appointing the Statutory Auditors passed by the Shareholders at their AGM held on 27th July, 2017 was amended vide an ordinary resolution approved by the Shareholders at their 62nd AGM held on 27th July, 2018 and omitted the requirement for ratification of the appointment of statutory auditors by the shareholders at every AGM. Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this 63rd Annual General Meeting.
3. Corporate Members/ Societies intending to send their authorized representative to attend the AGM are requested to send a duly certified copy of the Board of Directors / Governing Board Resolutions authorizing their representative to attend and vote on their behalf at the AGM.
4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No.5 to 11 of the Notice, is annexed hereto. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") & Secretarial Standard on General Meetings (SS-2) issued by ICSI, of the person seeking re-appointment as Director under Item No.5 to 10 of the Notice are also annexed.
5. The register of members and the share transfer book of the Company shall remain closed from Friday, 12.07.2019 to Thursday 18.07.2019 (Both days inclusive)

Dividend : The dividend, as recommended by the Board, if approved at the meeting, will be paid to the shareholders whose names appear in the register of members as on 11.07.2019 in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend shall be paid on the basis of beneficial ownership as per the details furnished by depositories for this purpose at the end of the business hours on 11.07.2019, and the above dividend will be paid on or before 31.07.2019.
6. Pursuant to the provisions of Section 124 (5) of the Act, the dividend(s) remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government. During the financial year, the dividend declared by the Company for the financial year ended 31st March, 2011, which was unclaimed, has been transferred to IEPF. The Company has uploaded the details of the unclaimed amounts of dividend(s) of the Members on the website of the Company (www.lgb.co.in) as per the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.

7. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:

Pursuant to the provisions of Section 124 (6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the IEPF Rules") and amendments thereto, the Company has transferred the shares in respect of Members who have not claimed/encashed dividend for the last seven consecutive years to the Demat Account of the IEPF Authority. Details of the Members whose shares have been transferred to the Demat account of the IEPF Authority are available at the Company's website at www.lgb.co.in.

In the event Members do not claim dividend(s) that have remained unpaid/unclaimed for the Financial Year ended 31st March, 2012, as aforesaid, all the shares in respect of such unpaid/unclaimed dividend(s) would have to be transferred to the IEPF Authority.

8. The Members/claimants whose shares, unpaid dividend, etc. have been transferred to the IEPF Authority, may claim the shares or apply for refund by making an application in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as may be decided by the IEPF Authority from time to time. Mr. M.Lakshmi Kanth Joshi, General Manager (Legal) And Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.
9. Members / proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
10. Members are requested to bring their copies of the Annual Report and Attendance Slip signed at the time of attending the meeting.
11. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of

the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agents, Cameo Corporate Services Limited to provide efficient and better services.

Members holding shares in physical form are requested to intimate such changes to M/s.Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai- 600 002.

13. Pursuant to the provisions of Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and 6 in terms of Regulation 36 of the Listing Regulations, 2015, electronic copy of the Annual Report for 2019 is being sent to all the Members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copy of the Annual Report for 2019 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 63rd AGM of the Company, inter alia, indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 63rd AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

Members who require communication in physical form in addition to ecommunication, or have any other queries, may write to us at: secretarial@lgb.co.in.

15. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form

are therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s.Cameo Corporate Services Limited.

16. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from April 1st, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
17. The Notice of AGM will be displayed on the website of the Company www.lgb.co.in.
18. Route Map showing directions to reach to the venue of the 63rd AGM is attached to this Annual Report as per the requirement of the Secretarial Standard- 2 on "General Meetings" issued by the Institute of Company Secretaries of India.
19. Pursuant to Section 72 of the Act, Members holding shares in Physical form are advised to file nomination in the prescribed form SH-13 with the Company's RTA. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

Votes cast by members who hold shares on the cutoff date viz Thursday, 11.07.2019 alone will be counted.

Instructions for Shareholders Voting Electronically are as under:

- i. The voting period begins on Monday, 15.07.2019 at 9.00 AM and ends on Wednesday, 17.07.2019 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11.07.2019 (Thursday) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com
- iii. Click on Shareholders.
- iv. 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) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN

Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

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.

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 as mentioned in instruction

- viii. After entering these details appropriately, click on "SUBMIT" tab.

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- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for 'L.G.Balakrishnan & Bros Limited'.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If 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.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at helpdesk.evoting@cdslindia.com.
20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Thursday, 11.07.2019. Mr. M D Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
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21. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
22. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.lgb.co.in and on the website of CDSL immediately. The Company shall simultaneously forward the same to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
23. Members desirous of receiving any information on accounts or operations of the Company are requested to forward his / her queries to the Company at least ten working days prior to the meeting , so that the required information can be made available at the meeting.

Coimbatore
29.04.2019

By Order of the Board,
M. LAKSHMI KANTH JOSHI
General Manager (Legal) and
Company Secretary

Additional information on Directors recommended for re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting.

Name	P.Prabakaran	Rajsri Vijayakumar	Kanchana Manavalan	G. D.Rajkumar	B. Vijayakumar	V.Govinda -rajulu	P.Shanmuga -sundaram	R.Vidhya Shankar
DIN	01709564	00018244	07497403	00197696	00015583	00016108	00119411	00002498
DOB	01.02.1959	11.09.1981	30.08.1962	21.11.1968	22.01.1953	08.07.1956	10.08.1948	25.03.1970
Nationality	Indian	Indian	Indian	Indian	Indian	Indian	Indian	Indian
DOA on Board	30.05.2008	30.10.2006	31.01.2019	29.04.2019	25.11.1986	29.06.1998	24.05.2001	30.05.2008
Relationship with other Director	None	Daughter of Sri.B.Vijayakumar Sister of Sri.V.Rajvirdhan	None	None	Father of Smt.Rajsri Vijayakumar & Sri.V.Rajvirdhan	None	None	None
Qualifications	B.E.,	B.B.A.,	B.A.	Engineering graduate REFA Industrial Engineering Germany	B.Sc.,	B.E	B.Com., LLB., FCA.,	B.Com., B.L
Expertise	More than 29 years experience in manufacturing & marketing	More than 20 years experience in General Administration	She is having 28 years of experience in general administration	He is having around 28 years of experience in manufacturing industries.	More than 42 years as an Industrialist and more than 32 years as the Managing Director of the Company	More than 32 years of experience in sourcing and general administration	More than 45 years of experience as Chartered Accountant	More than 25 years of experience as advocate
Terms of appointment or reappointment	Liable to retire by rotation	Liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation	As set out in Item 10	Not liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation
Remuneration sought to be paid	As per the terms of the appointment	Sitting fees only	Sitting fees only	Sitting fees only	As set out in Item 10	Sitting fees only	Sitting fees only	Sitting fees only
No of Board meetings attended	5	5	0	-	5	5	5	5

Additional information on Directors recommended for re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting.

Name	P. Prabakaran	V. Rajsri	Kanchana Manavalan	G. D. Rajkumar	B. Vijayakumar	V. Govinda -rajulu	P. Shanmuga -sundaram	R. Vidhya Shankar
List of Directorships held in other companies Chairman/ Member of the committees of the board of other companies in which he/she is a Director	1. Netcon Technologies India Private Ltd 2. Netcon Network Academy (India) Private Ltd 3. Silent Chain India Private Limited 4. LGB USA INC 5. GFM LLC	1. L.G.B. Auto Products Private Ltd 2. Elgi Automotive Services Private Ltd 3. Silent Chain India Private Ltd 4. LG Farm Products Private Ltd 5. Super Speeds Private Ltd 6. Super Transports Private Ltd	Astute Decor LLP	1. G. Plast Private Ltd 2. Premier Castings Ltd 3. Ramm Precision Products Private Ltd 4. Gedee Weiler Private Ltd 5. D Engineering Private Ltd 6. Indian Machine Tool Manufacturers Association Private Ltd 7. UMS Technologies Private Ltd 8. Gedee Nanovation Private Ltd 9. Watertec (India) Private Ltd 10. Ashok Travels Private Ltd 11. Dera Investments Private Ltd 12. GD Stopp Technologies Private Ltd	1. LGB Forge Ltd 2. Elgi Equipments Ltd 3. Super Spinning Mills Ltd 4. South Western Engineering India Ltd 5. LG Sports Ltd 6. L.G.B. Auto Products Private Ltd 7. Renold Chain India Private Ltd 8. LG Farm Products Private Ltd 9. Super Speeds Private Ltd 10. Super Transports Private Ltd 11. Federation of Motor Sports Club of India Private Ltd 12. LGB USA INC 13. GFM LLC	Nil	LGB Forge Ltd	Pricol Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Sixty Third Annual Report of your Company together with the audited accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March, 2019 as compared to the previous year is as below

The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS'). In accordance with the notification issued by Ministry Corporate Affairs, the Company had adopted Ind AS with effect from April 1, 2018.

Particulars	Consolidated		Standalone	
	31.03.2019	31-03-2018	31-03-2019	31-03-2018
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
TOTAL REVENUE	169,081.74	145,933.92	158,492.30	135,555.03
Profit before interest, depreciation & Tax	20,988.07	19,954.36	20,498.45	18,666.88
Less : Interest	1,125.61	1,057.14	1,041.73	978.13
Depreciation	6,805.39	5,779.47	6,397.44	5,412.75
PROFIT BEFORE TAX	13,057.07	13,117.75	13,059.28	12,276.00
Add : Exceptional Items	1,204.97	-	1,204.97	-
Less Provisions for Taxation				
Current Income Tax / Mat	4,252.49	4,119.98	4,252.49	4,119.98
Deferred Tax (Credit / charge)	346.58	146.08	346.58	146.08
PROFIT AFTER TAX BEFORE SHARE IN PROFIT OF ASSOCIATE	9,662.97	8,851.69	9,665.18	8,009.94
Add : Share in Profit of Associate	293.44	96.64	-	-
PROFIT AFTER TAX	9,956.41	8,948.33	9,665.18	8,009.94

PERFORMANCE OF THE COMPANY

On consolidated basis, revenue from operations and other income for the financial year under review were Rs. 1,69,081.74 Lakhs as against Rs. 145,933.92 Lakhs for the previous financial year registering an increase of 15.86%. The profit before tax and exceptional item was Rs.13,057.07 Lakhs and the profit after tax, after share of profit of Associate was Rs. 9,956.41 Lakhs for the financial year under review as against Rs. 13,117.75 Lakhs and Rs. 8,948.33 Lakhs, respectively for the previous financial year.

On standalone basis, revenue from operations and other income for the financial year under review were Rs.158,492.30 lakhs as against Rs. 135,555.03 Lakhs for the previous financial year registering an increase of 16.92%. The profit before tax and exceptional item was Rs.13,059.30 Lakhs and the profit after tax was Rs.

9,665.20 Lakhs for the financial year under review as against Rs. 12,276.00 Lakhs and Rs. 8,009.94 Lakhs, respectively for the previous financial year.

TRANSFER TO RESERVES

The Company has transferred an amount of ₹ 9500 Lakhs to the General Reserve out of the amount available for appropriations and the remaining amount of ₹ 5,989.37 Lakhs has been retained in the Profit and Loss Account.

DIVIDEND

Your Company has a consistent track record of dividend payment. Continuing with this trend, Directors are pleased to recommend a dividend of ₹ 5 (50%) per share of ₹ 10/- each on Equity Share Capital of the Company, subject to the approval of shareholders at the ensuing Annual General Meeting which includes Dividend Tax results in appropriation of ₹ 1892.25 Lakhs out of profits

of the Company for the current year as against ₹ 1703.05 Lakhs in the previous year.

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

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

The Company sends intimations to all shareholders whose dividends are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made to co-ordinate with the Registrar and Share Transfer Agents to locate the shareholders who have not claimed their dues.

During the financial year 2018-19, the Company has transferred a sum of ₹ 6.2 Lakhs to Investor Education & Protection Fund related to 2010-11, the amount which was due and payable and remained unclaimed and unpaid for a period of seven years. Further, the 1592 number of equity shares pertaining to such unclaimed or unpaid dividend has also been transferred to the Investor Education and Protection Fund Authority in accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with Regulation 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th August, 2018 (date of last Annual General Meeting) on the website of the Company (www.lgb.co.in), as also on the Ministry of Corporate Affairs website.

SHARE CAPITAL

The paid up share capital of the Company as at 31st March 2019 aggregates to ₹ 31,39,24,160/- comprising of 31,392,416 equity shares of ₹ 10/- each fully paid up.

During the year under review, the Company has issued and allotted 1,56,96,208 equity shares of Rs.10/- each fully paid as bonus shares to the eligible shareholders in the proportion of 1 (one) new equity share of Rs.10/- each for every 1 (one) equity share of Rs.10/- each held in the Company and complied with the provisions of the Companies Act, 2013 and Chapter XI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Detailed composition of the Board and Board Committees namely Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committee, number of meetings held during the year under review, attendance of each Director and other related details are set out in the Corporate Governance Report which forms a part of this Report.

STATEMENT ON COMPLIANCE OF APPLICABLE 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 duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on the meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

DIRECTOR & KEY MANAGERIAL PERSONNEL

Re-appointment of Managing Director

During the year under review, the Board of Directors had approved the variation in terms of appointment of Sri.P.Prabakaran (DIN.01709564) and designated him as the Managing Director of the Company with effect from 1st October, 2018 for the remaining period of his tenure and had obtained the approval of the members by way of passing a special resolution through postal ballot on 21st October, 2018 in accordance with Section 196(4) of the Companies Act, 2013. Further, the Board of Directors had approved the re-appointment of Sri.P.Prabakaran (DIN.01709564) as the Managing Director of the Company for a further period of 5 years with effect from 1st June, 2019 and had obtained the approval of the members by way of passing a special resolution through postal ballot on 21st October, 2018 in accordance with Section 196(4) of the Companies Act, 2013.

Re-appointment of Chairman and Managing Director

The Board of Directors had, on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, has approved the re-appointment of Sri.B.Vijayakumar as Chairman and Managing Director of the Company for a further period of 5 years with effect from January 1, 2020. The terms and conditions of his appointment, including his

remuneration, are subject to the approval of the Shareholders in the ensuing Annual General Meeting.

The Board of Directors recommends the re-appointment of the Chairman and Managing Director.

Appointment of Independent Director

On recommendation of Nomination and Remuneration Committee, the Board appointed Smt. Kanchana Manavalan (Din: 07497403) and Sri.G.D.Rajkumar (00197696) as Additional Directors (Independent) with effect from January 31, 2019 & April 29, 2019 respectively with an intention to appoint them as the Independent Directors. The Company has received notice(s) from the Members under Section 160 (1) signifying their intention to propose the candidature of Smt. Kanchana Manavalan and Sri.G.D.Rajkumar for the office of Independent Directors.

The Company has also received declaration from the appointee Directors that they fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory re-enactment thereof for the time being in force).

The Board of Directors recommends the appointment of the Independent Directors.

Independent Directors Reappointment

Sri.R.Vidhya Shankar (DIN: 00002498), Sri.V.Govindarajulu (DIN: 00016108) and Sri.P.Shanmugasundaram (DIN: 00119411) were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 for the first term of 5 years and will hold office upto August 31, 2019. Considering their knowledge, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from September 01, 2019 upto August 31, 2024 and not liable to retire by rotation. The Company has received declaration from all these

Directors that they continue to fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory re-enactment thereof for the time being in force).

In terms of the provisions of Section 160(1) of the Companies Act, 2013, the Company has received Notice from a Member signifying his intention to propose the candidature for the reappointment of Sri.V.Govindarajulu, Sri.P.Shanmugasundaram and Sri.R.Vidhya Shankar for the office of Independent Directors.

The Board of Directors recommends the re-appointment of the Independent Directors.

Directors liable to retirement by rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt.Rajsri Vijayakumar (DIN: 00018244) & Sri. P.Prabakaran (DIN:01709564), Directors being longest in the office, are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, they have offered themselves for re-appointment. Necessary resolutions for their re-appointment are included in the Notice of AGM for seeking approval of Members. The Board of Directors recommend their re-appointment for your approval.

CESSATION

Dr.T.Balaji, Independent Director of the Company resigned with effect from October 31, 2018, due to Inter-locking provisions in terms of amended Regulation 16 of SEBI (LODR) Regulations, 2015. Sri.P.Balasubramanian, Independent Director of the Company resigned with effect from January 31, 2019, due to age factor. The Board places on record its appreciation for the invaluable contributions made by them during their tenure as Independent Directors of the Company.

Other than the above, there were no change in the Board of Directors or Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence as prescribed

under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

Smt.Kanchana Manavalan, Sri.G.D.Rajkumar, Sri.V. Govindarajulu , Sri. P. Shanmugasundaram, and Sri. R. Vidhya Shankar

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended on 31st March, 2019, the Board of Directors hereby confirms that,

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) that such accounting policies have been selected and applied consistently and the Directors 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;
- (c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts of the Company have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) proper system have been devised 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 Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Board has carried

out an annual performance evaluation of its own performance, the Directors individually and the Committees of the Board.

A structured questionnaire was prepared after taking into consideration inputs received from Directors, covering aspects of the Board's functioning such as adequacy of the Composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of the Individual Directors including the Chairman of the Board. The Directors' performance was evaluated on parameters such as level of engagement and contribution in safeguarding the interest of the Company etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. Further the performance evaluation of the Chairman and Non Independent Directors was carried out by the Independent Directors.

FAMILIARIZATION PROGRAMMES

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model and so on. The same is also available on the Company website at www.lgb.co.in.

NOMINATION AND REMUNERATION POLICY

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules,

2014, the extract of Annual Return in Form MGT-9 is annexed to this Report as “Annexure - A”.

AUDITORS

STATUTORY AUDITORS

M/s. Suri & Co is the statutory auditor of the Company. Its report is a part of the Annual Report. Shareholders of the Company have approved appointment of M/s. Suri & Co as the statutory auditor of the Company for five years, i.e. from the conclusion of the 61st Annual General Meeting held on August 30, 2018 until the conclusion of the 66th Annual General Meeting. Consequent to the amendments to Companies Act, 2013, ratification of appointment of the statutory auditor at every Annual General Meeting is no longer required.

The Auditors' Report for the financial year 31.03.2019 does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with notifications/ circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated April 29, 2019 appointed Dr. G.L. Sankaran, Cost Accountant, as Cost Auditor of the Company for the financial year 2019-2020. The Cost Audit Report for the financial year 2018-2019 will be filed within the period stipulated under Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. M.D. Selvaraj of M/s. MDS & Associates, Company Secretaries as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year ended March 31, 2019.

The Secretarial Audit Report for the Financial Year ended 31st March, 2019 in Form No. MR-3 is annexed to this Report as “Annexure B”.

With respect to the observation made by the Secretarial Auditor in his Report for the financial year ended March 31, 2019, your Directors wish to state that the

Company has made requisite disclosure in respect of creation of pledge on 16,00,000 equity shares of Rs.10/- each under Regulation 31(1) of SEBI (Substantial acquisition of shares and takeovers) Regulations, 2011 on 25th January 2019 which was within the stipulated time and the disclosure in the prescribed Form C has not been made separately on the presumption that "pledge" is not construed as "Disposal". However, the disclosure in the prescribed Form C pursuant to Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be submitted to the Stock Exchange.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

During the financial year ended March 31, 2019 no Loan under Section 186 of the Companies Act, 2013 was given by the Company. In respect of investment, loan, guarantee given in earlier years please refer notes to standalone financial statements.

RELATED PARTY TRANSACTIONS

Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC.2.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2019 AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2019 and the date of the report, other than those disclosed in this report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as “Annexure - C”.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enhancing

Shareholder's value and providing an optimum risk-reward trade off. The risk management approach is based on the clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation reserves.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in "Annexure - D" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For other details regarding the CSR Committee, please refer to the corporate governance report, which forms part of this report. The policy is available on the website of the Company <http://www.lgb.co.in/pdf/corporatesocial-responsibility-policy.pdf>.

FIXED DEPOSITS

As at 31st March, 2019, fixed deposits accepted by the Company from public and shareholders aggregated to ₹ 3868.74 Lakhs, which are within the limits prescribed under the Companies Act, 2013 and the rules framed there under.

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

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

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

₹ In Lakhs

Accepted during the year	307.76
Remained 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
a) At the beginning of the year	3868.74
b) Maximum during the year	3989.04
c) At the end of the year	1727.10
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	NA

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records.

The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations. The Company maintains all its records in SAP System and the work flow and approvals are routed through SAP.

The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flow of organization is being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations;

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS:

The Company has three subsidiaries viz., LGB USA INC., (Direct Overseas Subsidiary), GFM Acquisition LLC and GFM LLC (Step down overseas subsidiaries) in USA. There is One Associate Company Viz., M/s. Renold Chain India Private Limited within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”).

Statement containing salient features of financial statements of subsidiaries pursuant to Section 129(3) of the Companies Act, 2013 (Act) read with Rule 5 of The Companies (Accounts) Rules, 2014 is annexed to this Report as “Annexure F” in the prescribed Form AOC-I.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.lgb.co.in and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

The Company has laid down policy on Material subsidiary and the same is placed on the website <http://www.lgb.co.in/pdf/policy-on-material-subsidiaries.pdf>

None of the subsidiaries are material subsidiary as per the provisions of SEBI (LODR) Regulations, 2015.

ASSOCIATE COMPANY

Your Company has a 25:75 investment agreement with M/s. Renold Holding PLC, United Kingdom under the name of M/s. Renold Chain India Private Limited. This Associate Company is created with an objective to use advanced technology and know-how for production of Industrial Chains.

In Financial Year 2018-19, JV achieved sales of ₹ 9822.01 Lakhs (Net of Taxes) against ₹ 8151 Lakhs (Net of Taxes) in 2017-18. Growth in sales and margin improvement has resulted in net profit of ₹1254.97 Lakhs as against net profit of ₹ 613 Lakhs in 2017-18.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the financial year ended March 31, 2019, no entity has become or ceased to be the subsidiary, joint venture or associate of the Company.

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, 2019.

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE REPORT

Your Company has complied with the Corporate Governance norms as stipulated under the Listing Regulations. A detailed report on Corporate Governance forms part of this Annual Report. A certificate from Practising Company Secretary confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

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 / WHISTLE BLOWER POLICY

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The details of the same is explained in the Corporate Governance Report.

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 2019-2020 has been paid to them.

HUMAN RESOURCE

Your Company Firmly believes that employees are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. Many initiatives have been taken to support business through organizational efficiency, process change

support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and at all the units of the Company.

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

The Company has an Internal Compliant Committee as required to be formed under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under which were notified on 9 December 2013.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

During the financial year 2018-19, the committee submitted it's Annual Report as prescribed in the said Act and there was no complaint as regards of sexual harassment received by the Committee during the year.

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to place on record their appreciation to all the Stakeholders of the Company, viz. , customers, investors, banks, regulators, suppliers and other business associates for the support received from them during the year under review. The Directors also wish to place on record their deep sense of gratitude and appreciation to all the employees for their commitment and contribution towards achieving the goals of the Company.

For and on behalf of the Board of Directors

Coimbatore
29.04.2019

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P. PRABAKARAN
Managing Director
DIN : 01709564

EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

1.	REGISTRATION AND OTHER DETAILS:	
i)	CIN	L29191TZ1956PLC000257
ii)	Registration Date	24/03/1956
iii)	Name of the Company	L.G.BALAKRISHNAN & BROS LIMITED
iv)	Category / Sub-Category of the company	Company having Share Capital/Non-Govt. Company
v)	Address of the Registered office and contact details	6/16/13 Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006 Tel: 0422-2532325 Fax: 0422 - 2532333
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any Chennai - 600 002	M/s.Cameo Corporate Services Limited "Subramanian Building" No.1, Club House Road Phone No. 044 - 28460390

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1.	Transmission	2814	73.87%
2.	Metal Forming	2592	26.13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1.	LGB USA INC. 1209, Orange Street City of Wilmington Country of New Castle, Delaware 19801	Foreign Company	Subsidiary	77.01%	2(87)
2.	GFM Accquisition LLC 29685 Calahan, Roseville Michigan 48044	Foreign Company	Stepdown Subsidiary	Holding by LGB USA 98%	2(87)
3.	GFM LLC, 29685 Calahan, Roseville Michigan 48044	Foreign Company	Stepdown Subsidiary	Holding by GFM Accquisition LLC 100%	2(87)
4.	Renold Chain India P Ltd 568/1A, 569/1&2 D. Gudalur Vedasanthur (T.K.) Dindigul 624 620	U27109TZ2008FTCO17737	Associate	25%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(A)	Promoter									
(1)	Indian									
(a)	Individuals/ HUF	6017800	-	6017800	38.34	12035600	0	12035600	38.34	0.00
(b)	Central Government / State Government(s)									
(c)	Bodies Corporate	1497600	-	1497600	9.54	3024706	0	3024706	9.63	0.09
(d)	Financial Institutions /Banks									
(e)	Any Other (specify)									
	Sub-Total (A)(1)	7515400	-	7515400	47.88	15060306	0	15060306	47.97	0.09
(2)	Foreign									
(a)	NRI - Individuals	-	-	-	-	-	-	-	-	0.00
(b)	Other Individual	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	0.00
(d)	Bank / FI	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	0.00
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	7515400	-	7515400	47.88	15060306	0	15060306	47.97	0.09
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds	2491678	0	2491678	15.87	4457165	0	4457165	14.20	-1.68
(b)	Banks / FI	5317	4	5321	0.03	42011	8	42019	0.13	0.10
(c)	Central Government	-	-	-	-					
(d)	State Government(s)	-	-	-	-					
(e)	Venture Capital Funds	-	-	-	-					
(f)	Insurance Companies	-	-	-	-					
(g)	FIs	600	-	600	0.00	1200	0	1200	0.00	0.00
(h)	Foreign Portfolio Investors	85736	0	85736	0.55	175002	0	175002	0.56	0.01
(h)	Foreign Venture Capital Funds									
(i)	Any Other (specify)									
	Sub-Total (B)(1)	2583331	4	2583335	16.46	4675378	8	4675386	14.89	-1.56

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

i) Category-wise Share Holding (Contd.)

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(2) Non-institutions										
(a) Bodies Corporate										
(i) Indian		243547	3584	247131	1.57	396478	5328	401806	1.28	-0.29
(ii) Overseas		-	-	-	-					
(b) Individuals										
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh.		2803626	384919	3188545	20.31	6484039	603543	7087582	22.58	-2.27
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.		1676799	70948	1747747	11.14	3298359	100400	3398759	10.83	-0.31
(c) Qualified Foreign Investor										
(d) Any Other (specify)										
NRIs/OCBs		106051	3660	109711	0.70	253740	8418	262158	0.84	0.13
Clearing Member		4405	0	4405	0.03	8058	0	8058	0.03	-0.00
Directors & Relatives		84017	600	84617	0.54	113620	800	114420	0.36	-0.18
IEPF		21886	0	21886	0.14	45364	0	45364	0.14	0.00
Hindu Undivided Families		187361	0	187361	1.19	326437	0	326437	1.04	-0.15
Trusts		6070	0	6070	0.04	12140	0	12140	0.04	0.00
Sub-Total (B)(2)		5133762	463711	5597473	35.66	10938235	718489	11656724	37.14	1.47
Total Public Shareholding (B)= (B)(1)+(B)(2)		7717093	463715	8180808	52.12	15613613	718497	16332110	52.03	-0.10
(C) Shares held by Custodians for GDRs & ADRs										
GRAND TOTAL (A)+(B)+(C)		15232493	463715	15696208	100.00	30673919	718497	31392416	100.00	0.00

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
ii) Shareholding of Promoters

S. No.	Shareholders Name	No. of Shares held at the beginning of the year 01.04.2018			No. of Shares held at the end of the year 31.03.2019			% change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	B.Vijayakumar	2507000	15.97	-	5014000	15.97	0	0
2	Vijayshree Vijayakumar	17812	0.11	-	35624	0.11	0	0
3	Rajsri Vijayakumar	1089576	6.94	-	2179152	6.94	0	0
4	V.Rajvirdhan	2198586	14.01	-	4397172	14.01	5.10	0
5	K.Arjun	102424	0.65	-	204848	0.65	0	0
6	K.Nithin	102400	0.65	-	204800	0.65	0	0
7	Rajiv Parthasarathy	2	0.00	-	4	0.00	0	0
8	ELGI Automotive Services Private Ltd	40000	0.25	-	80000	0.25	0	0
9	LGB Auto Products Private Ltd	875000	5.58	-	1750000	5.58	0	0
10	LG Farm Products Private Ltd	400000	2.55	-	800000	2.55	0	0
11	Super Speeds Private Ltd	25000	0.16	-	50000	0.16	0	0
12	LG Sports Ltd	84000	0.54	-	197506	0.63	0	0.09
13	Super Transports Private Ltd	70000	0.45	-	140000	0.45	0	0
14	Silent Chain India Private Ltd	3600	0.02	-	7200	0.02	0	0
	Total	7515400	47.88	-	15060306	47.97	5.10	0.09

Bonus Shares allotted in the ratio of 1:1 on 18.06.2018

iii) Change in Promoters' shareholding (Please specify, if there is no change)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	B.Vijayakumar				
	At the beginning of the year	2507000	15.97	2507000	15.97
	Bonus shares as on 18.06.2018	2507000	7.99	5014000	15.97
	At the end of the year	5014000	15.97	5014000	15.97
2	Vijayshree Vijayakumar				
	At the beginning of the year	17812	0.11	17812	0.11
	Bonus shares as on 18.06.2018	17812	0.06	35624	0.11
	At the end of the year	35624	0.11	35624	0.11
3	Rajsri Vijayakumar				
	At the beginning of the year	1089576	6.94	1089576	6.94
	Bonus shares as on 18.06.2018	1089576	3.47	2179152	6.94
	At the end of the year	2179152	6.94	2179152	6.94
4	V.Rajvirdhan				
	At the beginning of the year	2198586	14.01	2198586	14.01
	Bonus shares as on 18.06.2018	2198586	7.00	4397172	14.01
	At the end of the year	4397172	14.01	4397172	14.01
5	Arjun Karivardhan				
	At the beginning of the year	102424	0.65	102424	0.65
	Bonus shares as on 18.06.2018	102424	0.33	204848	0.65
	At the end of the year	204848	0.65	204848	0.65
6	K.Nithin				
	At the beginning of the year	102400	0.65	102400	0.65
	Bonus shares as on 18.06.2018	102400	0.33	204800	0.65
	At the end of the year	204800	0.65	204800	0.65
7	Rajiv Parthasarathy				
	At the beginning of the year	2	0.00	2	0.00
	Bonus shares as on 18.06.2018	2	0.00	4	0.00
	At the end of the year	4	0.00	4	0.00
8	ELGI Automotive Services Private Limited				
	At the beginning of the year	40000	0.25	40000	0.25
	Bonus shares as on 18.06.2018	40000	0.13	80000	0.25
	At the end of the year	80000	0.25	80000	0.25
9	LGB Auto Products Private Limited				
	At the beginning of the year	875000	5.57	875000	5.57
	Bonus shares as on 18.06.2018	875000	2.79	1750000	5.57
	At the end of the year	1750000	5.57	1750000	5.57
10	LG Farm Products Private Limited				
	At the beginning of the year	400000	2.55	400000	2.55
	Bonus shares as on 18.06.2018	400000	1.27	800000	2.55
	At the end of the year	800000	2.55	800000	2.55

iii) Change in Promoters' shareholding (Please specify, if there is no change) (Contd.)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11	Super Speeds Private Limited				
	At the beginning of the year	25000	0.16	25000	0.16
	Bonus shares as on 18.06.2018	25000	0.08	50000	0.16
	At the end of the year	50000	0.16	50000	0.16
12	LG Sports Limited				
	At the beginning of the year	84000	0.54	84000	0.54
	Bonus shares as on 18.06.2018	84000	0.27	168000	0.54
	Purchase of Shares as on 19.10.2018	29506	0.09	197506	0.63
	At the end of the year	197506	0.63	197506	0.63
13	Super Transports Private Limited				
	At the beginning of the year	70000	0.44	70000	0.44
	Bonus shares as on 18.06.2018	70000	0.22	140000	0.44
	At the end of the year	140000	0.44	140000	0.44
14	Silent Chain India Private Limited				
	At the beginning of the year	3600	0.02	3600	0.02
	Bonus shares as on 18.06.2018	3600	0.01	7200	0.02
	At the end of the year	7200	0.02	7200	0.02

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

iv) Shareholding Pattern of Top Ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Reliance Capital Trustee Co. Ltd-A/C				
	Reliance Small Cap Fund				
	At the beginning of the year	1045590	6.66	1045590	6.66
	Bonus shares as on 18.06.2018	1045590	3.33	2091180	6.66
	Purchase 05-Oct-2018	3685	0.01	2094865	6.67
	Purchase 12-Oct-2018	3232	0.01	2098097	6.68
	Purchase 26-Oct-2018	1331	0.00	2099428	6.68
	Purchase 25-Jan-2019	1370	0.00	2100798	6.69
	At the end of the Year	2100798	6.69	2100798	6.69
2	HDFC Small & Midcap Fund				
	At the beginning of the year	641966	4.09	641966	4.09
	Purchase 06-Apr-2018	28890	0.09	670856	2.14
	Purchase 20-Apr-2018	3960	0.01	674816	2.15
	Purchase 27-Apr-2018	700	0.00	675516	2.15
	Bonus shares as on 18.06.2018	675516	2.15	1351032	4.30
	Purchase 30-Nov-2018	26850	0.08	1377882	4.39
	Purchase 07-Dec-2018	800	0.00	1378682	4.39
	At the end of the Year	1378682	4.39	1378682	4.39
3	Sundaram Mutual fund A/c Sundaram				
	Smile Fund				
	At the beginning of the year	306970	1.95	306970	1.95
	Sale 13-Apr-2018	-1008	0.00	305962	0.97
	Sale 20-Apr-2018	-326	0.00	305636	0.97
	Bonus shares as on 18.06.2018	305636	0.97	611272	1.95
	At the end of the Year	611272	1.95	611272	1.95
4	Sundaram Alternative Opportunities Fund				
	-Nano Series-1				
	At the beginning of the year	277370	1.77	277370	1.77
	Bonus shares as on 18.06.2018	277370	0.88	554740	1.77
	At the end of the Year	554740	1.77	554740	1.77
5	B V Educational Foundation				
	At the beginning of the year	205500	1.31	205500	1.31
	Bonus shares as on 18.06.2018	205500	0.65	411000	1.31
	At the end of the Year	411000	1.31	411000	1.31
6	B V Medical Foundation				
	At the beginning of the year	157000	1.00	157000	1.00
	Bonus shares as on 18.06.2018	157000	1.00	314000	1.00
	At the end of the year	314000	1.00	314000	1.00

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

iv) Shareholding Pattern of Top Ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	Vanaja Sundar Iyer				
	At the beginning of the year	153719	0.98	153719	0.98
	Purchase 06-Apr-2018	16281	0.05	170000	0.54
	Bonus shares as on 18.06.2018	170000	0.54	340000	1.08
	Sale 15-Feb-2019	-517	0.00	339483	1.08
	Sale 22-Feb-2019	-11918	0.04	327565	1.04
	Sale 01-Mar-2019	-10440	0.03	317125	1.01
	Sale 22-Mar-2019	-2392	0.01	314733	1.00
	Sale 29-Mar-2019	-812	0.00	313921	0.99
	At the end of the Year	313921	0.99	313921	0.99
8	Sundaram Alternative Opportunities Fund - Nano Cap Series II				
	At the beginning of the year	93000	0.59	93000	0.59
	Bonus shares as on 18.06.2018	93000	0.30	186000	0.59
	At the end of the Year	186000	0.59	186000	0.59
9	R Srinivasan				
	At the beginning of the year	146980	0.94	146980	0.94
	Bonus shares as on 18.06.2018	146980	0.47	293960	0.94
	Sale 29-Mar-2019	-2010	0.01	291950	0.93
	At the end of the Year	291950	0.93	291950	0.93
10	Shelly Desai				
	At the beginning of the year	96031	0.61	96031	0.61
	Sale 13-Apr-2018	-77	0.00	95954	0.31
	Sale 20-Apr-2018	-115	0.00	95839	0.30
	Sale 27-Apr-2018	-750	0.00	95089	0.30
	Bonus shares as on 18.06.2018	95089	0.30	190178	0.61
	Sale 29-Mar-2019	-95089	0.30	95089	0.30
	Purchase 29-Mar-2019	86500	0.27	181589	0.58
	At the end of the Year	181589	0.58	181589	0.58
11	Nozer Jasi Shroff**				
	At the beginning of the year	60000	0.38	60000	0.38
	Bonus shares as on 18.06.2018	60000	0.19	120000	0.38
	At the end of the Year	120000	0.38	120000	0.38
12	Anil Kumar Goel **				
	At the beginning of the year	140111	0.89	140111	0.89
	Sale 06-Apr-2018	-40000	0.13	100111	0.32
	Sale 20-Apr-2018	-45000	0.14	55111	0.17
	Bonus shares as on 18.06.2018	55111	0.17	110222	0.35
	At the end of the Year	110222	0.35	110222	0.35

** Ceased to be in the list of Top 10 Shareholders as on 31.03.2019. The same is reflected above since the Shareholder was one of the Top 10 Shareholders as on 31.03.2018.

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of Company	No. of Shares	% of total shares of Company
Sri.B.Vijayakumar	2507000	15.97	5014000	15.97
Sri.P.Prabakaran	400	0.00	800	0.00
Smt.Rajsri Vijayakumar	1089576	6.94	2179152	6.94
Sri.V.Rajvirdhan	2198586	14.01	4397172	14.01
Sri.S.Sivakumar	1005	0.00	2010	0.01
Sri.V.Govindarajulu	0	0.00	0	0.00
Sri.P.Shanmugasundaram	0	0.00	0	0.00
Sri.R.Vidhya Shankar	0	0.00	0	0.00
Smt.Kanchana Manavalan	0	0.00	516	0.00
Dr.T.Balaji*	580	0.00	1160	0.00
Sri.P.Balasubramanian**	2000	0.01	4000	0.01
Sri.G.D.Rajkumar***	0	0.00	0	0.00
Sri.N.Rengaraj, Chief Financial Officer	500	0.00	1200	0.00
Sri.M.Lakshmikanth Joshi, General Manager (Legal) and company Secretary	0	0.00	0	0.00

* Dr.T.Balaji has resigned from the board with effect from October 31, 2018.

** Sri.P.Balasubramaniam has resigned with effect from January 31, 2019 due to age factor.

***Sri.G.D.Rajkumar appointed on April 29, 2019.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,905.09	218.00	3,868.74	8,991.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.54	-	150.19	158.73
Total (i+ii+iii)	14,913.63	218.00	4,018.93	9,150.56
Change in Indebtedness during the financial year				
Addition	13,244.90	4,100.00	307.76	17,652.66
Reduction	3,158.73	995.00	2,449.40	6,603.13
Net Change	10,086.17	3,105.00	(2,141.64)	11,049.53
Indebtedness at the end of the financial year				
i) Principal Amount	114,991.26	3,323.00	1,727.10	20,041.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	50.25	-	32.43	82.68
Total (i+ii+iii)	15,041.51	3,323.00	1,759.53	20,124.04

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

₹ in Lakhs

Sl. No	Particulars of Remuneration	Sri. B. Vijayakumar Chairman and Managing Director	Sri. P. Prabakaran Managing Director	Total
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	100.84	57.51	158.35
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	273.99	52.40	326.39
	- as % of profit	2%	0.3%	2.3%
	- others, specify	-		
5	Others, please specify i. Deferred bonus (pertaining to the current Financial year payable in 2018)ii. Retirals	-	-	-
	Total (A)	374.83	109.91	484.74

Note : Remuneration shown above includes salary, allowances, (based on receipt), companies contribution to Provident fund.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
B. Remuneration to other Directors:

1. Independent Directors

₹ in Lakhs

Name of Directors	Particulars of Remuneration			Total (B)(1) in Lakhs
	Fee for attending Board / committee Meetings	Commission	Others, please specify	
Sri. P. Balasubramanian	2.20	-	-	2.20
Sri. V. Govindarajulu	3.10	-	-	3.10
Sri. P. Shanmugasundaram	3.10	-	-	3.10
Dr. T. Balaji	0.70	-	-	0.70
Sri. R. Vidhya shankar	1.40	-	-	1.40
Smt. Kanchan Manavalan	0.30	-	-	0.30
Total Amount in Lakhs	10.80	-	-	10.80

2. Non Executive Directors

₹ in Lakhs

Name of Directors	Particulars of Remuneration			Total (B)(2) in Lakhs	Total (B) = (B)(1) + (B)(2)
	Fee for attending Board / committee Meetings	Commission	Others, please specify		
Smt. Rajsri Vijayakumar	1.30	-	-	1.30	
Sri. V. Rajvirdhan	1.30	-	-	1.30	
Sri. S. Sivakumar	1.30	-	-	1.30	
Total Amount in Lakhs	3.90	-	-	3.90	14.70

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Lakhs

SI. No	Particulars of Remuneration	Sri. N. Rengaraj Chief Financial Officer	Sri. Lakshmi Kanth Joshi General Manager and Company Secretary	Total Amount in Lakhs
	Gross Salary	40.60	29.55	70.15
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	40.60	29.55	70.15

Note : Remuneration shown above includes Salary, allowances, Bonus, Incentive (Based on receipts).

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding					
	NONE				
B. DIRECTORS Penalty Punishment Compounding					
	NONE				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					
	NONE				

For and on behalf of the Board of Directors

Coimbatore
29.04.2019

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P. PRABAKARAN
Managing Director
DIN : 01709564

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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]

- 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, 2019, 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 2019 according to the provisions of:
- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- I have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);
 - b. The Listing Agreement entered into by the Company with BSE Limited and the National Stock Exchange of India Limited;
- During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, and Standards etc., mentioned above except that "the pledge created by one of the promoter director on 16,00,000 equity shares of Rs.10/- each during the quarter "January 2019 to March 2019" which has been disclosed to the Stock Exchange(s) under Regulation 31(1) of SEBI (Substantial acquisition of shares and takeovers) Regulations, 2011 within the stipulated time, has not been notified to the Stock Exchange(s) under Regulation 7(2)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015."

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

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

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

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

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

I further report that

The vacancy caused due to the resignation of an Independent Director, on 31st January, 2019, has been filled with a new Independent Director on 29th April, 2019 which is within the stipulated time. Accordingly, the Board of Directors of the Company, as on the date of this report, is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman 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 during the audit period under review, the Company has issued and allotted 1,56,96,208 equity shares of Rs.10/- each fully paid as bonus shares to the eligible shareholders in the proportion of 1 (one) new equity share of Rs.10/- each for every 1 (one) equity share of Rs.10/- each held in the Company and complied with the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014 (as amended) and Chapter XI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

Other than the above, 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

Place : Coimbatore

Date : 29.04.2019

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'

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

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

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

Place : Coimbatore
Date : 29.04.2019

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

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

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

A. CONSERVATION OF ENERGY

LGB is making continuous efforts to conserve and optimize the energy wherever possible by economizing on fuel and power. During the year, LGB taken lot of effects to introduced energy conservation methods and achieved some considerable amount of saving in power & fuel cost. The Company implemented various latest technologies in manufacturing activities and thereby improving the production efficiency without consuming additional energy. Also replaced the old version lighting system in to latest technology LED Type Lamps in shop floor as well as outdoor lighting. Based on the findings, various formation of conservation measures have been taken to reduce power and fuels used by production equipments and utilities system.

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 102 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 the Company has installed 3 number of ON GRID solar power plants for a rated capacity of 100 KW each. The number of units generated through this solar system was around 1.20 lakhs units/Per 100 KW Solar Plant/Annum.

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

(B) TECHNOLOGY ABSORPTION-**(i) the efforts made towards technology absorption -**

- ❖ Development of fatigue resistance chain plan
- ❖ Development of long life chains
- ❖ Upgradation of design and development. Development with upgraded software.

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

* Opening of new avenue of sales with new products

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

- (a) the details of technology imported : Silent Chain Technology for 4wd Application
- (b) the year of import : 2009-2011
- (c) whether the technology been fully absorbed : In phases

(iv) the expenditure incurred on Research and Development

The Company has incurred a total expenditure of Rs.595.70 Lakhs (includes capital and recurring expenses) towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned : ₹ 17288.78 Lakhs

Foreign Exchange used : ₹ 10413.65 Lakhs

For and on behalf of the Board of Directors

Coimbatore
29.04.2019

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P. PRABAKARAN
Managing Director
DIN : 01709564

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs:

The Company's CSR policy has been uploaded in the website of the Company under the website: <http://www.lgb.co.in/pdf/corporate-social-responsibility-policy.pdf>

2. Composition of the CSR Committee

Sri. B.Vijayakumar	- Chairman
Smt.Rajsri Vijayakumar	- Member
Sri. R.Vidhyashankar	- Member

3. Average net profit of the Company for the last three financial years

Average net profit: ₹ 9,288.71 Lakhs

4. Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2018-19 is required to spend ₹ 185.77 Lakhs towards CSR.

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year; ₹ 162.44 Lakhs

b) Amount unspent, if any; ₹ 23.33 Lakhs

Manner in which amount spent during the financial year is detailed below:

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise in ₹	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; in ₹	Cumulative Expenditure upto the reporting period in ₹	Amount spent Direct or through implemen-tation agency
1	Indian Red Cross Society	Promoting education including Special education, Eradicating Hunger and Malnutrition, promoting preventive Health Care.	Tamilnadu	2,00,000	1,35,000	1,35,000	Directly

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise in ₹	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; in ₹	Cumulative Expenditure upto the reporting period in ₹	Amount spent Direct or through implementation agency
2	The Blind and Humanity	Eradicating Hunger, Poverty and malnutrition, Promoting Preventive Health care	Maharashtra	75,000	75,000	75,000	Directly
3	9th Tamilnadu Deaf Senior Sports Champions 2018	Training to promote rural sports, nationally recognised sports para	Tamilnadu	50,000	50,000	50,000	Directly
4	Primavera India Trust	Promoting Education including Special Education	Tamilnadu	3,00,000	3,00,000	3,00,000	Directly
5	Women's Voluntary Association Services	Promoting Education including Special Education	Tamilnadu	15,000	15,000	15,000	Directly
6	Karur Basket Ball	Training to promote rural sports, nationally recognised sports para	Tamilnadu	1,00,000	1,00,000	1,00,000	Directly
7	LRG & GD Trust	Promoting Education including Special Education.	Tamilnadu	50,00,000	43,00,000	43,00,000	Directly

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise in ₹	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; in ₹	Cumulative Expenditure upto the reporting period in ₹	Amount spent Direct or through implemen-tation agency
8	Manav Vikas Uplift Foundation	Promoting Education including Special Education	Maharashtra	1,00,000	75,000	75,000	Directly
9	UYIR Trust	Promoting Health Care including preventive Health care	Tamilnadu	15,00,000	15,00,000	15,00,000	Directly
10	Panchayat Union Elementary School - K Paramathy Karur	Promoting Education including Special Education	TamilNadu	12,50,000	13,28,206	13,28,206	Directly
11	LRG Nagar Temple Kumbabisheka Committee	Protection of national heritage and culture including restoration of buildings and sites of historical importance	Tamilnadu	50,000	50,000	50,000	Directly
12	Puliyakulan Football Club	Training to provide rural sports nationally recognised sports para Olympic sports and Olympics sports	Tamilnadu	32,000	32,000	32,000	Directly
13	Library Buildings Saravanmpatti	Promoting Education including Special Education	Tamilnadu	8,00,000	6,50,000	6,50,000	Directly

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise in ₹	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; in ₹	Cumulative Expenditure upto the reporting period in ₹	Amount spent Direct or through implemen-tation agency
14	Mekkanamkulam Gramajana Committee	Protection of national heritage and culture including restoration of buildings and sites of historical importance	Kerala	6,00,000	5,74,000	5,74,000	Directly
15	Tamilnadu Ayyappa Medical Mission and Charities	Protection of national heritage and culture including restoration of buildings and sites of historical importance	Kerala	3,00,000	3,00,000	3,00,000	Directly
16	Nirmala College for Women	Promoting Education including Special Education	Tamilnadu	50,000	50,000	50,000	Directly
17	Gaja Relief- Fund	Eradicating of hunger, poverty, and malnutrition	Tamilnadu	20,00,000	17,00,000	17,00,000	Directly
18	LGB Education Foundation	Promoting Education including Special Education	Tamilnadu	50,00,000	35,00,000	35,00,000	Directly
19	Bala Mandir	Promoting Education including Special Education	Tamilnadu	5,00,000	5,00,000	5,00,000	Directly

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise in ₹	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; in ₹	Cumulative Expenditure upto the reporting period in ₹	Amount spent Direct or through implementation agency
20	Amrit Centre for Special Needs	Promoting Education including Special Education	Tamilnadu	10,00,000	10,00,000	10,00,000	Directly
21	The Coimbatore Zoological Park and Conservation Centre	Promoting Education including Special Education	Tamilnadu	0	10,000	10,000	Directly
				18,922,000	16,244,206	16,244,206	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The CSR programmes undertaken by the Company are on-going in nature. Considering that the CSR programmes often extend beyond the financial year, amount of the committed to be spent in CSR has remained unspent as on 31st March, 2019; the Company will endeavour to spend the same during the financial year 2019-20. In case of unspent CSR amount the Company is in the process of identifying new projects.

7. The CSR Committee hereby confirms that the implementation of CSR activities is in compliance with the CSR Objectives and CSR Policy of your Company.

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Chairman CSR Committee
Chairman and Managing Director
DIN: 00015583

P. PRABAKARAN
Managing Director
DIN : 01709564

Coimbatore
29.04.2019

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, 2019 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, 2019:

Sr. No	Director	Category	Remuneration ₹ in lakhs	Median Remuneration	Ratio	% increase / decrease
1	Sri.B.Vijayakumar	Chairman and Managing Director	374.83	2.78	135:1	9 %
2	Sri.P.Prabakaran	Managing Director	109.91	2.78	40:1	35%
3	Smt.Rajsri Vijayakumar	Non-Executive Promoter	-	-	-	
4	Sri.V.Rajvirdhan	Non-Executive Promoter	-	-	-	
5	Sri.S.Sivakumar	Non-Executive Non-Independent	-	-	-	
6	Sri.P.Balasubramanian	Non- Executive Independent	-	-	-	
7	Dr.T.Balaji	Non-Executive Independent	-	-	-	
8	Sri.V.Govindarajulu	Non- Executive Independent	-	-	-	
9	Sri.P.Shanmugasundaram	Non- Executive Independent	-	-	-	
10	Sri.R.Vidhya Shankar	Non- Executive Independent	-	-	-	
11	Sri.N.Rengaraj	Chief Financial Officer	40.60	-	-	20%11%
12	Sri.M.Lakshmikanth Joshi	General Manager & Company Secretary	29.55	-	-	8%

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. : 8%
3. Number of permanent employees on the rolls of Company as on 31st March, 2019. : 2053
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration
- Average percentile increase in remuneration other than managerial personnel is 29.50% and average percentile increase / (decrease) in remuneration for managerial personnel is 14.08%
- Your director affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.
5. Affirmation that the remuneration is as per the remuneration policy of the Company

(a) Details of Top ten employees in terms of gross remuneration paid during the year ended March 31, 2019:
Part B - Information as per Rule 5(2) of the 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	374.83	Permanent	B.Sc	42	01.01.1977	67	NIL	15.97
2	P.Prabakaran	Managing Director	109.91	Permanent	BE	32	21.03.1988	61	Shanthy Gears Limited	0.00
3	N Rengaraj	Chief Financial Officer	40.60	Permanent	FCA., MBA	21	01.03.2004	50	Rubfila International Limited	0.00
4	P.Subbiah	General Manager	32.19	Permanent	BE	30	02.07.2007	53	PHC Manufacturing Private Ltd	0.00
5	N Suresh Kumar	General Manager	29.64	Permanent	DME, B.B.A	28	01.02.1995	48	Milltex Engineering Private Ltd	0.00
6	M Lakshmi Kanth Joshi	General Manager (Legal) and Company Secretary	29.55	Permanent	MBA, ACS, LLB	18	30.03.2005	51	Veejay Lakshmi Engineering Works Ltd	0.00
7	P.S.Arul Ramalingam	Deputy General Manager	26.86	Permanent	BE	33	16.06.2011	56	Applicom India Private Ltd	0.00
8	J Prakash	Deputy General Manager	23.61	Permanent	DME	29	17.01.2000	48	Lakshmi Synthetic Machinery Private Ltd	0.00
9	M Dhanasekar	Deputy General Manager	23.33	Permanent	BE	27	29.11.1998	48	Sunal Engineering Private Limited	0.00
10	R Senthilkumar	General Manager	22.31	Permanent	BE	28	24.04.1991	50	Nil	0.00

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

S. No	Name of Employee	Designation	Remuneration Received ₹ In Lakhs	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Share held
1	B. Vijayakumar	CMD	374.83	Permanent	B.Sc	42	01.01.1977	67	NIL	15.97
2	P.Prabakaran	MD	109.91	Permanent	BE	32	21.03.1988	61	Shanthy Gears Ltd	0.00

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Chairman and Managing Director
DIN : 00015583

P. PRABAKARAN

Managing Director
DIN : 01709564

Coimbatore
29.04.2019

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	01.01.2018 to 31.12.2018	01.01.2018 31.12.2018
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	2,004.15	35.45
5.	Reserves & surplus	3,400.11	46.24
6.	Total Liabilities	3,463.36	49.63
7.	Total Assets	8,867.62	131.32
8.	Investments	NIL	NIL
9.	Turnover and other income	10,589.44	154.91
10.	Profit / (Loss) before Taxation	(2.21)	(1.41)
11.	Provision for Tax	Nil	Nil
12.	Profit / (Loss) after Taxation	(2.21)	(1.41)
13.	Proposed Dividend	Nil	Nil
14.	% of share holding	77.01	77.01

* LGB USA INC. figures presented on a consolidated basis

Notes:

1. Names of Subsidiaries which are yet to commence operations : None
2. Names of Subsidiaries which have been liquidated or sold during the year : None

FORM AOC-1 (Contd.)

(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 "B": Associates and Joint Ventures

1	Name of the Associate Company	Renold Chain India Private Limited
2	Latest audited Balance Sheet Date	31 st March, 2019
3	Shares of Associate/Joint Ventures held by the Company on the year end: No. of shares (equity)	10250000
	Amount of investment in Associates / Joint Venture	₹ 1025.00 Lakhs
	Extend of Holding %	25%
4	Description of how there is significant influence	Share holding
5	Reason why the Associate is not consolidated	NA
6	Networth attributable to shareholding as per latest audited Balance Sheet	₹ 1550.94 Lakhs
7	Profit/Loss for the year:	
	i. Considered in Consolidation	₹ 293.44 Lakhs
	ii. Not considered in Consolidation	₹ 667.05 Lakhs

Notes:

- Names of the Associate or Joint Ventures which are yet to commence operations : None
- Names of Associate or Joint Ventures which have been liquidated or sold during the year: None

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

There was a healthy growth in the first three quarters of last year in the Indian economy. However, in the last quarter due to certain mandates by the government due to pollution and other concerns and also because there was a cash crunch in the market due to regulation changes the markets slowed down in the last quarter.

The requirement of both four wheelers and two wheelers is set to increase especially with the highly ambitious targets set for transport sector in our government plans. With the increase in length in new roads and the parallel infrastructure the Indian industry is at the start line for next phase of development towards global goals.

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. The Company continues its strong focus on technology, research, development & technical support mechanism to ensure complete customer satisfaction in terms of quality product solution for the future will help drive future growth.

OPPORTUNITIES:

The strong plans in the past few years will create opportunities in various sectors for the auto component industry to shine in. The introduction and expected rise in the electric vehicles segment offers the auto component industry a whole new market for new products.

THREATS:

With growth in opportunities there is also growing competition in this space. The automotive sector is directly dependent on the general economic conditions in both Indian and in other key global markets. Hardening of interest rates, continuous increase in oil prices, materials and other inputs, fluctuating foreign currency, pricing pressure, fierce competition etc are threat thrown to the auto component industry. The introduction of the electric vehicles could also post a threat for eliminating

our products. However, this is viewed as a long term threat for which the awareness has been created in the Company in order to contain this threat.

RISKS AND CONCERNS

The Company has laid down a well-defined Risk Management Framework covering the risk, risk exposure, potential impact and risk mitigation process. The risks are identified on a consistent process, across function/division and the Company also strives to link each risk with a mitigation step to ensure business continuity. The risk report is reviewed at regular intervals, to ensure that risks are planned for mitigation, for the fact that not all risks can be eliminated.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Towards ensuring adherence to and adequacy of all Internal Control Systems, the Company utilises the services of an external firm of auditors to evaluate their efficacy and considers their suggestions on improvements. Their findings are reviewed consistently by the Audit Committee constituted by the Board of Directors. A Whistle Blower Policy is also implemented to further ensure vigilance and guard against any inopportune development.

HEALTH, SAFETY, SECURITY ENVIRONMENT

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

HUMAN RESOURCES / INDUSTRIAL RELATIONS

LGB truly believes that its team, its people are the greatest assets for the Company. The organization empowers and motivates its people. Its core focus is to provide growth and nurturing to all its employees, encouraging them to perform to the best of their abilities. Visionary and forward-thinking leaders stimulate a learning culture, process-driven and result-oriented environment. Enabling cross-functional teams across levels helps to enhance productivity and efficiencies.

LGB remains focused on strengthening its people policies and internal processes where employees seek continuous improvement, greater accountability and responsibility

and excel in their key result areas. Collaboration, connectivity and productivity enhancing technology initiatives are the Company's key drivers that support this platform in building careers for its people. During the year the Company maintained close and cordial relations with its workforce. As a result, there were no interruptions or halts in work at any of the plant or any action taken against the management.

RISK MANAGEMENT

The risk management process at LGB begins with the identification of risks and an assessment of their impact. The assessment is based on past trends and events.

Thereafter, ways to mitigate these risks are identified and implemented when necessary. Risks, once identified, are periodically monitored, along with emerging risks.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed or implied in the report.

For and on behalf of the Board of Directors

Coimbatore
29.04.2019

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

P. PRABAKARAN
Managing Director
DIN : 01709564

CORPORATE GOVERNANCE

ANNEXURE 'H'

In accordance with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], the report containing the details of Corporate Governance of L.G.Balakrishnan & Bros Limited ("the Company"/ "LGB") is as follows:

1. Company's Philosophy on Corporate Governance:

LGB's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors and of senior management and their relationships with others in the corporate structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and senior management with other stakeholders. Your Company strives to ensure that best corporate governance practices are identified, adopted and consistently followed.

2. Board of Directors:

Your Board of Directors comprises optimal combination of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. The size and composition of the Board meets the requirement of Section 149 of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The details of composition, category of the Directors, attendance of the Directors at the board meetings, during the year, and at the last Annual General Meeting held on August 30, 2018 and also the number of other directorships, committee membership's chairmanships and Shareholdings as on March 31, 2019 are as follows:

Name of the Directors	DIN	Category	No. of Directorship in other Companies*	** No. of Board Committee Memberships/ Chairmanships held		Attendance Particulars	
				Member	Chairman	Board Meeting	Last AGM
Sri. B. Vijayakumar# Chairman and Managing Director	00015583	Executive Promoter	5	2	-	5	Yes
Sri. P. Prabakaran Managing Director	01709564	Executive	-	-	-	5	Yes
Smt. Rajsri Vijayakumar#	00018244	Non-Executive Promoter	-	-	-	5	Yes
Sri. V. Rajvirdhan#	00156787	Non-Executive Promoter	2	1	-	5	No
Sri. S. Sivakumar	00016040	Non-Executive Non-Independent	2	-	-	5	Yes
Sri. P. Balasubramanian^	00018197	Non- Executive Independent	4	1	-	4	Yes
Dr. T. Balaji @	00002755	Non-Executive Independent	2	1	-	3	Yes
Sri. V. Govindarajulu	00016108	Non- Executive Independent	-	1	1	5	Yes
Sri. P. Shanmugasundaram	00119411	Non- Executive Independent	1	-	2	5	Yes
Sri. R. Vidhya Shankar	00002498	Non- Executive Independent	1	1	-	4	Yes
Smt. Kanchana Manavalan \$	07497403	Non- Executive Independent	-	-	-	0	No
Sri. G D Rajkumar &	00197696	Non- Executive Independent	-	-	-	0	No

* Exclude directorship in Private Companies and Foreign Companies.

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

@ Dr.T.Balaji, Independent Director of the Company resigned with effect from October 31, 2018, due to Inter-locking provisions in terms of amended Regulation 16 of SEBI (LODR) Regulations, 2015.

^ Sri.P.Balasubramanian, Independent Director of the Company resigned with effect from January 31, 2019, due to age factor.

\$ Smt. Kanchana Manavalan Appointed as additional Director (Independent Director) with effect from January 31, 2019.

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

& Sri. G D Rajkumar was appointed as an Additional Director (Independent Director) w.e.f 29.04.2019

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Sri.B.Vijayakumar # DIN:00015583	LGB Forge Limited	Non-Executive Promoter Chairman
	Super Spinning Mills Limited	Non-Executive Independent Director
	Elgi Equipments Limited	Non-Executive Independent Director
Sri.P.Prabakaran DIN:01709564	NIL	NA
Smt.Rajsri Vijayakumar DIN:00018344	NIL	NA
Sri.V.Rajvirdhan DIN: 00156787	LGB Forge Limited	Managing Director, Promoter
Sri.S.Sivakumar DIN: 00016040	NIL	NA
Smt.Kanchana Manavalan DIN: 07497403	NIL	NA
Sri.V.Govindarajulu DIN: 00016108	NIL	NA
Sri.P.Shanmugasundaram DIN: 00119411	LGB Forge Limited	Non-Executive Independent Director
Sri.R.Vidhya Shankar DIN: 00002498	Pricol Limited	Non-Executive Independent Director
Sri. G D Rajkumar DIN: 00197696	NIL	NA

As will be seen from the above table, none of the Directors holds directorship in more than 20 Companies (including limit of maximum directorship in 10 public companies) pursuant to the provisions of the Companies Act, 2013.

Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, .

None of the Directors of the Company hold membership of more than ten Committees nor is a Chairperson of more than five committees (as specified in regulation 26), across all companies of which he / she is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at March 31, 2019 have been made by the Directors.

Details of the Board meetings held during the financial year 2018-2019

The Board of Directors met 5 (five) times during the year under review. The Company has held at least one Board meeting in every quarter and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time. The dates on which the Board meetings were held during FY 2018-19 are as follows:

April 28, 2018, July 31, 2018, August 30, 2018, October 31, 2018 and January 31, 2019

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

The details of shares held by the Non-Executive Directors are given under the table in below. The Company has not issued any type of Convertible instruments to Non-Executive Directors.

Statement showing number of Equity Shares of Rs.10/- each of the Company held by the present Non-Executive Directors as on March 31,2019:

Name	No. of shares held (as on 31.03.2019)	% of Holding
Smt.Rajsri Vijayakumar	2179152	6.94
Sri.V.Rajvirdhan	4397172	14.01
Sri.S.Sivakumar	2010	0.01
Sri.V.Govindarajulu	-	-
Sri.P.Shanmugasundaram	-	-
Sri.R.Vidhya Shankar	-	-
Smt.Kanchana Manavalan	516	0.00
Dr.T.Balaji (upto 31.10.2018)	1160	0.01
Sri.P.Balasubramanian (upto 31.01.2019)	4000	0.01

Familiarization Programmes for Independent Directors

Your Company has formulated Familiarization Programme for all the Board Members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc. through various programs.

The Familiarization Programme conducted for Independent Directors during the FY 2018-19 may be accessed on the Company's website at the link www.lgb.co.in

Directors Inter-se Relationship:

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

Key Board qualifications, expertise and attributes:

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company's business vertical(s) and those already available with the Board are as follows:

Industry Skills:

- Knowledge / experience in the manufacturing and sale of Automobile Components and other technical products;
- Knowledge of the automotive industry and the products, business model and the market;
- Knowledge / experience in the area of Research and Development, in particular, in the technological fields that are relevant for the business of the Company;
- Broad range of commercial / business experience;

Governance Skills:

- In-depth knowledge / experience in the field of finance and accounting and audit and the ability to analyze and assess the key financial statements;
- Knowledge / experience in the governance, legal and compliance areas and the ability to identify key risks in a wide range of areas including legal and compliance risks;
- Knowledge / experience of the capital market and its developments;
- Ability to constructively manage crisis, provide leadership around solutions and contribute to communications strategy with stakeholders;

Personal Attributes / Qualities:

- Ability to understand the role and fulfillment of the duties and responsibilities of a Director while being transparent in disclosing potential conflict of interest, continue to self-educate on legal responsibility and ability to maintain board confidentiality;
- Ability to constructively contribute to board discussions and communicate effectively with management and other directors;
- Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality;

Separate Meetings of Independent Directors

The Company's Independent Directors met on March 07, 2019 without the presence of the Chairman and Managing Director & the Non-Executive Non-Independent Directors and the Management Team in accordance with Schedule IV of the Companies Act, 2013 read with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Confirmation on the fulfillment of the conditions of independence:

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

Resignation of Independent Director(s) before expiry of tenure

Dr. T. Balaji, Independent Director, had resigned from his Directorship with effect from October 31, 2018, due to inter-locking provisions in terms of amended Regulation 16 of SEBI (LODR) Regulations, 2015.

Sri.P.Balasubramanian, Independent Director, had resigned from his Directorship with effect from January 31, 2019, due to his advanced age.

In respect of the above, your Board hereby confirms that there are no other material reasons other than the above provided reason for the resignation of the aforementioned Independent Directors from the Board of Directors of the Company.

3. Audit Committee

The Company has constituted an Audit Committee in line with the provisions of Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013

Terms of Reference:-

The primary objective of the Audit Committee is to act as a catalyst in helping your Company to achieve its objectives by overseeing the Integrity of your Company's Financial Statements; Adequacy & reliability of the Internal Control Systems of your Company; Review of compliance with legal and regulatory requirements and your Company's Code of Conduct; Performance of your Company's Statutory and Internal Auditors.

Audit Committee monitors and provides an effective supervision of the financial reporting process of your Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and discharges such duties and functions as generally indicated under there under apart from such other functions as may be specifically assigned to it by the Board from time to time.

Composition & Meetings:-

During the financial year ended March 31, 2019, five Audit Committee Meetings were held on April 27, 2018, July 30, 2018, August 23 2018, October 30, 2018 and January 30, 2019. The necessary quorum was present at these meetings, and the details of the composition and attendance at the aforementioned meetings are as follows:

Name of the Member	Category	Designation	No of Meetings	
			Held	Attended
Sri. P. Shanmugasundaram	Independent Non Executive	Chairman	5	5
Sri. V. Govindarajulu	Independent Non Executive	Member	5	5
Smt.Kanchana Manavalan*	Independent Non Executive	Member	5	-
Sri. P. Balasubramanian**	Independent Non Executive	Member	5	4

* Smt. Kanchana Manavalan Appointed as additional Director with effect from January 31, 2019.

** Sri.P.Balasubramanian, resigned from the Board with effect from January 31, 2019.

Chairman of the Audit Committee had attended the last Annual General Meeting held on 30.08.2018.

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

The minutes of the Audit Committee meetings were circulated to the Board, and the Board discussed and took note of the same. The Audit Committee has considered and reviewed the Annual Financial Statements for the year 2018-19, before it was placed before the Board of Directors.

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

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the NRC are as follows:

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 Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other matters which the Board of Directors may direct from time to time.

Composition and Attendance at the Meeting :

The Nomination and Remuneration Committee of the Company as on March 31, 2019 comprised of the following members:

S. No	Name of the Member	Designation	Category
1.	Sri.R.Vidhya Shankar,	Chairman	Independent Non Executive
2.	Sri.V. Govindarajulu	Member	Independent Non Executive
3.	Sri. P. Balasubramanian **	Member	Independent Non Executive
4.	Sri. B. Vijayakumar	Member	Non Independent
5.	Smt. Kanchana Manavalan *	Member	Independent Non Executive

* Smt. Kanchana Manavalan Appointed with effect from January 31, 2019.

** Sri.P.Balasubramanian, ceased to be member with effect from January 31, 2019.

The Committee met on April 28, 2018 & August 23, 2018 and all the members were present at the meeting.

Remuneration payable to the Key Managerial Personnel 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.

Chairman of the Nomination and Remuneration Committee had attended the last Annual General Meeting held on 30.08.2018.

Performance evaluation criteria for Independent Directors

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

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

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

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

5. Remuneration Policy

The terms of reference/ role of the Nomination and Remuneration Committee is to determine the Company's policy on the remuneration package of its Executive Directors and senior management and to determine and approve the terms & conditions and remuneration package of its Executive Directors and Senior Management, including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof.

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

5.1 Remuneration of Directors

Remuneration paid to the Executive Directors for the financial year ended March 31, 2019 is given as under :

Name of Directors	Service Contract	Salary & Allowances	Commission	Employees Option Plan	Total Stock
Sri.B.Vijayakumar Chairman and Managing Director	01.01.2015 to 31.12.2019	100.84	273.99	Nil	374.83
Sri.P.Prabakaran Managing Director	01.06.2016 to 31.05.2019	57.51	52.40	Nil	109.91

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

5.2 Remuneration paid to the non-executive Directors for the financial year ended March 31, 2019 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	1.30	-	-	1.30
Sri.S.Sivakumar	1.30	-	-	1.30
Sri.V.Govindarajulu	3.10	-	-	3.10
Sri.P.Shanmugasundaram	3.10	-	-	3.10
Dr.T.Balaji	0.70	-	-	0.70
Sri.V.Rajvirdhan	1.30	-	-	1.30
Sri.R.Vidhya Shankar	1.40	-	-	1.40
Smt.Kanchana Manavalan	0.30	-	-	0.30
Sri.P.Balasubramanian	2.20	-	-	2.20
Total	14.70	-	-	14.70

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

The Company currently does not have any stock option scheme.

6. Stakeholders' Relationship Committee:

The Board has constituted the Stakeholder's Relationship Committee (SRC) pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 to look into the Redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of shares, transfer/transmission as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

Composition and names of members and chairperson:

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

During the year under review, the Committee met 23 times to deliberate on various matters referred above and for redressal of investors complaints.

Sri.M.Lakshmi Kanth Joshi, General Manager (Legal) And Company Secretary, acts as Secretary to the Committee.

Chairman of the Stakeholders Relationship Committee had attended the last Annual General Meeting held on 30.08.2018.

The Company has been receiving various correspondences from shareholders and required information/documents are furnished immediately to the satisfaction of shareholders. At the beginning of the year, no complaint was pending. The Company has attended to the investors' grievances and correspondences within the stipulated time during the year 2018-19. There were no outstanding complaints as on March 31, 2019.

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

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

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' 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	241	27510
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	9	1606
Number of shareholders to whom shares were transferred from suspense account during the year	9	1606
Allotment of bonus shares as on 18.06.2018	-	27324
Number of shareholders whose unclaimed dividends were transferred to the IEPF account.	-	136
Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31 st March, 2019	232	53,092

The voting rights on the outstanding unclaimed shares as on 31st March, 2019 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

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

7. Corporate Social Responsibility Committee (CSR Committee)

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

The Committee comprises Sri.B.Vijayakumar, Smt.Rajsri Vijayakumar and Sri.R.Vidhya Shankar as members.

The CSR Committee met four times during the year on April 28, 2018, July 31, 2018, October 31, 2018 and March 28, 2019. The necessary quorum was present for all Meetings. The attendance record of the members at the meeting was as follows.

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

The Committee evaluates and recommend the CSR proposals to the Board for approval. The Company formulated CSR Policy, which is available on the website of the Company viz. <http://www.lgb.co.in>

8. Management Discussion and Analysis Report

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

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

Year	Date	Time	Venue	Special Resolution passed
2016	14.07.2016	10.30 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore	No
2017	27.07.2017	10.30 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore	Increase in Authorised Capital from 20 Crores to 40 Crores.
2018	30.08.2018	10.15 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore	No

Extra Ordinary General Meetings and Postal Ballot:

During the year under review, the Company had sought the approval of its members, through Postal Ballot Mechanism and by remote electronic voting process for the below mentioned Special Resolution(s). The Resolution passed through postal ballot (Postal Ballot and remote E-Voting process) and the voting pattern of the resolution is mentioned hereunder:

Special Resolution passed on June 09, 2018 & October 21, 2018 and voting pattern thereof

Date of passing Resolution	Particulars of Resolution	% of votes	
		Favour	Against
09.06.2018	Issue of Bonus Shares	99.87%	0.13%
21.10.2018	Adoption of New set of articles	99.15%	0.85%
21.10.2018	Approval for variation in terms of appointment of Shri.P.Prabakaran and his re-designation as Managing Director for the remaining period of his tenure with effect from 1.10.2018. (Ordinary Resolution)	99.98%	0.02%
21.10.2018	Re-appointment of Shri.P.Prabakaran as Managing Director for a period of 5 years with effect from 1.10.2018. (Ordinary Resolution)	99.97%	0.03%

The postal Ballot was conducted under the scrutinization of Mr.M.D.Selvaraj, FCS, of MDS & Associates, Company Secretaries, Coimbatore.

Procedure followed for Postal Ballot

The procedure prescribed under Section 110 of the Companies Act, 2013, read with Rules made thereunder was adopted for the Postal Ballot. In compliance with aforesaid provisions, your Company offered remote E-Voting facility as an alternate/option, for voting by the Shareholders, in addition to the option of voting through postal ballot form, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Each Member had to opt for exercising only one mode for voting i.e. either by Physical Ballot or by remote e-voting. In case of Member(s) who casted their vote via both modes i.e. Physical Ballot as well as remote E-Voting, voting done through remote E-voting was treated as prevailing over the physical ballot of that Member

No special resolution is proposed to be passed through postal ballot.

10. Means of Communication

Financial results

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

Official News Releases

Official news releases are made whenever it is considered necessary

The presentation made to institutional investors or to the analysts

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

11. General Shareholders' Information

Annual General Meeting is proposed to be held at 10.45 A.M. on July 18th, 2019 at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018.

Financial Calendar

Financial Year : April to March

For the year ended 31st March 2019, results were announced on 29.04.2019.

Financial Year - 2019-2020

Quarter ending June 30, 2019 - End of July 2019*

Quarter ending September 30, 2019 - End of October 2019*

Quarter ending December 31, 2019 - End of January 2020*

Year ending March 31, 2020 - End of April 2020*

* Tentative

Date of Book Closure - The date of Book closure are from 12.07.2019 to 18.07.2019 (both days inclusive) to determine the members entitled to the dividend for 2018-19

Dividend payment date - on or before 31.07.2019

Listing on Stock Exchanges - BSE Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block-G, Bandra Kurla Complex,
Bandra East, Mumbai- 400051

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 2019 - 2020 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:

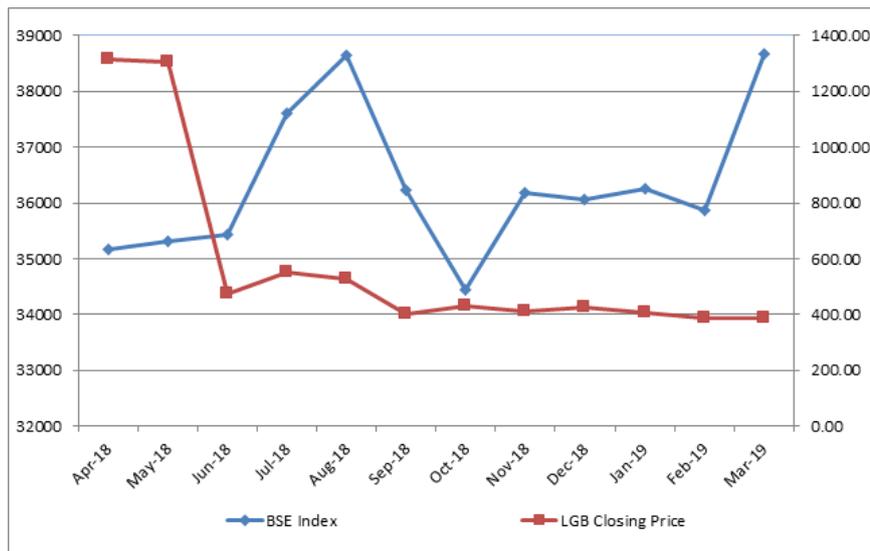
Stock market data for the year 2018 -2019

	NSE		BSE Ltd	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2018	1340.00	1060.00	1364.00	1064.80
May	1321.00	1198.00	1339.00	1150.50
June	655.00	471.20	1332.95	460.05
July	588.00	450.00	585.00	455.50
August	555.00	497.10	624.65	500.00
September	536.50	395.00	545.00	399.00
October	444.40	351.40	444.85	360.00
November	489.00	392.90	463.00	395.20
December	439.80	392.05	442.45	390.15
January - 2019	427.40	400.05	450.00	400.05
February	414.65	376.05	413.95	376.10
March	441.00	378.30	443.10	377.50

(Source: BSE and NSE website)

During the year the equities of the Company are not suspended from trading in NSE & BSE.

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



Registrar & Transfer Agents

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

Share Transfer System:

Trading of Company's equity shares is possible in dematerialized form. Shares sent for transfer in physical form are registered on a fortnightly basis and returned within prescribed period from the date of receipt of

document provided all the documents are valid and complete in all respects. The authority to approve the share transfer / transmission lies with the Stakeholders Relationship Committee

With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agent, except in case or transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Distribution of Shareholding

The Shareholding distribution of the equity shares as on 31st March, 2019 is given below:

Range	No. of Holders	No. of Shares	% of Shares
1 - 100	12291	473178	1.51
101 - 500	5706	1409415	4.49
501 - 1000	1072	801000	2.55
1001 - 2000	637	951197	3.03
2001 - 3000	215	535637	1.71
3001 - 4000	152	544613	1.73
4001 - 5000	67	307283	0.98
5001 - 10000	177	1258859	4.01
10001 - and above	165	25111234	79.99
Total	20482	31392416	100.00

Pattern of Shareholding as on 31st March 2019

Sl. No.	Category	No. of Share holders	No. of Shares held	% of Shares
1	Promoters and promoters group	14	15,060,306	47.97
2	Mutual Funds / UTI	18	5,225,340	16.65
3	Financial Institutions, Banks	3	42,019	0.13
4	Foreign Institutional Investors/NRI/OCB	623	263,358	0.84
5	Bodies Corporate / Clearing Member	274	409,864	1.31
6	Investor Education & Protection Fund	1	45,364	0.14
7	Public	18,936	10,346,165	32.96
	Total	19,869	31,392,416	100.00

Dematerialization of Shares and Liquidity

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	28,547,663	90.94
Central Depository Services (India) Limited	2,126,256	6.77
Physical	718,497	2.29
Total	31,392,416	100.00

Shareholders, who continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities

Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). The system for getting the shares dematerialized is as under:

- ❖ Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he/ she has opened a Depository Account;
- ❖ DP processes the DRF and generates a unique number viz. DRN;
- ❖ DP forwards the DRF and share certificates to the Company's Registrars & Share Transfer Agents;
- ❖ The Company's Registrars & Share Transfer Agents after processing the DRF, confirms the request to the Depositories by cancellation of physical share certificates; and
- ❖ Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

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

1. Coimbatore: 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore Pin code - 641 006.
2. Vaiyampalayam : SF. No. 47 & 50, Kondayampalayam Village, Vaiyampalayam PO, Coimbatore Pin code - 641 110.
3. Dindigul : SF. No. 5691/2, 5701/2, Karur Dindigul Road, D-Gudalur Pin code - 624 620
4. Karur: Mochakkottampalayam, Viswanathapuri, Karur Pin code - 639 002.
5. Mysore: No. 24, Industrial Suburb south Mysore Pin code - 570 008.
6. Annur: 269/1, Ganesapuram, Kattampatti Post, Annur, Coimbatore Pin code - 641 107.
7. Pongalur: 1/175, Sathy Road, Pongalur, Puliampatti Post, Pongalur Pin code - 638 459
8. Bangalore: No.4-A, Bommasandra Industrial Area, Anekal Taluk, Bangalore Pin code - 560 009.
9. Chakan: Gat No. 343-4, Industrial Shed, behind Hotel Marriot, Chakan Talegaon Road, Mahalunge, PUNE, Pin code - 410 501.
10. Kondayampalayam Village, SF No. 195, Pillayar Kovil Street, Near Power House, Kottaipalayam Post Coimbatore Pin code - 641 110.
11. Manesar: Plot No. 17, Section - 3, IMT Manesar Gurgaon Pin code 122 050.
12. Chennai: No. 49, Sidco Industrial Estate, Ambattur Chennai Pin code 600098
13. Annur: 3/145, Kovai Road, Ottrapalayam Village, Annur, Coimbatore Pin code - 641 653
14. Rudrapur: Khasra No. 390, Village- Danpur, Kashipur Road, Rudrapur, Pin code - 263 153 Uttrakhand
15. Pant Nagar: Plot No. 16, Sector 9, II E, Sidgul, Pant Nagar, Uddamsingh Nagar, Pin code - 263 153. Uttrakhand
16. Khushkhera, G-1, 356 RIICO Industrial Area, Alwar District Pin code - 301707, RAJASTHAN
17. Kariyampalayam: SF. No. 266/1B & 1C, RD Building. Kumarapalaym Road, Kariampalayam Post, Annur, Coimbatore Pin code - 641 653.
18. Pillaippampalayam: Gear Division SF.NO.225 - 227 - 123 D, Annur Road, Annur VIA Pillaippampalayam, Coimbatore Pin code - 641 653.

19. Pillaippampalayam, Chain Division SF.NO.225 - 227 - 223 D, Annur VIA Pillaippampalayam, Coimbatore Pin code - 641 653.
20. Jalna: Plot No. A -7, Jalna Phase III, Industrial Area (MIDC) Maharashtra - 431 213
21. Ahmed Nagar: MIDC, Supa Area, Supa Parner Industrial Area, Ahmed Nagar, Maharashtra Pin code - 414 301
22. Pillaippampalayam, Machining : Division SF.NO.225 - 227 - 223 D, Annur VIA Pillaippampalayam, Coimbatore Pin code - 641 653.

Address for Correspondence

M. Lakshmi Kanth Joshi
General Manager (Legal) and Company Secretary
6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006
Phone No.0422-4611212 Fax No: 0422-4611163 Email: lk.joshi@lgb.co.in

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

CREDIT RATING

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

12. Disclosures

a. Related Party Transactions:

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

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

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

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

b. Strictures and Penalties

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

c. Vigil Mechanism and Whistle-Blower Policy

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

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

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

d. Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements laid down under the provision 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 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. However, there was having only one wholly owned subsidiary and it was merged with our Company vide Order the Hon'ble National Company Law Tribunal Chennai Bench dated 13.07.2018.

f. Commodity price risks and Commodity hedging activities

During the financial year ended 31st March, 2019 the company did not engage in commodity hedging activities.

Disclosure of Accounting Treatment

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

Other Disclosures

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

The Company has paid a sum of ₹ 13.50 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 2018-19, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

13. Risk Management

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

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

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

Certificate from CEO/CFO

The CEO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on April 29, 2019 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

15. 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, 2019 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.

Coimbatore
29.04.2019

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, 2019 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 subject to the fact that the vacancy caused due to the resignation of an Independent Director, on 31st January, 2019, has been filled with a new Independent Director on 29th April, 2019 which is within the stipulated time.

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.

Coimbatore
29.04.2019

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

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, 2019, 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. B. Vijayakumar, Chairman and Managing Director	00015583	25-11-1986
2.	Mr. V. Rajvirdhan	00156787	04-11-2010
3.	Mrs. Rajsri Vijayakumar	00018244	30-10-2006
4.	Mr. P. Prabakaran, Managing Director	01709564	30-05-2008
5.	Mr. S. Sivakumar	00016040	28-06-1996
6.	Mr. P. Shanmugasundaram	00119411	24-05-2001
7.	Mr. V. Govindarajulu	00016108	29-06-1998
8.	Mr. R. Vidhya Shankar	00002498	30-05-2008
9.	Mrs. Kanchana Manavalan	07497403	31-01-2019

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

Coimbatore
29.04.2019

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

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 M/s. L.G.BALAKRISHNAN & BROS LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2019, 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 ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including

Key Audit Matters Paragraph :

Ind AS ,of the state of affairs of the Company as at 31st March 2019, 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 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.

S.No	Key Audit Matter	Auditor's Response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from contracts with customers" (new revenue accounting standard) (Refer Note No.42)	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ● Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. ● Selected a sample of continuing and new contracts and performed the following procedures: ● Read, analysed and identified the distinct performance obligations in these contracts. ● Compared these performance obligations with that identified and recorded by the Company.

S.No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> ● Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. ● Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. ● Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2.	Evaluation of uncertain tax positions	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>

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

The Company's Board of directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report, Business responsibility report, Corporate Governance and Shareholder's information, but does not include the 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, 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 required to report the fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act 2013, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and

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

In preparing the 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 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 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts.
- d) 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31st March 2019 taken on

record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 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 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position on its Standalone Ind AS Financial Statements.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

In terms of our report attached
For **SURI & CO**
Chartered Accountants
FRN: 004283S

R. KRISHNAMOORTHY

Partner

Membership No. 020695

Place : Coimbatore

Date : 29.04.2019

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

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

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

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

Name of Statute	Nature of Dues	Amount disputed (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act	Denial of Service Tax	2.95	2.95	Various Periods.	CESTAT Chennai
Finance Act	Common Credit Input	113.68	113.68	2010-11, 2011-12, 2012-13	CESTAT Chennai
Finance Act	Customer Receivable Written Off	60.00	55.50	Various Periods.	CESTAT Chennai
Central Excise Act	Differential Duty	30.86	20.86	2006-07	CESTAT Chennai
Central Excise Act	Rebate Claims	107.06	NIL	2011-12	CESTAT Chennai
Central Excise Act	ED- Transfer of Division	100.00	92.50	2009-10	CESTAT Chennai
Central Excise Act	Duty on R & D Testing	1.86	1.86	2009-10	CESTAT Chennai
Central Excise Act	Duty on DTA Advance Sales concession	2.6	2.6	2008-09	CESTAT Chennai
Central Excise Act	Trade Discount	0.54	0.54	2000-2001	CESTAT Chennai
Delhi Value Added Tax Act	Stock Transfer	0.62	0.62	2007-08	Sales Tax Appellate Tribunal
Tamil Nadu Value Added Tax Act	Input Tax Credit/ Sales return	345.46	172.47	2007-08, 2008-09, 2010-11, 2011-12	Joint Commissioner (Appeals), Coimbatore
Tamil Nadu General Sales Tax Act	Assessment matters	43.94	43.94	2002-03	Hon'ble High Court of Madras (stayed by the High Court)
Tamil Nadu General Sales Tax Act & Central Sales	Differential rate and Inter State Sale.	5.91	5.91	2006-07, 2010-11, 2011-12	Sales Tax Appellate Tribunal, Coimbatore
The Uttarakhand Value Added Tax	Branch Transfer Sales	697.88	661.5	2007-08	Joint Commissioner
Entry Tax	Entry Tax	408.36	408.36	2007-08	Hon'ble High Court of Madras (stayed by the High Court)
Karnataka Entry Tax	Entry Tax	19.93	19.93	2005-06	Karnataka Appellate Tribunal
Finance Act	Disputed on tax charged for Canteen sales	12.97	12.97	2007-08, 2008-09, 2009-10, 2010-11, 2011-12	Joint Commissioner Appeals Coimbatore
Income Tax Act	Various dues	10.21	10.21	1987-88	High Court of Madras.
Income Tax Act	Excess Claim of Expenses	46.41	46.41	1990-91	High Court of Madras
Income Tax Act	Capital Gain	63.09	63.09	2008-09	ITAT Chennai
Income Tax Act	Excess claim u/s 80IC	213.02	213.02	2009-10	ITAT Chennai
Income Tax Act	Excess claim u/s 80IC	214.23	214.23	2010-11	Commissioner (Appeals)
Income Tax Act	Excess claim u/s 80IC	273.14	273.14	2012-13	ITAT Chennai
Income Tax Act	Excess claim u/s 80IC & 14A	428.39	428.39	2013-14	DCIT

- viii. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions and banks. The company has not taken any loan from Government and has not issued any debentures.
- ix. The company has not raised any money by way of initial public offer or further public offer during the year. The term loan obtained have been used for the purpose for which availed.
- x. In our Opinion and according to the information and explanation provided to us, No frauds by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the order is not applicable.
- xiii. In our opinion based on the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act and the details thereof have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards and the Act.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

In terms of our report attached

For **SURI & CO**

Chartered Accountants

FRN: 004283S

R. KRISHNAMOORTHY

Partner

Membership No. 020695

Place : Coimbatore

Date : 29.04.2019

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

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

We have audited the internal financial controls over financial reporting of L.G.BALAKRISHNAN & BROS LIMITED (“the Company”), as of 31 March 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for the Internal Financial Controls:

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

Auditors’ Responsibility:

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting:

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

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

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

Inherent Limitations of Internal Financial controls over Financial Reporting:

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

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

In terms of our report attached

For **SURI & CO**

Chartered Accountants

FRN: 004283S

R. KRISHNAMOORTHY

Partner

Membership No. 020695

Place : Coimbatore

Date : 29.04.2019

BALANCE SHEET AS AT 31.03.2019

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments	1	47,410.85	35,514.03
(b) Capital work-in-progress		3,605.79	2,643.43
(c) Investment Property	1	49.37	1,112.80
(d) Intangible assets	1	244.02	244.55
(e) Financial assets			
(i) Investments	2	6,564.77	6,735.83
(ii) Other financial assets	3	1,182.83	1,024.59
(f) Other non-current assets	4	2,160.24	2,090.19
Total Non-Current Asset		61,217.87	49,365.42
2 Current assets			
(a) Inventories	5	28,954.81	24,128.07
(b) Financial assets			
(i) Trade receivables	6	20,722.27	18,044.26
(ii) Cash and cash equivalents	7A	819.66	615.59
(iii) Other Bank Balance	7B	103.22	242.38
(iv) Other financial assets	8	70.06	77.06
(c) Current tax asset(Net)		815.25	6.38
(d) Other current assets	9	498.87	1,916.79
Total Current assets		51,984.14	45,030.53
3 Assets held for Sale	1	1,070.49	8.55
Total Assets		114,272.50	94,404.50
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	1,569.62
(b) Other Equity	11	60,437.20	54,255.95
Total Equity		63,576.44	55,825.57
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	12	8,692.01	4,009.59
(b) Provisions	13	1,088.58	1,055.90
(c) Deferred tax liabilities (net)		2,017.22	1,692.22
Total Non Current Liabilities		11,797.81	6,757.71

(Contd.)

BALANCE SHEET AS AT 31.03.2019 (Contd..)

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7,869.80	629.19
(ii) Trade payables			
- total outstanding dues of micro & small enterprises		241.42	221.34
- total outstanding dues other than micro & small enterprises		23,902.59	24,649.31
(iii) Other financial liabilities	15	4,993.92	5,076.35
(b) Provision	16	37.71	36.32
(c) Other current liabilities	17	1,852.81	1,208.71
Total Current liabilities		38,898.25	31,821.22
Total Equity & Liabilities		114,272.50	94,404.50

See accompanying notes forming part of the financial statements

	In terms of our report attached	For and on behalf of Board of Directors	
	For SURI & CO Chartered Accountants FRN: 004283S	B. VIJAYAKUMAR Chairman and Managing Director DIN: 00015583	P. PRABAKARAN Managing Director DIN : 01709564
Place : Coimbatore	R. KRISHNAMOORTHY Partner	M. LAKSHMI KANTH JOSHI General Manager (Legal) and Company Secretary	N. RENGARAJ Chief Financial Officer
Date : 29.04.2019	Membership No. 020695		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019 (₹ in Lakhs)

Particulars	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1 Revenue from operations(gross)	18	158,210.43	135,143.86
2 Other income	19	281.87	411.17
3 Total revenue (1 + 2)		158,492.30	135,555.03
4 Expenses:			
(a) Cost of materials consumed	20 a	75,099.91	58,004.01
(b) Purchases of stock-in-trade (traded goods)	20 b	-	1,744.14
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20 c	(4,048.08)	(694.35)
(d) Excise duty		-	3,603.03
(e) Employee benefits expense	21	24,023.75	18,929.55
(f) Finance costs	22	1,041.73	978.13
(g) Depreciation and amortisation expense		6,397.44	5,412.75
(h) Other expenses	23	42,918.27	35,301.77
Total Expenses		145,433.02	123,279.03
5 Profit before exceptional items and tax (3-4)		13,059.28	12,276.00
6 Exceptional items(Refer Note No.40)		1,204.97	-
7 Profit before tax (5+6)		14,264.25	12,276.00
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	24	4,252.49	4,119.98
(b) Deferred tax	25	346.58	146.08
Net tax expense		4,599.07	4,266.06
9 Profit for the year (7 - 8)		9,665.18	8,009.94
10 Other Comprehensive Income (Net of taxes)			
(A) (i) Items that will not be reclassified to Profit and Loss Account			
(1) Re-measurement of defined benefit plans		(61.80)	120.73
(2) On account of Investment Fair valuation		(171.06)	(660.89)
(ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		21.60	41.80
(B) Items that will be reclassified to Profit and Loss Account		-	-
11 Total Comprehensive income for the year		9,453.92	7,511.58
12 Earnings per share (Face value of ₹10/- each)			
(a) Basic	34	30.79	25.52
(b) Diluted	34	30.79	25.52

See accompanying notes forming part of the financial statements

In terms of our report attached

For **SURI & CO**
Chartered Accountants
FRN: 004283S

R. Krishnamoorthy
Partner
Membership No. 020695

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

M. LAKSHMI KANTH JOSHI
General Manager (Legal) and
Company Secretary

P. PRABAKARAN
Managing Director
DIN : 01709564

N. RENGARAJ
Chief Financial Officer

Place : Coimbatore
Date : 29.04.2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2019

PARTICULARS	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
A. Cash flow from operating activities		
Net Profit before Tax	14,264.25	12,276.00
Adjustments for:		
Depreciation	6,397.44	5,412.75
Provision for Doubtful Debts	64.89	8.17
(Profit)/Loss on sale of assets	(1,211.22)	(106.60)
Assets condemned/Written off	53.83	68.04
Interest and Finance Charges	1,041.73	978.13
Interest Income	(74.61)	(128.78)
Dividend Income	(15.15)	(12.68)
Provision for contingencies	- 6,256.91	75.00 6,294.03
Operating profit before working capital changes	20,521.16	18,570.03
Changes in Working Capital		
Provisions - Non Current	(29.11)	87.31
Other Financial Assets - Non Current	(158.24)	(6.49)
Other Non Current Assets	(70.05)	(1,277.01)
Inventories	(4,826.74)	(2,324.39)
Trade Receivables	(2,742.90)	(2,519.06)
Other Financial Assets - Current	7.00	(10.92)
Other Current Assets	1,417.92	76.28
Trade Payables	(726.66)	5,072.40
Other financial liabilities	805.41	1,052.02
Current Liabilities	644.10	(2,723.29)
Provisions - Current	1.39 (5,677.88)	5.37 (2,567.78)
Cash generated from operations	14,843.28	16,002.25
Income tax paid, net of refunds received	(5,061.36)	(4,154.63)
Net Cash generated from operating activities (A)	9,781.92	11,847.62
B. Cash flow from Investing activities		
Capital expenditure	(19,330.31)	(8,862.94)
Proceeds from sale of fixed assets	1,233.10	209.42
Bank Balances not considered as cash and cash equivalents	139.16	126.83
Dividend income	15.15	12.68
Interest Income	74.62	128.78
Net cash used in Investing activities (B)	(17,868.28)	(8,385.23)

(Contd.)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2019

PARTICULARS	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
C. Cash flow from financing activities		
Interest and Finance Charges	(1,041.73)	(978.13)
Dividend Paid including Tax	(1,697.38)	(1,318.94)
Borrowings - Current and Non-current (Net)	11,029.51	(1,568.85)
Net cash used in financing activities (C)	8,290.40	(3,865.92)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	204.07	(403.53)
Cash and Cash Equivalents at the beginning of the year	615.59	1,019.12
Cash and Cash Equivalents at the end of the year	819.66	615.59

In terms of our report attached

For **SURI & CO**
Chartered Accountants
FRN: 004283S

R. Krishnamoorthy
Partner
Membership No. 020695

For and on behalf of Board of Directors

B. VJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

M. LAKSHMI KANTH JOSHI
General Manager (Legal) and
Company Secretary

P. PRABAKARAN
Managing Director
DIN : 01709564

N. RENGARAJ
Chief Financial Officer

Place : Coimbatore
Date : 29.04.2019

Notes to Standalone Financial Statements for the year ended March 31, 2019

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital	(₹ In Lakhs)
Balance as at March 31, 2018	1,569.62
Changes in equity share capital during the year	1,569.62
Balance as at March 31, 2019	3,139.24

B. Other Equity

(₹ in Lakhs)

Particulars	Securities Premium	General Reserve	Surplus	Other Comprehensive Income	Total
Balance as at 31.03.2017	3,100.61	35,500.00	8,370.85	1,126.46	48,097.92
Opening Balance on account of merger			(31.12)	-	(31.12)
Total Comprehensive Income for the period			8,009.94	(498.36)	7,511.58
Dividends			(1,322.43)		(1,322.43)
Transfer to Reserves		7,500.00	(7,500.00)		-
Balance as at 31.03.2018	3,100.61	43,000.00	7,527.24	628.10	54,255.95
Capitalisation of Bonus issue	(1,569.62)		-		(1,569.62)
Total Comprehensive Income for the period	-	-	9,665.18	(211.26)	9,453.93
Dividends	-	-	(1,703.05)	-	(1,703.05)
Transfer to Reserves	-	9,500.00	(9,500.00)	-	-
Balance as at 31.03.2019	1,530.99	52,500.00	5,989.37	416.84	60,437.20

In terms of our report attached

For **SURI & CO**
Chartered Accountants
FRN: 004283S

R. Krishnamoorthy
Partner
Membership No. 020695

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman and Managing Director
DIN: 00015583

M. LAKSHMI KANTH JOSHI
General Manager (Legal) and
Company Secretary

P. PRABAKARAN
Managing Director
DIN : 01709564

N. RENGARAJ
Chief Financial Officer

Place : Coimbatore
Date : 29.04.2019

Notes to Standalone Financial Statements for the year ended March 31, 2019

I Corporate Information

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

II 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.

Historical Cost Convention

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

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Use of estimates

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

Functional and presentation currency

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

The financial statements are approved for issue by the Company's Board of Directors on 29th April, 2019.

IIA 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

Notes to Standalone Financial Statements for the year ended March 31, 2019

positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets (including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

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

Impairment of Trade Receivables

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

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

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based

on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions and contingencies

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

IIB Recent accounting pronouncements**Standards issued but not yet effective**

The following standards have been notified by Ministry of Corporate Affairs

- a. Ind AS 116 - Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

Notes to Standalone Financial Statements for the year ended March 31, 2019**III Significant Accounting Policies****a) Revenue Recognition****Sale of goods**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the terms agreed with the customers.

Income from Service

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

Interest Income

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

Dividend income

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

Rental income

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

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

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible

borrowing costs and other incidental expenses incurred during the construction / installation stage. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under 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 estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Notes to Standalone Financial Statements for the year ended March 31, 2019

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

f) Inventories

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

- i) Costs of raw materials, packing materials, tools and dies and Store & Spare Parts are computed on weighted average basis.

Notes to Standalone Financial Statements for the year ended March 31, 2019

- 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:

- i) Debt instruments at amortised cost
- ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument 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.

Debt instrument at FVTOCI

The Company classifies a debt instrument 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.

Debt instruments 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 debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

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

Notes to Standalone Financial Statements for the year ended March 31, 2019

Equity investments

All 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 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.

Notes to Standalone Financial Statements for the year ended March 31, 2019

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 debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are debt instruments and 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 11 and 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 17

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/ losses 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 Standalone Financial Statements for the year ended March 31, 2019

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.

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.

Notes to Standalone Financial Statements for the year ended March 31, 2019

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 year end 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

Notes to Standalone Financial Statements for the year ended March 31, 2019

authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Notes to Standalone Financial Statements for the year ended March 31, 2019

deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

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

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

Compensated absences

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

compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

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

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Operating Lease treatment as lessee:

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

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

Notes to Standalone Financial Statements for the year ended March 31, 2019

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 assets

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 presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities.

Notes to Standalone Financial Statements for the year ended March 31, 2019**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 Standalone Financial Statements for the year ended March 31, 2019

1 Property, Plant and Equipment and Intangible Assets

₹ in Lakhs

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	Computer Software and Technical know how						
Cost as at March 31, 2018	3,639.95	6,744.86	30,109.96	176.24	1,160.36	279.05	116.21	1,156.18	43,382.81	431.21	43,814.02	1,203.17	8.55	45,025.74		
Additions	4,328.71	2,085.40	10,848.30	36.81	527.36	116.50	56.53	294.18	18,293.79	74.16	18,367.95	-	-	18,367.95		
Disposals/Transfers	(5.59)	(31.17)	(479.07)	(5.26)	(25.38)	(31.23)	(26.01)	(55.10)	(658.81)	(1.75)	(660.56)	(1,147.83)	1,176.60	(631.79)		
Cost as at March 31, 2019	7,963.07	8,799.09	40,479.19	207.79	1,662.34	364.32	146.73	1,395.26	61,017.79	503.62	61,521.41	55.34	1,185.15	62,761.90		
Depreciation as at March 31, 2018	25.61	987.27	6,233.11	43.17	196.26	42.47	42.16	298.73	7,868.78	186.66	8,055.44	90.37	-	8,145.81		
Charge for the year	16.94	488.57	5,292.06	37.99	153.32	48.94	30.77	224.12	6,292.71	74.47	6,367.18	2.18	28.08	6,397.44		
Disposals/Transfers	-	(4.10)	(428.99)	(4.38)	(21.89)	(18.34)	(23.94)	(52.91)	(554.55)	(1.53)	(556.08)	(86.58)	86.58	(556.08)		
Depreciation as at March 31, 2019	42.55	1,471.74	11,096.18	76.78	327.69	73.07	48.99	469.94	13,606.94	259.60	13,866.54	5.97	114.66	13,987.17		
Net Block																
As at March 31, 2018	3,614.34	5,757.59	23,876.85	133.07	964.10	236.58	74.05	857.45	35,514.03	244.55	35,758.58	1,112.80	8.55	36,879.93		
As at March 31, 2019	7,920.52	7,327.35	29,383.01	131.01	1,334.65	291.25	97.74	925.32	47,410.85	244.02	47,654.87	49.37	1,070.49	48,774.73		

Notes to Standalone Financial Statements for the year ended March 31, 2019

2. Investments

₹ in Lakhs

Particulars	Number of Shares	Face Value in ₹	As at 31 March, 2019			As at 31 March, 2018		
			Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investment in Equity instruments (Fully paid up) (Unquoted) At Cost								
(i) Subsidiaries:								
LGB U.S.A.	410.64			1543.39	1543.39		1543.39	1543.39
(ii) Associate:								
Renold Chain India Private Limited	10250000	10.00		1025.00	1025.00		1025.00	1025.00
(b) Investment in Equity instruments (Fully paid up) (Quoted)								
At Fair value through Other Comprehensive Income								
Elgi Equipments Limited	1229706	1.00	3018.92		3018.92	3104.60		3104.60
LGB Forge Limited	29000000	1.00	884.50		884.50	971.50		971.50
Super Spinning Mills Ltd	10000	1.00	0.59		0.59	1.16		1.16
Tube Investments of India Limited	1100	1.00	4.22		4.22	-		-
Cholamandalam Financial Holdings Limited (Formerly Know as TI Financial Holdings Limited)	1100	1.00	5.35		5.35	7.15		7.15
Corporation Bank	12000	2.00	3.45		3.45	3.68		3.68
(c) Investment in Equity instruments: (Fully paid up) Unquoted)								
TRL Krosaki Refractories Limited (Formerly known as Tata Refractory Limited)	5000	10.00		6.79	6.79		6.79	6.79
Silent Chain India (P)Limited	770	10.00		1.43	1.43		1.43	1.43
LG Farm Products (P)Limited	10000	10.00		5.61	5.61		5.61	5.61
South Western Engg. India Limited	537	1000.00		65.52	65.52		65.52	65.52
Total Investments			3,917.03	2,647.74	6,564.77	4,088.09	2,647.74	6,735.83

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
3 OTHER FINANCIALS ASSETS		
(a) Security and other deposits	1,175.41	1,018.57
(b) Unamortised Interest expenses	7.42	6.02
Total	1,182.83	1,024.59
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	1,594.60	1,556.03
(b) Rent and other advances	262.82	231.88
(c) Advance recoverable	264.99	264.45
(d) Income and claims receivable	37.83	37.83
Total	2,160.24	2,090.19
5 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	5,311.99	5,130.76
(b) Work-in-progress	11,786.97	10,478.85
(c) Finished products	7,206.01	4,466.05
(d) Others		
(i) Packing materials	483.88	513.40
(ii) Stores & spares	2,200.07	1,989.94
(iii) Loose tools	1,965.89	1,548.87
(iv) Agricultural produce	-	0.20
Total	28,954.81	24,128.07
6 TRADE RECEIVABLE*		
(i) Unsecured, considered good	20,722.27	18,044.26
(ii) Having significant increase in credit risk	-	-
(iii) Credit Impairment	185.75	120.86
Less: Provision for doubtful trade receivables	185.75	120.86
Total	20,722.27	18,044.26
* (i) Trade Receivable include debts due from		
Private companies in which any director is a director:		
Super Speeds (P) Limited	-	0.10
Silent Chain India (P) Limited	-	0.07
Super Transports (P) Limited	0.87	0.21
Renold Chain India (P) Limited	145.04	239.99
Total	145.91	240.37

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
7. CASH AND CASH EQUIVALENTS		
A Cash and cash equivalents (as per INDAS 7 Statement of Cash Flows)		
(a) Cash- on- Hand	6.45	5.96
(b) Balances with Banks		
(i) In Current Account	15.04	41.47
(ii) In Collection Account	233.57	297.16
(iii) In Deposit Account	564.60	271.00
Total	<u>819.66</u>	<u>615.59</u>
B Other Bank Balances		
(a) In Margin money with Banks	38.79	183.60
(b) In Earmarked Accounts		
(i) Unpaid Dividend Account	64.43	58.78
Total	<u>103.22</u>	<u>242.38</u>
Total Cash and Cash Equivalents (A+B)	<u>922.88</u>	<u>857.97</u>
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	42.51	52.75
(b) Interest accrued on Deposits	27.55	24.31
Total	<u>70.06</u>	<u>77.06</u>
9 OTHER CURRENT ASSETS		
(a) Prepaid expenses	178.81	457.71
(b) Balance with govt authorities:	77.73	955.05
(c) Advance recoverable	159.18	191.84
(d) Income and claims receivable	83.15	312.19
Total	<u>498.87</u>	<u>1,916.79</u>

Notes to Standalone Financial Statements for the year ended March 31, 2019

10 SHARE CAPITAL (Equity shares of Rs.10/- each with voting rights)

₹ in Lakhs

	As at 31 March, 2019		As at 31 March, 2018	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
(a) Authorised	47,000,000	4,700.00	47,000,000	4,700.00
Total	47,000,000	4,700.00	47,000,000	4,700.00
(b) Issued	31,392,416	3,139.24	15,696,208	1,569.62
Total	31,392,416	3,139.24	15,696,208	1,569.62
(c) Subscribed and fully paid-up	31,392,416	3,139.24	15,696,208	1,569.62
Total	31,392,416	3,139.24	15,696,208	1,569.62

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, 2019					
Number of shares	15,696,208	-	15,696,208	-	31,392,416
Amount (Rs. in lakhs)	1,569.62	-	1,569.62	-	3,139.24
Year ended 31st March, 2018					
Number of shares	15,696,208	-	-	-	15,696,208
Amount (Rs. in lakhs)	1,569.62	-	-	-	1,569.62

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

Name of the Shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Equity shares with voting rights				
B.Vijayakumar	5,014,000	15.97	2,507,000	15.97
V.Rajviradhan	4,397,172	14.01	2,198,586	14.01
Rajsri Vijayakumar	2,179,152	6.94	1,089,576	6.94
Reliance Capital Trustee Co.Ltd				
A/c Reliance Small Cap Fund	2,100,798	6.69	1,045,590	6.66
L.G.B.Auto Products (P) Ltd	1,750,000	5.57	875,000	5.57

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

- The company has only one class of equity shares having a par value of ₹10/- each. The equity shares of the Company ranks pari passu in all aspects including rights and entitlement to dividend.
- The dividend proposed by the Board of Directors (Rs.5 per share) is subject to approval of the shareholders in the ensuing Annual General meeting.

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

- During the year 2014, the Company has issued Bonus shares to the extent of 7,848,104 shares in the ratio of 1:1 for consideration other than cash.
- On 18.06.2018, the Company has issued Bonus shares to the extent of 15,696,208 in the ratio of 1:1 for consideration other than cash.

Notes to Standalone Financial Statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
11 OTHER EQUITY		
(a) Securities premium account:		
Opening balance	3,100.61	3,100.61
Less : Capitalisation of Bonus Shares	(1,569.62)	-
Closing balance	<u>1,530.99</u>	<u>3,100.61</u>
(b) General reserve		
Opening balance	43,000.00	35,500.00
Add: Transfer from surplus in Statement of Profit and Loss	9,500.00	7,500.00
Closing balance	<u>52,500.00</u>	<u>43,000.00</u>
(c) Other Comprehensive Income		
Opening Balance	628.10	1,126.46
Add: Accounted for the year	(211.26)	(498.36)
Closing balance	<u>416.84</u>	<u>628.10</u>
(d) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	7,527.24	8,370.85
Add: On account of business combination	-	(31.12)
Less: Dividend & Dividend tax paid	1,703.05	1,322.43
Add: Profit/(Loss) for the year	9,665.18	8,009.94
Less: Transferred to General reserve	9,500.00	7,500.00
Closing balance	<u>5,989.37</u>	<u>7,527.24</u>
Total	<u>60,437.20</u>	<u>54,255.95</u>
12 BORROWINGS		
(a) Term Loans:		
From banks		
Secured (Refer Note (ii) below)	7,912.48	1,944.45
(b) Fixed deposits:		
From other parties		
Unsecured	199.53	155.14
From related parties		
Unsecured	580.00	1,910.00
Total	<u>8,692.01</u>	<u>4,009.59</u>

Notes to Standalone Financial Statements for the year ended March 31, 2019

12 (i) DETAILS OF SECURITY FOR BORROWINGS:

- (a) Term Loans from banks are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Chakkan Plant, Jalna Plant and Chennai Vallam Vadagal plant.
- (b) Interest rate relating to Term loans from banks is in the range of 8.30% to 9.10% during the year.

Term loan from banks:

12 (ii) Repayment Schedule

Particulars	Terms of repayment	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Term loan from banks : Secured			
ICICI Bank Ltd	Repayable in 20 quarterly instalments of ₹ 375 Lakhs from July 14	0.00	375.00
Hongkong and Shanghai Banking Corporation Ltd (Term loan-1)	Repayable in 16 quarterly instalments of ₹ 156.25 Lakhs from May 16	0.00	625.00
Hongkong and Shanghai Banking Corporation Ltd (Term loan-2)	Repayable in 16 quarterly instalment of ₹ 187.50 Lakhs from March 20	2,812.48	0.00
HDFC Bank Ltd (Term loan-1)	Repayable in 18 quarterly instalments of ₹ 55.56 Lakhs from Dec 15	0.00	444.55
HDFC Bank Ltd (Term loan-2)	Repayable in 20 quarterly instalments of ₹ 200 Lakhs from May 19	3,200.00	0.00
Axis Bank Ltd	Repayable in 20 quarterly instalments of ₹ 111.11 Lakhs from March'20	1,900.00	500.00
Total-Term loans from banks		7,912.48	1,944.45

- 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 8.00% to 9.50% during the year.

Notes to Standalone Financial Statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
13 PROVISIONS		
(i) Provision for contingencies	700.00	700.00
(ii) Provision for Leave Salary	286.19	253.51
(iii) Others	102.39	102.39
	1,088.58	1,055.90
14 BORROWINGS		
(a) Loan repayable on demand		
From banks		
Secured (Refer Note 14(i) (c) below)	5,546.80	391.19
(b) From Financial institutions		
Unsecured (Refer Note 14(i) (c) below)	1,500.00	-
(c) Loan from directors		
Unsecured	343.00	155.00
(d) Loan from Inter corporates		
Unsecured	480.00	83.00
	7,869.80	629.19

14 (i) Details of security for borrowings:

- Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company
- Interest rate relating to Short term loans from banks is in the range of 8.40% to 12.10%
- Break up of loan repayable on demand and financial institutions.

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Secured	Unsecured	Secured	Unsecured
Loan repayable on Demand				
From Banks				
Axis Bank Ltd	1,000.00	-	-	-
Corporation Bank	(5.11)	-	(67.26)	-
HDFC Bank Ltd	1,950.76	-	442.99	-
ICICI Bank Ltd	13.12	-	108.55	-
Indusind Bank Ltd	(2.20)	-	(0.58)	-
IDBI Bank Ltd	590.23	-	(92.51)	-
HSBC Ltd	2,000.00	-	-	-
Total - Loan from banks	5,546.80	-	391.19	-
Loan from financial institutions				
Bajaj Finance Limited	1,500.00	-	-	-
Total	1,500.00	-	-	-

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

Notes to Standalone Financial Statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
15 OTHER FINANCIAL LIABILITIES:		
(a) Current maturities of long-term debt (Refer Note (i) below)	3,479.53	4,373.04
(b) Interest accrued but not due on secured loans	50.25	8.54
(c) Interest accrued but not due on Unsecured loans	32.43	150.19
(d) Interest accrued on deposits from customers	48.06	42.92
(f) Unclaimed dividends (Refer Note (ii) below)	64.43	58.78
(g) Payable on purchase of fixed assets	1,319.22	442.88
Total	<u>4,993.92</u>	<u>5,076.35</u>
15 (i) Current maturities of Long-term debt:		
Refer Note 12(i) for the details of Securities		
Term Loan		
From Banks - Secured	2,531.96	2,569.44
Total - Term Loan from banks	<u>2,531.96</u>	<u>2,569.44</u>
Fixed Deposits:		
From Related Parties	810.00	1,650.00
Deposit from others	137.57	153.60
Total - Current maturities of Long-term debt	<u>3,479.53</u>	<u>4,373.04</u>
15 (ii) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
16 PROVISION		
Provision for Leave Salary	37.71	36.32
Total	<u>37.71</u>	<u>36.32</u>
17 OTHER CURRENT LIABILITIES:		
(a) Statutory remittances	1,194.28	286.56
(b) Advance and deposits from customers etc.,	658.53	922.15
Total	<u>1,852.81</u>	<u>1,208.71</u>

Notes to Standalone Financial Statements for the year ended March 31, 2019

Particulars	For the year ended 31.03.2019 ₹ in lakhs	For the year ended 31.03.2018 ₹ in lakhs
18 REVENUE FROM OPERATIONS:		
a) Sale of products(previous year include excise duty)	145,873.98	126,273.80
b) Sale of services	-	265.29
c) Other operating revenue		
Scrap sales(previous year include excise duty)	11,900.20	8,334.08
Duty drawback and other export incentives	436.25	270.69
Revenue from operations (Gross)	<u>158,210.43</u>	<u>135,143.86</u>
19 OTHER INCOME		
a) Interest income		
Interest on fixed deposit with banks	38.32	90.14
Interest on deposit with TNEB	27.15	30.36
Others	9.14	8.28
Total - Interest income	<u>74.61</u>	<u>128.78</u>
b) Dividend income:	15.15	12.68
c) Other non-operating income		
(i) Rental and lease income	110.17	90.37
(ii) Agricultural income	8.41	1.85
(iii) Profit on sale of assets	10.65	115.12
(iv) Miscellaneous receipts	62.88	62.37
Total	<u>281.87</u>	<u>411.17</u>
20 a. COST OF MATERIALS CONSUMED		
Opening Stock:	5,644.16	4,514.48
Add : On account of business combination	-	63.16
Add: Purchases	75,251.61	59,070.53
Less: Closing Stock	5,795.86	5,644.16
Cost of material consumed	<u>75,099.91</u>	<u>58,004.01</u>
b. Purchase of light commercial vehicle	-	1,744.14
Total	-	<u>1,744.14</u>
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade Inventories at the end of the year		
Finished goods	7,206.01	4,466.05
Work-in-progress	11,786.97	10,478.85
Stock-in-trade	-	-
	<u>18,992.98</u>	<u>14,944.90</u>
Inventories at the beginning of the year		
Finished goods	4,466.05	5,348.80
Add : On account of business combination	-	3.33
Work-in-progress	10,478.85	8,135.00
Add : On account of business combination	-	147.75
Stock-in-trade	-	615.67
	<u>14,944.90</u>	<u>14,250.55</u>
Net decrease / (increase)	<u>(4,048.08)</u>	<u>(694.35)</u>

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	For the year ended 31.03.2019 ₹ in lakhs	For the year ended 31.03.2018 ₹ in lakhs
21 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	21,894.52	16,348.33
(b) Contribution to provident and other funds	1,074.13	1,497.65
(c) Staff welfare expenses	1,055.09	1,083.57
Total	24,023.75	18,929.55
22 FINANCE COSTS		
(a) Interest expenses on borrowings:	1,041.73	978.13
Total	1,041.73	978.13
23 OTHER EXPENSES		
(a) Consumption of stores and spare parts	12,352.59	10,311.86
(b) Processing charges	9,337.03	7,587.75
(c) Power and Fuel	6,816.62	5,512.23
(d) Rent including lease rentals	656.06	538.59
(e) Repairs & maintenance of		
(i) Buildings	147.08	103.68
(ii) Machinery	3,467.87	2,575.37
(iii) Other assets	808.91	620.86
(f) Insurance	82.24	88.27
(g) Rates and taxes	158.75	197.82
(h) Travelling and conveyance	787.52	759.21
(i) Printing and stationery	34.88	60.91
(j) Postage, telegram and telephones	139.49	166.08
(k) Freight, packing & forwarding	6,071.32	5,191.94
(l) Advertisement, publicity and selling expenses	263.50	279.14
(m) Bank charges	136.90	120.03
(n) Legal and professional charges	256.90	182.87
(o) Payments to auditors (Refer note (i) below)	17.50	16.27
(p) Donations	-	0.65
(q) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	162.44	73.17
(r) Provision for contingencies	-	75.00
(s) Bad Debts written off	28.44	
(t) Assets condemned & written off	53.83	68.04
(u) Provision for doubtful debts/advances	64.89	8.17
(v) Loss on sale of Assets	4.39	8.52
(w) Loss on foreign currency transactions and translation	211.51	22.99
(x) Sales-tax, entry tax & octroi	-	40.82
(y) Sitting fees	14.70	8.80
(z) Watch and Ward	754.36	610.22
(aa) Agricultural expenses	7.65	6.10
(ab) Miscellaneous expenses	80.90	66.41
	42,918.27	35,301.77

Notes to Standalone Financial Statements for the year ended March 31, 2019

Particulars	For the year ended 31.03.2019 ₹ in lakhs	For the year ended 31.03.2018 ₹ in lakhs
(i) Details of Auditors' remuneration: Payment to auditors comprises		
(a) To Statutory Auditors:		
For statutory audit	13.50	12.52
(b) To Tax Auditor	2.75	2.50
(c) To cost auditors for cost audit	1.25	1.25
Total	17.50	16.27
(ii) Details of CSR Expenditure:		
(i) Contribution to		
LRG & GD Trust	43.00	35.00
Amrit Centre for Special Needs	10.00	10.00
Little Flower Convent School (Blind)	-	10.88
Karur School Building	13.28	-
Uyir Trust	15.00	-
Primavera India	3.00	-
Library Saravanampatti	6.50	-
Mekkanamkulam Gramajana Committee	5.74	-
Chennai Vision Charitable Trust	-	10.00
Tamilnadu Ayyapa Medical Mission and Charities	3.00	-
Gaja Releif Fund	17.00	-
LGB Educational Foundation	35.00	-
Balamandir	5.00	-
(ii) Contribution to others	5.92	7.29
Total	162.44	73.17
24 & 25) INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	4,252.49	4,119.98
Adjustments for current tax of prior periods	-	-
Total current tax expense	4,252.49	4,119.98
Deferred tax:		
Decrease/ (Increase) in deferred tax assets		
(Decrease)/ Increase in deferred tax Liabilities	346.58	146.08
Total deferred tax expense/ (benefit)	346.58	146.08
Income tax expense	4,599.07	4,266.06
(b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	14,264.25	12,276.00
Income tax expense calculated at 34.944% (2017-18: 34.608%)	4,984.50	4,248.48
Add/(Less): Tax effect on non deductible expense	(276.06)	141.60
Less: Net Tax effect on additional deduction	(109.38)	(124.02)
Total tax expense	4,599.07	4,266.06

Notes to Standalone Financial Statements for the year ended March 31, 2019

26. FAIR VALUE MEASUREMENT

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2019					March 31, 2018				
	FVTPL	FVOCI	Amor- tised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVOCI	Amor- tised Cost	Total Carrying Value	Total Fair Value
Financial Assets										
Investments										
- Equity instruments (other than subsidiary and associates)	-	3,996.38	0.00	3,996.38	3,996.38	-	4,167.44	0.00	4,167.44	4,167.44
Trade Receivables			20,722.27	20,722.27	20,722.27			18,044.26	18,044.26	18,044.26
Cash and bank balances			922.88	922.88	922.88			857.97	857.97	857.97
Other Financial assets			1,252.89	1,252.89	1,252.89			1,101.65	1,101.65	1,101.65
Total Financial Assets	-	3,996.38	22,898.04	26,894.42	26,894.42	-	4,167.44	20,003.88	24,171.32	24,171.32
Financial Liabilities										
Borrowings			16,561.82	16,561.82	16,561.82			4,638.78	4,638.78	4,638.78
Trade Payables			24,144.01	24,144.01	24,144.01			24,870.65	24,870.65	24,870.65
Other Financial liabilities			4,993.92	4,993.92	4,993.92			5,076.35	5,076.35	5,076.35
Total Financial Liabilities	-	0.00	45,699.75	45,699.75	45,699.75	-	-	34,585.78	34,585.78	34,585.78

(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, 2019				March 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	3996.38	-	-	3996.38	4167.44	-	-	4167.44
Total Financial Assets	3996.38	-	-	3996.38	4167.44	-	-	4167.44
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

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

Particulars	March 31, 2019				March 31, 2018			
	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	-	-	-	-	-	-	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2019

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.

Notes to Standalone Financial Statements for the year ended March 31, 2019

27 FINANCIAL INSTRUMENTS

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other short-term borrowings. The capital structure of the Company consists only of equity.

Gearing Ratio:

₹ in Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Debt	8,692.01	4,009.59
Less: Cash and bank balances	922.88	857.97
Net debt	7,769.13	3,151.62
Total equity	63,576.44	55,672.35
Net debt to equity ratio (%)	12.22%	5.66%

Financial assets

a. Measured at amortised cost

Other non-current financial assets	1,182.83	1,024.59
Trade receivables	20,722.27	18,044.26
Cash and cash equivalents	819.66	615.59
Bank balances other than above	103.22	242.38
Other financial assets	70.06	77.06

b. Mandatorily measured at fair value through OCI (FVOCI)

Investments other than subsidiary and associates	3,996.38	4,167.44
Derivative instruments	-	-

Financial liabilities

a. Measured at amortised cost

Borrowings (short term)	7,869.80	629.19
Trade payables	24,144.01	24,870.65
Other financial liabilities	4,993.92	5,076.35

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.

Notes to Standalone Financial Statements for the year ended March 31, 2019

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division

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 Assets exposure on the currency	
As on 31.03.2019							
USD	4,52,903.27	-	4,52,903.27	31,34,596.97	-	31,34,596.97	26,81,693.70
EUR	43,236.59	-	43,236.59	15,97,619.31	3,00,000.00	12,97,619.31	12,54,382.72
GBP	-	-	-	6,19,898.47	-	6,19,898.47	6,19,898.47
JPY	17,48,600.00	-	17,48,600.00	-	-	-	(17,48,600.00)
CHF	-	-	-	-	-	-	-
In INR	-	-	-	-	-	-	-
As on 31.03.2018							
USD	349,533.44	-	349,533.44	2,386,954.60	-	2,386,954.60	2,037,421.16
EUR	10,924.01	-	10,924.01	1,952,578.49	900,000.00	1,052,578.49	1,041,654.48
GBP	-	-	-	117,307.15	-	117,307.15	117,307.15
JPY	622,015.00	-	622,015.00	-	-	-	(622,015.00)
CHF	13,667.53	-	13,667.53	-	-	-	(13,667.53)
In INR							

Notes to Standalone Financial Statements for the year ended March 31, 2019

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses 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.

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2019				
Trade payables	24,144.01	-	-	24,144.01
Other financial liabilities	4,993.92	-	-	4,993.92
Borrowings	7,869.80	-	-	7,869.80
	37,007.73	-	-	37,007.73
March 31, 2018				
Trade payables	24,870.65	-	-	24,870.65
Other financial liabilities	5,076.35	-	-	5,076.35
Borrowings	629.19	-	-	629.19
	30,576.19	-	-	30,576.19

	31.03.2019	31.03.2018
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

	As at 31.03.2019	As at 31.03.2018
28 Contingent liabilities and commitments (to the extent not provided for		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debts -		
disputed tax liabilities		
(i) Central Excise	242.92	307.35
(ii) Entry Tax	428.29	428.29
(iii) Service Tax	176.63	190.20
(iv) VAT/CST	1,106.78	1,129.54
(v) Income Tax	1,248.49	1,248.49
Total	3,203.11	3,303.87
(b) Guarantee given by Bankers and outstanding	64.86	300.20
(c) Corporate guarantee given for others	2,700.00	2,700.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	347.28	684.80
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	6,009.98	8,294.44

- 29 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006
Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upto by the Auditors.

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

	As at 31.03.2019	As at 31.03.2018
Other disclosures are as under:		
(i) Principal amount remaining unpaid to any supplier as at end of the accounting year	241.42	221.34
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	NIL	NIL
(iii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
(iv) Amount of interest due and payable for the period of delay in making payment but without adding interest as specified in the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

- 30 a) Remuneration to Chairman and Managing Director (CMD) and Managing Director (MD) is included in Salary, Wages & Bonus:

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	CMD	MD	CMD	MD
Salaries & Allowances	90.03	51.35	81.86	39.69
Commission	273.99	52.40	252.46	37.87
Contribution to Provident Fund	10.81	6.16	9.02	4.00
Total	374.83	109.91	343.34	81.56

- b) Computation of net profit under section 198 of the Companies Act, 2013 and commission payable to the Chairman and Managing Director and Managing Director:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax before business combination	14,264.25	12,219.79
Add: Managerial remuneration (Refer Note)	484.75	424.91
Sitting fees to directors	14.70	8.80
Provision for doubtful debts/advances	93.33	8.17
Loss on Sales of Assets	4.39	8.52
Assets condemned and written off	53.83	68.04
Less: Profit on Sale of Assets/Investments	1,215.62	115.12
Net profit	13,699.63	12,623.11
Maximum remuneration payable to CMD and Managing Director - 10% of the net profit	1,369.96	1,262.31
Commission payable @ 2% of Net Profit to CMD	273.99	252.46
Commission payable @ 0.30%/0.5% of Net Profit to MD*	52.40	37.87

* with effect from 1.10.2018

Note: The remuneration paid / payable to the Chairman & Managing Director and Deputy Managing Director for the year is within the limits specified in Section 198 of the Companies Act, 2013.

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

31 DETAILS OF GOVERNMENT GRANTS		
PARTICULARS	As at 31.03.2019	As at 31.03.2018
Government grants received by the Company during the year towards Duty drawback and other export incentives	436.25	270.69
Total	436.25	270.69

32 EMPLOYEE BENEFIT PLANS
Defined Contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs.596.00 Lakhs (Year ended 31 March, 2018 Rs.812.02 Lakhs) for Provident Fund contributions and Rs.14.87 Lakhs (Year ended 31 March, 2018 Rs.10.65 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

State plans:

The Company makes ESI contributions to Employees State Insurance Scheme. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 290.25 Lakhs (Year ended 31 March, 2018 Rs.220.60 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Defined Benefit Plan - Gratuity:

The Company provides gratuity benefit (included as part of employees contribution to funds in Note 21 Employee benefits expense) to all eligible employees, which is funded with Life Insurance Corporation of India.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Components of employer expenses		
Current service cost	155.95	129.38
Interest cost	143.10	130.73
Expected return on Plan Assets	(174.68)	(153.85)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	124.37	106.26
Actual contribution and the benefit payments for the year		
Actual benefit payments	(71.63)	(75.32)
Actual contribution	7.86	306.52
Other Comprehensive Income		
Opening OCI	84.98	135.49
Actuarial Loss /(Gain) on DBO	65.27	(69.79)
Actuarial Loss /(Gain) on Assets	96.97	19.28
Total recognized in Other Comprehensive Income	162.24	(50.51)

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Closing Recognised in OCI	247.22	84.98
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	2,167.80	1,875.11
Fair value of plan assets	2,291.12	2,277.18
Funded Status [Surplus/(Deficit)] *	123.32	402.07
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	123.32	402.07
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	1,875.11	1,760.11
Current service cost	155.95	129.38
Interest cost	143.10	130.73
Actuarial (gain) / loss on obligation	65.27	(69.79)
Benefits paid	(71.63)	(75.32)
Present value of DBO at the end of the year	2,167.80	1,875.11
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	2,277.18	1,911.41
Acquisition adjustment		
Expected return on Plan Assets	174.68	153.85
Contributions by the employer	7.86	306.52
Actuarial gain / (loss)	(96.97)	(19.28)
Benefits paid	(71.63)	(75.32)
Plan Assets at the end of the year	2,291.12	2,277.18
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	2,167.80	1,875.11
Closing FV of Plan Assets	2,291.12	2,277.18
Funded Status [Surplus/(Deficit)] *	123.32	402.07
* Included under the head "Employee Benefits" in Note 21		
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)	7.59%	7.59%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	7.59%	7.59%

* - Included in "Contribution to Provident & Other Funds" in Note 21- Employee Costs

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Experience adjustments		
Actuarial (Gains) and Losses on Obligation	(65.27)	(69.79)
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	96.97	19.28
Total comprehensive Income for the year	162.24	(50.51)
Actuarial (Gains) and Losses Recognized in the year	162.24	(50.51)
Unrecognized Actuarial (Gains) and Losses for the year	-	-

Note: (i) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated terms of the obligations.

(ii) The estimate of future salary increased considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(iii) The Company is expected to contribute Rs.300.00 Lakhs to the Gratuity Fund next year.

(iv) Sensitivity Analysis:

Particulars	As at 31.03.2019	As at 31.03.2018
A. Discount Rate + 100 BP Defined Benefit Obligation [PVO]	-9.96% 1,951.83	-9.02% 1,705.88
B. Discount Rate - 100 BP Defined Benefit Obligation [PVO]	11.59% 2,419.01	10.58% 2,073.55
C. Salary Escalation Rate + 100 BP Defined Benefit Obligation [PVO]	10.81% 2,402.08	9.81% 2,059.04
D. Salary Escalation Rate - 100 BP Defined Benefit Obligation [PVO]	-9.63% 1,959.09	-8.61% 1,713.75
E. Attrition Rate + 100 BP Defined Benefit Obligation [PVO]	-3.04% 2,101.90	-2.62% 1,825.91
F. Attrition Rate - 100 BP Defined Benefit Obligation [PVO]	3.33% 2,239.96	3.01% 1,931.58

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 17.21 years (2017-18 13.72 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	March 31, 2019	March 31, 2018
Less than 1 year	94.21	154.32
Between 1 - 2 years	84.79	96.85
Between 2 - 3 years	108.58	103.76
Between 3 - 4 years	74.95	121.50
Between 4 - 5 years	87.84	94.17
More than 5 years	917.41	768.15

Notes to Standalone Financial Statements for the year ended March 31, 2019 ₹ in Lakhs

	31.03.2019	31.03.2018
33 DETAILS OF LEASING ARRANGEMENTS		
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	110.17	90.37
As Lessee		
b The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and may be renewed based on mutual agreement of the parties.		
Future minimum lease payments not later than one year	606.90	247.89
later than one year and not later than five years	1,055.78	269.05
later than five years	-	31.01
Lease payments recognized in the Statement of Profit and Loss	656.06	538.65
34 EARNINGS PER SHARE	31.03.2019	31.03.2018
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In ₹ Lakhs	9,665.18	8,009.94
Profit attributable to Equity Shareholders - In ₹ Lakhs (A)	9,665.18	8,009.94
Total number of equity shares outstanding at balance sheet date.	31,392,416	31,392,416
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	31,392,416	31,392,416
Nominal value of Equity Shares - In ₹	10	10
Basic and Diluted Earnings Per Share-In ₹ (A/B)(Not annualized)	30.79	25.52
35 DEFERRED TAX LIABILITY:		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	2,457.47	1,948.84
On account of provision for doubtful debts	(64.29)	(41.83)
On account of provision for contingencies	(242.27)	(176.51)
On account of Gain on actuarial valuation	(21.59)	62.03
On account of provision for leave salary	(112.10)	(100.31)
	2,017.22	1,692.22
36 DETAILS OF R&D EXPENSES		
1) Capital expenditure	79.53	46.43
2) Salaries & wages	348.94	307.05
3) Material costs	55.70	149.51
4) Maintenance expenses	61.91	49.14
5) Other expenses	49.62	46.33
	595.70	598.46

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.

Notes to Standalone Financial Statements for the year ended March 31, 2019

37 Details of Provision

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1 April, 2018	Additions	Utilisation	As at 31 March, 2019
Provision for other contingencies (Excise/ Customs / IT)	700.00 (625.00)	- (75.00)	- -	700.00 (700.00)
Total	700.00 (625.00)	- (75.00)	- -	700.00 (700.00)

Note: Figures in brackets relate to the previous year.

38 Since the Company prepares consolidated financial statements, segment information as revised by IND AS 108 "Segment Reporting" has been disclosed in consolidated financial statements.

39 Effective from 01.07.2017, Revenue are recorded net of GST, whereas earlier revenue were recorded gross of Excise duty, which formed part of expenses.

40 Exceptional Item represent profit on sale of land including compulsory acquisition by the Department of Highways.

41 Borrowing cost capitalized during the year ₹ 137.35 Lakhs (previous year ₹ 11.30 Lakhs)

42 "IND AS-115" Revenue from contracts with customer mandatory from reporting period beginning on or after April 01, 2018 replaces existing revenue recognition requirement. The application of IND AS - 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company. Further there were no significant adjustment required to the retained earnings as at April 01, 2018 under the modified retrospective approach.

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

44 Related party disclosure

a) List of parties having significant influence

Subsidiaries

LGB USA INC. - 77.01%

Fellow Subsidiaries

GFM ACQUISITION LLC. - Holding by LGB USA - 98%

GFM LLC - Holding by GFM Acquisition LLC - 100%

b) List of parties having significant influence

Associate Companies

Renold Chain India Private Limited - 25%

Notes to Standalone Financial Statements for the year ended March 31, 2019

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

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

Key management personnel

Sri. B. Vijayakumar, Chairman and Managing Director

Sri. P. Prabakaran, Managing Director

Sri.N. Rengaraj, Chief Financial Officer

Sri.M. Lakshmi Kanth Joshi, General Manager (Legal) and Company Secretary

Relatives of Key Management Personnel

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

In terms of our report attached
 For **SURI & CO**
 Chartered Accountants
 FRN: 004283S
 R. Krishnamoorthy
 Partner
 Membership No. 020695

For and on behalf of Board of Directors

B. VIJAYAKUMAR
 Chairman and Managing Director
 DIN: 00015583

M. LAKSHMI KANTH JOSHI
 General Manager (Legal) and
 Company Secretary

P. PRABAKARAN
 Managing Director
 DIN : 01709564

N. RENGARAJ
 Chief Financial Officer

Place : Coimbatore
 Date : 29.04.2019

Notes to Standalone Financial Statements for the year ended March 31, 2019

a) Transactions during the year

₹ in Lakhs

S. No.	Particulars	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Remuneration to Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	554.89	486.23	-	-	554.89	486.23
	Sri.P. Prabakaran	-	-	-	-	374.83	343.34	-	-	374.83	343.34
	Sri.N. Rengaraj	-	-	-	-	109.91	81.56	-	-	109.91	81.56
						40.60	34.06			40.60	34.06
2	Loan Receipts (Borrowings)	567.00	124.00	-	-	300.00	219.00	563.00	49.00	1,430.00	392.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	L.G.Sports Ltd	400.00	20.00	-	-	-	-	-	-	400.00	20.00
	Elgi Automotive Services (P) Limited	30.00	51.00	-	-	-	-	-	-	30.00	51.00
	LGB Auto Products (P) Limited	117.00	53.00	-	-	-	-	-	-	117.00	53.00
	Others	20.00								20.00	
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	300.00	219.00	-	-	300.00	219.00
	Relatives of Key Managerial Personnel										
	Sri.V.Rajviradhan	-	-	-	-	-	-	405.00	18.00	405.00	18.00
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	158.00	31.00	158.00	31.00
3	Loan Repayment (Borrowing)	150.00	147.00	-	-	337.00	79.00	338.00	62.00	825.00	288.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	L.G.Sports Ltd	-	20.00	-	-	-	-	-	-	-	20.00
	Elgi Automotive Services (P) Limited	20.00	127.00	-	-	-	-	-	-	20.00	127.00
	LGB Auto Products (P) Limited	110.00	-	-	-	-	-	-	-	110.00	-
	Others	20.00	-	-	-	-	-	-	-	20.00	-
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	337.00	79.00	-	-	337.00	79.00
	Relatives of Key Managerial Personnel										
	Sri.V.Rajviradhan	-	-	-	-	-	-	275.00	31.00	275.00	31.00
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	63.00	31.00	63.00	31.00

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

S. No.	Particulars	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
4	Fixed Deposits Receipts (Borrowings)	5.00	30.00	-	-	50.00	15.00	50.00	10.00	105.00	55.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	L G Farm Products (P) Limited	-	5.00	-	-	-	-	-	-	-	5.00
	Silent Chain (P) Limited	5.00	5.00	-	-	-	-	-	-	5.00	5.00
	Super Transports (P) Limited	-	20.00	-	-	-	-	-	-	0.00	20.00
	Key Managerial Personnel										
	Sri.B.Vijayakumar	-	-	-	-	50.00	-	-	-	50.00	-
	Sri.P. Prabakaran	-	-	-	-	-	15.00	-	-	-	15.00
	Relatives of Key Managerial Personnel										
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	50.00	-	50.00	-
	Minor.Vidhur Narayanan	-	-	-	-	-	-	-	10.00	-	10.00
5	Fixed Deposits Repayments (Borrowings)	1,305.00	115.00	-	-	140.00	-	830.00	-	2,275.00	115.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Associates										
	Super Speeds (P) Limited	-	115.00	-	-	-	-	-	-	-	115.00
	L G Farm Products (P) Limited	200.00	-	-	-	-	-	-	-	200.00	-
	L.G.Sports Ltd	800.00	-	-	-	-	-	-	-	800.00	-
	LGB Auto Products (P) Limited	200.00	-	-	-	-	-	-	-	200.00	-
	Super Transports (P) Limited	105.00	-	-	-	-	-	-	-	105.00	-
	Key Managerial Personnel										
	Sri.B.Vijayakumar	-	-	-	-	140.00	-	-	-	140.00	-
	Relatives of Key Managerial Personnel										
	Sri.V.Rajivirdhan	-	-	-	-	-	-	460.00	-	460.00	-
	Minor.Samridhi Andal	-	-	-	-	-	-	185.00	-	185.00	-
	Minor.Vidhur Narayanan	-	-	-	-	-	-	185.00	-	185.00	-

₹ in Lakhs

Notes to Standalone Financial Statements for the year ended March 31, 2019

S. No.	Particulars	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
6	Interest Expense	117.95	163.85	-	-	74.91	81.75	219.55	124.08	412.41	369.68
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	L. G. Sports Ltd	61.39	86.22	-	-	-	-	-	-	61.39	86.22
	LGB Auto Products (P) Limited	22.20	21.02	-	-	-	-	-	-	22.20	21.02
	L. G Farm Products (P) Limited	15.74	22.12	-	-	-	-	-	-	15.74	22.12
	Others	18.62	34.49	-	-	-	-	-	-	18.62	34.49
	Key Managerial Personnel										
	Sri. B. Vijayakumar	-	-	-	-	71.06	74.49	-	-	71.06	74.49
	Sri. P. Prabakaran	-	-	-	-	3.73	7.26	-	-	3.73	7.26
	Sri. N. Rengaraj	-	-	-	-	0.12	-	-	-	0.12	-
	Relatives of Key Managerial Personnel										
	Sri. V. Rajvirdhan	-	-	-	-	-	-	39.54	44.80	39.54	44.80
	Smt. Rajsri Vijayakumar	-	-	-	-	-	-	18.68	14.85	18.68	14.85
	Smt. Samradhi Andal	-	-	-	-	-	-	80.44	31.54	80.44	31.54
	Sri. Vidhur Narayan	-	-	-	-	-	-	79.08	31.84	79.08	31.84
	Smt. D. Maheshwari	-	-	-	-	-	-	1.81	1.06	1.81	1.06
7	Equity Investment	-	-	-	-	-	-	-	-	-	-
8	Dividend Receipts	0.03	0.03	-	-	-	-	-	-	0.03	0.03
9	Dividend Payments	134.78	101.36	-	-	225.67	175.52	315.97	245.71	676.42	522.59
	Key Managerial Personnel										
	Sri. B. Vijayakumar	-	-	-	-	225.63	175.49	-	-	225.63	175.49
	Sri. P. Prabakaran	-	-	-	-	0.04	0.03	-	-	0.04	0.03
	Relatives of Key Managerial Personnel										
	Sri. V. Rajvirdhan	-	-	-	-	-	-	197.87	153.90	197.87	153.90
	Smt. Rajsri Vijayakumar	-	-	-	-	-	-	98.06	76.27	98.06	76.27
	Others	-	-	-	-	-	-	20.04	15.54	20.04	15.54

₹ in Lakhs

Notes to Standalone Financial Statements for the year ended March 31, 2019

S. No.	Particulars	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
10	Rent Income	67.17	64.01	-	-	-	-	-	-	67.17	64.01
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	50.57	50.00	-	-	-	-	-	-	50.57	50.00
	Super Transports Private Limited	10.71	5.05	-	-	-	-	-	-	10.71	5.05
	Others	5.89	8.96	-	-	-	-	-	-	5.89	8.96
11	Rent / Lease Expenses	-	4.16	-	-	-	-	-	-	-	4.16
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	South Western Engineering India Limited	-	3.92	-	-	-	-	-	-	-	3.92
	LGB Forge Limited	-	-	-	-	-	-	-	-	-	-
12	Purchase of Materials, Spares & power	1,841.93	1,065.26	-	-	-	-	-	-	1,841.93	1,065.26
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Renold Chain India (P) Ltd.	144.77	243.72	-	-	-	-	-	-	144.77	243.72
	LGB Forge Limited	1,462.94	722.41	-	-	-	-	-	-	1,462.94	722.41
	LGB & Bros, Karur	140.94	0.00	-	-	-	-	-	-	140.94	0.00
	Others	93.28	99.13	-	-	-	-	-	-	93.28	99.13
13	Processing/Conversion Charges	616.50	361.43	-	-	-	-	-	-	616.50	361.43
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	South Western Engineering India Limited	600.13	350.47	-	-	-	-	-	-	600.13	350.47
	Others	16.37	10.96	-	-	-	-	-	-	16.37	10.96

₹ in Lakhs

Notes to Standalone Financial Statements for the year ended March 31, 2019

S. No.	Particulars	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
14	Sale of Materials, Stores and Service Charges	1,125.23	1,139.49	-	-	-	-	-	-	1,125.23	1,139.49
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Renold Chain India (P) Ltd.	883.66	823.65	-	-	-	-	-	-	883.66	823.65
	LGB Forge Limited	224.74	184.36	-	-	-	-	-	-	224.74	184.36
	Others	16.83	131.48	-	-	-	-	-	-	16.83	131.48
15	Processing charges Receipts	138.05	111.78	-	-	-	-	-	-	138.05	111.78
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	125.60	99.15	-	-	-	-	-	-	125.60	99.15
	Others	12.45	12.63	-	-	-	-	-	-	12.45	12.63
16	Sale of Property, Plant and Equipment	2.72	13.86	-	-	-	-	-	-	2.72	13.86
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	L G Sports Limited	1.58	6.46	-	-	-	-	-	-	1.58	6.46
	Super Transports (P) Limited	-	4.45	-	-	-	-	-	-	-	4.45
	Others	1.14	2.95	-	-	-	-	-	-	1.14	2.95
17	Purchase of Property, Plant & Equipment	8.22	14.88	-	-	-	-	-	-	8.22	14.88
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Super Transports (P) Limited	-	6.52	-	-	-	-	-	-	-	6.52
	L G Sports Limited	-	6.28	-	-	-	-	-	-	-	6.28
	South Western Engineering India Limited	8.15	-	-	-	-	-	-	-	8.15	-
	Others	0.07	2.08	-	-	-	-	-	-	0.07	2.08
		5,973.62	3,298.27	-	-	1,550.02	921.41	2,110.85	368.41	9,634.49	4,588.09

Notes to Standalone Financial Statements for the year ended March 31, 2019

₹ in Lakhs

b) Balance outstanding at the end of the year

Particulars	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
	2018-19	2017-18	2017-18	2016-17	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1 Receivable balance	164.79	286.93	-	-	-	-	-	-	164.79	286.93
Renold Chain India (P) Ltd.	145.04	226.59	-	-	-	-	-	-	145.04	226.59
Super Speeds (P) Ltd	-	50.02	-	-	-	-	-	-	-	50.02
Others	19.75	10.32	-	-	-	-	-	-	19.75	10.32
2 Payable balance	58.70	139.92	-	-	-	-	-	-	58.70	139.92
Renold Chain India (P) Ltd.	-	113.75	-	-	-	-	-	-	-	113.75
Others	58.70	26.17	-	-	-	-	-	-	58.70	26.17
3 Unsecured borrowings balance	480.00	63.00	-	-	118.00	155.00	225.00	-	823.00	218.00
L G Sports Limited	400.00	0.00	-	-	-	-	-	-	400.00	0.00
LGB Auto Products (P) Ltd	60.00	53.00	-	-	-	-	-	-	60.00	53.00
Elgi Automotive Services (P) Ltd	20.00	10.00	-	-	-	-	-	-	20.00	10.00
Others	0.00	0.00	-	-	118.00	155.00	225.00	-	343.00	155.00

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 (hereinafter referred to as "the Holding Company"), its subsidiaries and its associates (the Holding Company, its subsidiaries and its associate together referred to as the "the Group") comprising the Balance Sheet as at 31st March 2019, 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 ended, and 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 consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and on the other financial information of the subsidiaries and associates, referred to in Other Matters paragraph below, the aforesaid Consolidated Ind AS Financial Statements

Key Audit Matters Paragraph :

S.No	Key Audit Matter	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from contracts with customers" (new revenue accounting standard) (Refer Note No.37)	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ● Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. ● Selected a sample of continuing and new contracts and performed the following procedures:

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 2019, 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.

S.No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> ● Read, analysed and identified the distinct performance obligations in these contracts. ● Compared these performance obligations with that identified and recorded by the Company. ● Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. ● Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. ● Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
	<p>Evaluation of uncertain tax positions</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>

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

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other

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

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

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position,

consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act 2013, read with relevant rules issued there under. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

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

report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Ind AS consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matter :

We did not audit the financial statements/financial information of 3 subsidiaries whose financial statements/financial information reflect assets of Rs.8867.62 Lakhs as at 31 December 2018, total revenue of Rs.10,589.44 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the group's share of net profit of Rs. 293.44 lakhs for the year ended 31.03.2019, as considered in the consolidated Ind AS financial statements in respect of one associate,

whose financial statements/financial information has not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in the respect of these subsidiaries and associate and our report in terms of Section 143(3) & Section 143(11) of the Act in so far as it relates to the aforesaid subsidiaries and associate is solely based on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our Opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements:

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiaries and associate as noted in the Other Matter paragraph, we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in

- agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, declarations received from the directors of the Associate, none of the directors of the Group are disqualified as on 31 March 2019 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, and its Associate incorporated in India and the operating effectiveness of such controls of the Holding Company and associate 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other Auditors on separate financial statements and other financial information of the subsidiaries and Associate, as noted in the 'Other Matter' Paragraph:
- i. The Consolidated Ind AS Financial Statements has disclosed the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Companies, Associate incorporated in India.

In terms of our report attached
For **SURI & CO**
Chartered Accountants
FRN: 004283S

R. KRISHNAMOORTHY
Partner
Membership No. 020695

Place : Coimbatore
Date : 29.04.2019

“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 2019, We have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India as of that date.

Management’s Responsibility for the Internal Financial Controls:

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

Auditors’ Responsibility:

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary companies incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of

Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

Inherent Limitations of Internal Financial controls over Financial Reporting:

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

Place : Coimbatore
Date : 29.04.2019

Opinion:

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the other matters paragraph below, the Holding Company and its associates incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its associate, 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.

Other Matters:

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate company, which is incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

In terms of our report attached
For **SURI & CO**
Chartered Accountants
FRN: 004283S

R. KRISHNAMOORTHY

Partner
Membership No. 020695

CONSOLIDATED BALANCE SHEET AS AT 31.03.2019		(₹ in Lakhs)	
Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments	1	51,415.38	39,763.68
(b) Capital work-in-progress		3,670.92	2,696.95
(c) Investment Property	1	49.37	1,112.80
(d) Goodwill on amalgamation		1,448.68	1,327.04
(e) Intangible assets	1	244.02	244.55
(f) Financial assets			
(i) Investments	2	5,547.31	5,424.93
(ii) Other financial assets	3	1,182.83	1,024.59
(g) Other non-current assets	4	2,160.24	2,091.04
		<u>65,718.75</u>	<u>53,685.58</u>
2 Current assets			
(a) Inventories	5	30,671.52	25,333.15
(b) Financial assets			
(i) Trade receivables	6	22,079.03	19,405.34
(ii) Cash and cash equivalents	7	862.23	647.53
(iii) Other bank balances		103.22	242.38
(iv) Other financial assets	8	70.06	77.06
(c) Current tax Asset		991.36	167.70
(d) Other current assets	9	556.01	1,962.39
		<u>55,333.43</u>	<u>47,835.55</u>
3 Asset held for Sale	1	1070.49	8.55
Total Assets		<u>122,122.67</u>	<u>1,01,529.68</u>
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	1,569.62
(b) Other Equity	11	63,458.58	56,971.34
Equity Attributable to Owners of the Company		<u>66,597.82</u>	<u>58,540.96</u>
Non-controlling interest		1,485.41	1,477.68
		<u>68,083.23</u>	<u>60,018.64</u>
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	9,919.00	4,878.28
(b) Provisions	13	1,088.58	1,055.89
(c) Deferred tax liabilities (net)		2,017.22	1,692.22
		<u>13,024.80</u>	<u>7,626.39</u>
			(contd.)

**CONSOLIDATED BALANCE SHEET AS AT 31.03.2019**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7,869.80	629.19
(ii) Trade payables			
- total outstanding dues of micro & small enterprises		241.42	221.34
- total outstanding dues other than micro & small enterprises		25,521.94	25,753.26
(iii) Other financial liabilities	15	5,490.96	6,035.83
(b) Provision	16	37.71	36.32
(c) Other current liabilities	17	1,852.81	1,208.71
		41,014.64	33,884.65
Total Liabilities		1,22,122.67	1,01,529.68

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of Board of Directors

For **SURI & CO**
Chartered Accountants
FRN: 004283S**B. VIJAYAKUMAR**
Chairman and Managing Director
DIN: 00015583**P. PRABAKARAN**
Managing Director
DIN : 01709564Place : Coimbatore
Date : 29.04.2019R. Krishnamoorthy
Partner
Membership No. 020695**M. LAKSHMI KANTH JOSHI**
General Manager (Legal) and
Company Secretary**N. RENGARAJ**
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019		(₹ in Lakhs)	
Particulars	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
1 Revenue from operations(gross)	18	168,799.87	145,403.00
2 Other income	19	281.87	530.92
3 Total revenue (1 + 2)		169,081.74	145,933.92
4 Expenses:			
(a) Cost of materials consumed	20 a	81,356.34	63,465.70
(b) Purchases of stock-in-trade (traded goods)	20 b	-	1,744.14
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20 c	(4,340.05)	(732.21)
(d) Excise duty		-	3,603.03
(e) Employee benefits expense	21	26,054.73	20,825.04
(f) Finance costs	22	1,125.61	1,057.14
(g) Depreciation and amortisation expense		6,805.39	5,779.47
(h) Other expenses	23	45,022.65	37,073.86
Total Expenses		156,024.67	132,816.17
5 Profit before exceptional items and tax (3-4)		13,057.07	13,117.75
6 Exceptional items (Refer Note No.35)		1,204.97	-
7 Profit before and tax (5+6)		14,262.04	13,117.75
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	24	4,252.49	4,119.98
(b) Deferred tax	25	346.58	146.08
Net tax expense		4,599.07	4,266.06
9 Profit for the year (7 - 8) before share of profit of Associate		9,662.97	8,851.69
10 Share in Profit of associate		293.44	96.64
11 Profit after tax after share of profit of associate (9 + 10)		9,956.41	8,948.33
12 Net profit attributable to:			
Owners		9,956.95	8,605.78
Non Controlling interest		(0.54)	342.55
13 Other Comprehensive Income (Net of taxes)			
(A) (i) Items that will not be reclassified to Profit and Loss Account			
(1) Re-measurement of defined benefit plans		(61.80)	120.73
(2) On account of Investment Fair valuation		(171.06)	(660.89)
(ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		21.59	41.79
(B) Items that will be reclassified to Profit and Loss Account		-	-
14 Total Comprehensive income for the year		9,745.15	8,449.96
15 Earnings per share (Face value of ₹ 10/- each)			
(a) Basic	32	31.72	27.41
(b) Diluted	32	31.72	27.41

See accompanying notes forming part of the financial statements

In terms of our report attached		For and on behalf of Board of Directors	
For SURI & CO Chartered Accountants FRN: 004283S	R. Krishnamoorthy Partner Membership No. 020695	B. VIJAYAKUMAR Chairman and Managing Director DIN: 00015583	P. PRABAKARAN Managing Director DIN : 01709564
Place : Coimbatore Date : 29.04.2019		M. LAKSHMI KANTH JOSHI General Manager (Legal) and Company Secretary	N. RENGARAJ Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2019

PARTICULARS	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
A. Cash flow from operating activities		
Net Profit before Tax	14,262.04	13,117.75
Adjustments for:		
Depreciation	6,805.39	5,779.47
Provision for Doubtful Debts	64.89	8.16
Profit/Loss on sale of assets	(1,205.81)	(106.60)
Assets condemned/Written off	53.83	68.04
Interest and Finance Charges	1,125.61	1,057.14
Interest Income	(74.61)	(128.78)
Dividend Income	(15.15)	(132.43)
Provision for contingencies	- 6,745.15	75.00 6,620.00
Operating profit before working capital changes	21,016.19	19,737.75
Changes in Working Capital		
Provisions - Non Current	(29.09)	87.30
Other Financial Assets - Non Current	(158.24)	6.75
Other Non Current Assets	(31.39)	(1,277.80)
Inventories	(5,338.37)	(2,277.47)
Trade Receivables	(2,738.57)	(1,863.40)
Other Financial Assets - Current	6.99	(11.65)
Other Current Assets	1,368.56	395.60
Trade Payables	(310.43)	3,878.84
Other financial liabilities	876.25	892.85
Current Liabilities	573.27	(2,575.04)
Provisions - Current	1.39 (5,779.63)	5.35 (2,738.67)
Cash generated from operations	15,236.56	16,999.08
Income tax paid, net of refunds received	(5,076.14)	(4,236.38)
Net Cash generated from operating activities (A)	10,160.42	12,762.70
B. Cash flow from Investing activities		
Capital expenditure, including capital advances	(19,509.39)	(9,266.09)
Proceeds from sale of fixed assets	1,232.33	209.42
Bank Balances not considered as cash and cash equivalents	139.16	123.62
Dividend income	15.15	128.78
Interest Income	74.62	132.43
Net cash used in Investing activities (B)	(18,048.13)	(8,671.84)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2019

PARTICULARS	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
C. Cash flow from financing activities		
Interest and Finance Charges	(1,125.61)	(1,057.14)
Dividend Paid including Tax	(1,697.38)	(1,318.94)
Borrowings - Current and Non-current (Net)	10,925.40	(2,600.19)
Net cash used in financing activities (C)	8,102.41	(4,976.27)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	214.70	(885.41)
Cash and Cash Equivalents at the beginning of the year	647.53	1532.94
Cash and Cash Equivalents at the end of the year	862.23	647.53

In terms of our report attached
 For **SURI & CO**
 Chartered Accountants
 FRN: 004283S
 R. Krishnamoorthy
 Partner
 Membership No. 020695

For and on behalf of Board of Directors
B. VIJAYAKUMAR
 Chairman and Managing Director
 DIN: 00015583
M. LAKSHMI KANTH JOSHI
 General Manager (Legal) and
 Company Secretary

P. PRABAKARAN
 Managing Director
 DIN : 01709564
N. RENGARAJ
 Chief Financial Officer

Place : Coimbatore
 Date : 29.04.2019

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2019
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital	(₹ In Lakhs)
Balance as at March 31, 2018	1,569.62
Changes in equity share capital during the year (Bonus Share issued during the year)	1,569.62
Balance as at March 31, 2019	3,139.24

B. Other Equity

(₹ In Lakhs)

Particulars	Securities Premium	Foreign Currency Translation Reserve	General Reserve	Surplus	Other Comprehensive Income	Total
Balance as at 31.03.2017	3,100.61	10.43	35,288.71	10,984.22	1,126.46	50,510.43
Total Comprehensive Income for the period		(324.08)		8,605.78	(498.36)	7,783.34
Dividends				(1,322.43)		(1,322.43)
Transfer to Reserves			7,500.00	(7,500.00)		-
Balance as at 31.03.2018	3,100.61	(313.65)	42,788.71	10,767.57	628.10	56,971.34
Capitalisation of Bonus issue	(1,569.62)					(1,569.62)
Total Comprehensive Income for the period	-		-	9,956.95	(211.26)	9,745.69
Dividends	-		-	(1,703.05)	-	(1,703.05)
Transfer to Reserves	-	14.21	9,500.00	(9,500.00)	-	14.21
Balance as at 31.03.2019	1,530.99	(299.44)	59,788.71	2,021.47	416.84	63,458.58

In terms of our report attached

For SURI & CO
 Chartered Accountants
 FRN: 004283S

 R. Krishnamoorthy
 Partner
 Membership No. 020695

For and on behalf of Board of Directors

B. VIJAYAKUMAR
 Chairman and Managing Director
 DIN: 00015583

M. LAKSHMI KANTH JOSHI
 General Manager (Legal) and
 Company Secretary

P. PRABAKARAN
 Managing Director
 DIN : 01709564

N. RENGARAJ
 Chief Financial Officer

 Place : Coimbatore
 Date : 29.04.2019

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

I Corporate Information

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

II 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.

Historical Cost Convention:

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

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Principles of consolidation:

The consolidated financial statements relate to L.G.Balakrishnan & Bros Limited (the 'Company'), its subsidiary companies and the Group's share of

profit / loss in its associates. 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, 2019, except for certain subsidiary companies as mentioned in (vii) 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 consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per Ind AS 28 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- (iv) 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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Reserve' and shown under the head 'other equity', 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.

(v) 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.

(vi) 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.

(vii) The following subsidiary companies and associates have been considered in the preparation of consolidated financial statements:

Name of Subsidiary Company/ Associate Company	LGB- USA INC	GFM Acquisition LLC (Formerly known as GFM Corporation)	GFM LLC	Renold Chain India (P) Ltd
Relationship	Subsidiary	Step Down Subsidiary	Step Down Subsidiary	Associate
Country of Incorporation	USA	USA	USA	INDIA
Ownership held by	L. G. Balakrishnan & Bros Ltd	LGB-USA, INC	GFM Acquisition LLC	Renold Holding Ltd & L. G. Balakrishnan & Bros Ltd.
Reporting date of the financial statements used in consolidation	31.12.2018	31.12.2018	31.12.2018	31.03.2019
% of holding directly or in directly through subsidiary as at 31.03.2019	77.01%	98.00%	100%	25.00%
31.03.2018	77.01%	98.00%	100%	25.00%

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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 29th April, 2019.

II A 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.

Deferred Tax Assets (including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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.

IIB Recent accounting pronouncements
Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

- a. Ind AS 116 - Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

III Significant Accounting Policies
a) Revenue Recognition
Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards

of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the terms agreed with the customers.

Income from Service

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

Interest Income

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

Dividend income

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

Rental income

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

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

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

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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, computer and on straight line method on other asset, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life 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.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

e) Investment property

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

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

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

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

f) Inventories

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

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

g) Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

The Company classifies a debt instrument 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.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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.

Debt instrument at FVTOCI

The Company classifies a debt instrument 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.

Debt instruments 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 debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

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

Equity investments

All 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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

- 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 debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and

bank balance.

- b) Financial assets that are debt instruments and 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 11 and 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 17

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.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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/ losses 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 loss, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115

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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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 year end 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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. "All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred."

j) Government grants

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

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

k) Taxes

Current income tax

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

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Retirement and other employee benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

Compensated absences

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

Other long term employee benefits

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

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Operating Lease treatment as lease:

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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 presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

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 forming part of Consolidated financial statements for the year ended March 31, 2019

1 PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

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	Computer Software and Technical know-how					
Cost as at March 31, 2018	3,648.50	8,496.83	33,220.57	198.67	1,175.92	292.53	202.43	1,204.94	48,440.39	433.74	48,874.13	1,203.17	8.55	50,085.85	
Additions	4,328.71	2,085.40	10,999.47	36.81	527.36	116.50	60.69	306.32	18,461.26	74.16	18,535.42	-	-	18,535.42	
Disposals / Transfers	(5.59)	(31.17)	(481.07)	(5.26)	(25.38)	(31.23)	(38.89)	(55.10)	(673.69)	(1.75)	(675.44)	(1,147.83)	1,176.60	(646.67)	
Cost as at March 31, 2019	7,971.62	10,551.06	43,738.97	230.22	1,677.90	377.80	224.23	1,456.16	66,227.96	506.15	66,734.11	55.34	1,185.15	67,974.60	
Depreciation as at March 31, 2018	25.61	1,110.34	6,876.53	48.93	200.63	46.01	58.64	310.02	8,676.71	189.19	8,865.90	90.37	0.00	8,956.27	
Charge for the year	16.94	537.34	5,626.19	41.01	153.32	50.30	41.28	234.27	6,700.65	74.47	6,775.12	2.18	28.08	6,805.38	
Disposals	-	(4.10)	(430.09)	(4.38)	(21.89)	(18.34)	(29.91)	(56.07)	(564.78)	(1.53)	(566.31)	(86.58)	86.58	(566.31)	
Depreciation as at March 31, 2019	42.55	1,643.58	12,072.63	85.56	332.06	77.97	70.01	488.22	14,812.58	262.13	15,074.71	5.97	114.66	15,195.34	
Net Block															
As at March 31, 2018	3,622.89	7,386.49	26,344.04	149.74	975.29	246.52	143.79	894.92	39,763.68	244.55	40,008.23	1,112.80	8.55	41,129.58	
As at March 31, 2019	7,929.07	8,907.48	31,666.34	144.66	1,345.84	299.83	154.22	967.94	51,415.38	244.02	51,659.40	49.37	1,070.49	52,779.26	

Notes forming part of Consolidated financial statements for the year ended March 31, 2019
2. INVESTMENTS

(₹ in Lakhs)

Particulars	Number of Shares	Face Value in ₹	As at 31 March, 2019			As at 31 March, 2018		
			Quoted	Unquoted	Total	Quoted	Unquoted	Total
(a) Investment in Equity instruments (Fully paid up) (Unquoted) At Cost								
(i) Associate:								
Renold Chain India Private Limited	10250000	10.00		1550.94	1550.94		1257.48	1257.48
(b) Investment in Equity instruments (Fully paid up) (Quoted)								
At Fair value through Other Comprehensive Income								
Elgi Equipments Limited	1229706	1.00	3018.92		3018.92	3104.60		3104.60
LGB Forge Limited	29000000	1.00	884.50		884.50	971.50		971.50
Super Spinning Mills Limited	10000	1.00	0.59		0.59	1.17		1.17
Tube Investments of India Limited	1100	1.00	4.21		4.21	-		-
Cholamandalam Financial Holdings Limited (Formerly Know as TI Financial Holdings Limited)	1100	1.00	5.35		5.35	7.15		7.15
Corporation Bank	12000	2.00	3.45		3.45	3.68		3.68
(c) Investment in Equity instruments: (Fully paid up) Unquoted)								
TRL Krosaki Refractories Limited (Formerly known as Tata Refractory Limited)	5000	10.00		6.79	6.79		6.79	6.79
Silent Chain India (P)Limited	770	10.00		1.43	1.43		1.43	1.43
LG Farm Products (P)Limited	10000	10.00		5.61	5.61		5.61	5.61
South Western Engg India Limited	537	10.00		65.52	65.52		65.52	65.52
Total Investments			3,917.02	1,630.29	5,547.31	4,088.10	1,336.83	5,424.93

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
3 OTHER FINANCIALS ASSETS		
(a) Security and other deposits	1,175.41	1,018.57
(b) Unamortised Interest expenses	7.42	6.02
Total	<u>1,182.83</u>	<u>1,024.59</u>
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	1,594.60	1,556.03
(b) Rent and other advances	262.82	231.88
(c) Advance recoverable	264.99	264.44
(d) Income and claims receivable	37.83	38.69
Total	<u>2,160.24</u>	<u>2,091.04</u>
5 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	5,734.02	5,426.90
(b) Work-in-progress	12,364.54	10,829.76
(c) Finished products	7,577.96	4,772.69
(d) Others		
(i) Packing materials	483.88	513.40
(ii) Stores & spares	2,545.23	1,989.94
(iii) Loose tools	1,965.89	1,800.27
(iv) Agricultural produce	-	0.19
Total	<u>30,671.52</u>	<u>25,333.15</u>
6 TRADE RECEIVABLE*		
(i) Unsecured, considered good	22,079.03	19,405.34
(ii) Having significant increase in credit risk	-	-
(iii) Credit Impairment	185.75	121.70
Less: Provision for doubtful trade receivables		
Total	<u>22,079.03</u>	<u>19,405.34</u>
*6 (i) Trade Receivable include debts due from		
Private companies in which any director is a director:		
Super Speeds (P) Limited	-	0.10
Silent Chain India (P) Limited	-	0.07
Super Transports (P) Limited	0.87	0.21
Renold Chain India (P) Limited	145.04	239.99
Total	<u>145.91</u>	<u>240.37</u>

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
7. CASH AND CASH EQUIVALENTS		
A Cash and cash equivalents (as per INDAS 7 Statement of Cash Flows)		
(a) Cash- on- Hand	49.02	5.96
(b) Balances with Banks		
(i) In Current Account	15.04	73.41
(ii) In Collection Account	233.57	297.16
(iii) In Deposit Account	564.60	271.00
Total	<u>862.23</u>	<u>647.53</u>
B Other Bank Balances		
(a) In Margin money with Banks	38.79	183.60
(b) In Earmarked Accounts		
(i) Unpaid Dividend Account	64.43	58.78
Total	<u>103.22</u>	<u>242.37</u>
Total Cash and Cash Equivalents (A+B)	<u>965.45</u>	<u>889.90</u>
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	42.51	52.75
(b) Interest accrued on Deposits	27.55	24.31
Total	<u>70.06</u>	<u>77.06</u>
9 OTHER CURRENT ASSETS		
(a) Prepaid expenses	235.01	503.30
(b) Balance with govt authorities:		
(i) Cenvat credit receivable	5.26	594.14
(ii) Vat credit receivable	69.05	147.57
(iii) Service tax credit receivable	3.42	213.34
(c) Advance recoverable	159.18	191.85
(d) Income and claims receivable	84.09	312.19
Total	<u>556.01</u>	<u>1,962.39</u>

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

10 SHARE CAPITAL (Equity shares of Rs. 10/- each with voting rights)

	As at 31 March, 2019		As at 31 March, 2018	
	Number of Shares	Rs. in lakhs	Number of Shares	Rs. in lakhs
(a) Authorised	47,000,000	4,700.00	47,000,000	4,700.00
Total	47,000,000	4,700.00	47,000,000	4,700.00
(b) Issued	31,392,416	3,139.24	15,696,208	1,569.62
Total	31,392,416	3,139.24	15,696,208	1,569.62
(c) Subscribed and fully paid-up	31,392,416	3,139.24	15,696,208	1,569.62
Total	31,392,416	3,139.24	15,696,208	1,569.62

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, 2019					
Number of shares	15,696,208	-	15,696,208	-	31,392,416
Amount (Rs. in lakhs)	1,569.62	-	1,569.62	-	3,139.24
Year ended 31st March, 2018					
Number of shares	15,696,208	-	-	-	15,696,208
Amount (Rs. in lakhs)	1,569.62	-	-	-	1,569.62

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

Name of the Shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Equity shares with voting rights				
B.Vijayakumar	5,014,000	15.97	2,507,000	15.97
V.Rajvirdhan	4,397,172	14.01	2,198,586	14.01
Rajsri Vijayakumar	2,179,152	6.94	1,089,576	6.94
Reliance Capital Trustee Co.Ltd				
A/c Reliance Small Cap Fund	2,100,798	6.69	1,045,590	6.66
L.G.B.Auto Products (P) Ltd	1,750,000	5.57	875,000	5.57

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

- The company has only one class of equity shares having a par value of ₹10/- each. The equity shares of the Company ranks pari passu in all aspects including rights and entitlement to dividend.
- The dividend proposed by the Board of Directors (Rs.5 per share) is subject to approval of the shareholders in the ensuing Annual General meeting.

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

- During the year 2014, the company has issued Bonus shares to the extent of 7,848,104 in the ratio of 1:1 for consideration other than cash
- On 18.06.2018, the company has issued Bonus shares to the extent of 15,696,208 in the ratio of 1:1 for consideration other than cash.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
11 OTHER EQUITY		
(a) Securities premium account:		
Opening balance	3,100.61	3,100.61
Less : Capitalisation of Bonus Shares	(1,569.62)	-
Closing balance	1,530.99	3,100.61
(b) General reserve		
Opening balance	42,788.71	35,288.71
Add: Transfer from surplus in Statement of Profit and Loss	9,500.00	7,500.00
Closing balance	52,288.71	42,788.71
(c) Foreign Currency Translation Reserve		
Opening Balance	(313.65)	10.43
Add: Adjustment for translation of Non Integral Foreign Operations	14.22	(324.08)
Closing Balance	(299.43)	(313.65)
(d) Other Comprehensive Income		
Opening Balance	628.10	1,126.46
Add: Accounted for the year	(211.26)	(498.36)
Closing balance	416.84	628.10
(e) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	10,767.57	10,984.22
Add: On account of business combination	-	-
Less: Dividend & Dividend tax paid	1,703.05	1,322.43
Add: Profit/(Loss) for the year	9,956.95	8,605.78
Less: Transferred to General reserve	9,500.00	7,500.00
Closing balance	9,521.47	10,767.57
Total	63,458.58	56,971.34
12 BORROWINGS		
(a) Term Loans:		
From banks		
Secured (Refer Note (ii) below)	9,139.47	2,813.14
(b) Fixed deposits:		
From other parties		
Unsecured	199.53	155.14
From related parties		
Unsecured	580.00	1,910.00
Total	9,919.00	4,878.28

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

12 (i) DETAILS OF SECURITY FOR BORROWINGS:

(a) Term Loans from banks are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Chakkan Plant ,Jalna Plant and Chennai Vallam Vadagal Plant.

(b) Interest rate relating to Term loans from banks is in the range of 8.30% to 9.10% during the year.

Term loan from banks:

12 (ii) Repayment Schedule

Particulars	Terms of repayment	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
Term loan from banks : Secured			
ICICI Bank Ltd	Repayable in 20 quarterly instalments of ₹ 375 Lakhs from July 14	0.00	375.00
Hongkong and Shanghai Banking Corporation Ltd (Term loan-1)	Repayable in 16 quarterly instalments of ₹ 156.25 Lakhs from May 16	0.00	625.00
Hongkong and Shanghai Banking Corporation Ltd (Term loan-2)	Repayable in 16 quarterly instalment of ₹ 187.50 Lakhs from March 20	2,812.48	0.00
HDFC Bank Ltd (Term loan-1)	Repayable in 18 quarterly instalments of ₹ 55.56 Lakhs from Dec 15	0.00	444.55
HDFC Bank Ltd (Term loan-2)	Repayable in 20 quarterly instalments of ₹ 200 Lakhs from May 19	3,200.00	0.00
Axis Bank Ltd	Repayable in 20 quarterly instalments of ₹ 111.11 Lakhs from March 20	1,900.00	500.00
The Hunginton National Bank	Repayable in 48 monthly installments of \$ 8980 from December 13	1,226.99	868.69
Total-Term loans from banks		9,139.47	2,813.14

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 8.00% to 9.50% during the year.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
13 PROVISIONS		
(i) Provision for contingencies	700.00	700.00
(ii) Provision for Leave Salary	286.19	253.51
(iii) Others	102.39	102.39
	1,088.58	1,055.90
14 BORROWINGS		
(a) Loan repayable on demand		
From banks		
Secured (Refer Note 14(i) (c) below)	5,546.80	391.19
(b) From Financial institutions		
Unsecured (Refer Note 14(i) (c) below)	1,500.00	-
(c) Loan from directors		
Unsecured	343.00	155.00
(d) Loan from Inter corporates		
Unsecured	480.00	83.00
	7,869.80	629.19

14 (i) Details of security for borrowings:

- Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company
- Interest rate relating to Short term loans from banks is in the range of 8.40% to 12.10%.
- Break up of loan repayable on demand and financial institutions.

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Secured	Unsecured	Secured	Unsecured
Loan repayable on Demand				
From Banks				
Axis Bank Ltd	1,000.00	-	-	-
Corporation Bank	(5.11)	-	(67.26)	-
HDFC Bank Ltd	1,950.76	-	442.99	-
ICICI Bank Ltd	13.12	-	108.55	-
Indusind Bank Ltd	(2.20)	-	(0.58)	-
IDBI Bank Ltd	590.23	-	(92.51)	-
HSBC Ltd	2,000.00	-	-	-
Total - Loan from banks	5,546.80	-	391.19	-
Loan from financial institutions				
Bajaj Finance Limited	1,500.00	-	-	-
Total	1,500.00	-	-	-

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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
15 OTHER FINANCIAL LIABILITIES:		
(a) Current maturities of long-term debt (Refer Note (i) below)	3,976.57	5,332.52
(b) Interest accrued but not due on secured loans	50.25	8.54
(c) Interest accrued but not due on Unsecured loans	32.43	150.19
(d) Interest accrued on deposits from customers	48.06	42.92
(f) Unclaimed dividends (Refer Note (ii) below)	64.43	58.78
(g) Payable on purchase of fixed assets	1,319.22	442.88
Total	<u>5,490.96</u>	<u>6,035.83</u>
15 (i) Current maturities of Long-term debt:		
Refer Note 12(i) for the details of Securities		
Term Loan		
From Banks - Secured	3,029.00	3,528.92
Total - Term Loan from banks	<u>3,029.00</u>	<u>3,528.92</u>
Fixed Deposits:		
From Related Parties	810.00	1,650.00
Deposit from others	137.57	153.60
Total - Current maturities of Long-term debt	<u>3,976.57</u>	<u>5,332.52</u>
15 (ii) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
16 PROVISION		
Provision for Leave Salary	37.71	36.32
Total	<u>37.71</u>	<u>36.32</u>
17 OTHER CURRENT LIABILITIES:		
(a) Statutory remittances	1,194.28	286.56
(b) Advance and deposits from customers etc.,	658.53	922.15
Total	<u>1,852.81</u>	<u>1,208.71</u>

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	For the year ended 31.03.2019 ₹ in lakhs	For the year ended 31.03.2018 ₹ in lakhs
18 REVENUE FROM OPERATIONS:		
a) Sale of products (previous year includes excise duty)	156,463.42	136,532.94
b) Sale of services	-	265.29
c) Other operating revenue		
Scrap sales (previous year includes excise duty)	11,900.20	8,334.08
Duty drawback and other export incentives	436.25	270.69
Revenue from operations (Gross)	<u>168,799.87</u>	<u>145,403.00</u>
19 OTHER INCOME		
a) Interest income (Refer Note (i))	74.61	128.78
b) Dividend income:		
(i) from long-term investments	15.15	132.43
(ii) Others		
c) Other non-operating income		
(i) Rental and lease income	110.17	90.37
(ii) Agricultural income	8.41	1.85
(iii) Profit on sale of assets	10.65	115.12
(iv) Miscellaneous receipts	62.88	62.37
Total	<u>281.87</u>	<u>530.92</u>
(i) Interest on fixed deposit with banks	38.32	90.14
Interest on deposit with TNEB	27.15	30.36
Others	9.14	8.28
Total - Interest income	<u>74.61</u>	<u>128.78</u>
20 a. COST OF MATERIALS CONSUMED		
Opening Stock:	5,940.30	4,826.81
Add: Purchases	81,633.94	64,579.19
Less: Closing Stock	6,217.90	5,940.30
Cost of material consumed	<u>81,356.34</u>	<u>63,465.70</u>
b. Purchase of traded goods	-	1,744.14
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Finished goods	7,577.96	4,772.69
Work-in-progress	12,364.54	10,829.76
Stock-in-trade	-	-
Inventories at the beginning of the year	<u>19,942.50</u>	<u>15,602.45</u>
Finished goods	4,772.69	5,675.66
Work-in-progress	10,829.76	8,578.91
Stock-in-trade	-	615.67
Net decrease / (increase)	<u>(4,340.05)</u>	<u>(732.21)</u>

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	For the year ended 31.03.2019 ₹ in lakhs	For the year ended 31.03.2018 ₹ in lakhs
21 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	23,628.20	17,999.13
(b) Contribution to provident and other funds	1,201.32	1,616.36
(c) Staff welfare expenses	1,225.21	1,209.55
Total	<u>26,054.73</u>	<u>20,825.04</u>
22 FINANCE COSTS		
(a) Interest expenses on borrowings:	1,125.61	1,057.14
23 OTHER EXPENSES		
(a) Consumption of stores and spare parts	12,574.79	10,507.74
(b) Processing charges	9,337.03	7,587.75
(c) Power and Fuel	6,955.83	5,660.69
(d) Rent including lease rentals	656.06	566.68
(e) Repairs & maintenance of		
(i) Buildings	147.08	103.68
(ii) Machinery	3,467.87	2,575.37
(iii) Other assets	1,347.82	1,048.79
(f) Insurance	367.36	317.16
(g) Rates and taxes	201.67	237.88
(h) Travelling and conveyance	811.44	800.31
(i) Printing and stationery	34.88	60.91
(j) Postage, telegram and telephones	152.87	183.74
(k) Freight, packing & forwarding	6,185.64	5,219.03
(l) Advertisement, publicity and selling expenses	895.98	814.18
(m) Bank charges	148.07	131.22
(n) Legal and professional charges	295.61	216.34
(o) Payments to auditors (Refer note (i) below)	17.50	16.27
(p) Donations	-	0.66
(q) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	162.44	73.17
(r) Provision for contingencies	-	75.00
(s) Bad Debts written off	28.44	-
(t) Assets condemned & written off	53.83	68.04
(u) Provision for doubtful debts/advances	64.89	8.17
(v) Loss on sale of Assets	9.81	8.60
(w) Loss on foreign currency transactions and translation	211.51	22.97
(x) Sales-tax, entry tax & octroi	-	40.82
(y) Sitting fees	14.70	8.80
(z) Watch and Ward	754.37	610.22
(aa) Agricultural expenses	7.65	6.10
(ab) Miscellaneous expenses	117.51	103.57
	<u>45,022.65</u>	<u>37,073.86</u>

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	For the year ended 31.03.2019 ₹ in lakhs	For the year ended 31.03.2018 ₹ in lakhs
(i) Details of Auditors' remuneration:		
Payment to auditors comprises		
(a) To Statutory Auditors:		
For statutory audit	13.50	12.52
(b) To Tax Auditor	2.75	2.50
(c) To cost auditors for cost audit	1.25	1.25
Total	17.50	16.27
(ii) Details of CSR Expenditure:		
(i) Contribution to		
LRG & GD Trust	43.00	35.00
Amrit Centre for Special Needs	10.00	10.00
Little Flower Convent School (Blind)	-	10.88
Karur School Building	13.28	-
Uyir Trust	15.00	-
Primavera India	3.00	-
Library Saravanampatti	6.50	-
Mekkanamkulam Gramajana Committee	5.74	-
Chennai Vision Charitable Trust	-	10.00
Tamilnadu Ayyapa Medical Mission and Charities	3.00	-
Gaja Releif Fund	17.00	-
LGB Educational Foundation	35.00	-
Balamandir	5.00	-
(ii) Contribution to others	5.92	7.29
Total	162.44	73.17
24 & 25) INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	4,252.49	4,119.98
Adjustments for current tax of prior periods	-	-
Total current tax expense	4,252.49	4,119.98
Deferred tax:		
Decrease/ (Increase) in deferred tax assets		
(Decrease)/ Increase in deferred tax Liabilities	346.58	146.08
Total deferred tax expense/ (benefit)	346.58	146.08
Income tax expense	4,599.07	4,266.06
(b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	14,262.04	13,117.75
Income tax expense calculated at 34.944% (2017-18: 34.608%)	4,983.73	4,539.79
Add/(Loss): Tax effect on non deductible expense	(275.28)	141.60
Less: Net Tax effect on additional deduction	(109.38)	(415.33)
Total tax expense	4,599.07	4,266.06

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

26. FAIR VALUE MEASUREMENT

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2019					March 31, 2018				
	FVTPL	FVOCI	Amor- tised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVOCI	Amor- tised Cost	Total Carrying Value	Total Fair Value
Financial Assets										
Investments										
- Equity instruments (other than subsidiary and associates)	-	3,996.37	0.00	3,996.37	3,996.37	-	4,167.45	-	4,167.45	4,167.45
Trade Receivables	-	-	22,079.03	22,079.03	22,079.03	-	-	19,405.34	19,405.34	19,405.34
Cash and bank balances	-	-	965.45	965.45	965.45	-	-	889.90	889.90	889.90
Other Financial assets	-	-	1,252.89	1,252.89	1,252.89	-	-	1,101.66	1,101.66	1,101.66
Total Financial Assets	-	3,996.37	24,297.37	28,293.74	28,293.74	-	4,167.45	21,396.90	25,564.35	25,564.35
Financial Liabilities										
Borrowings	-	-	17,788.80	17,788.80	17,788.80	-	-	5,507.47	5,507.47	5,507.47
Trade Payables	-	-	25,763.36	25,763.36	25,763.36	-	-	25,974.60	25,974.60	25,974.60
Other Financial liabilities	-	-	5,490.97	5,490.97	5,490.97	-	-	6,035.83	6,035.83	6,035.83
Total Financial Liabilities	-	-	49,043.13	49,043.13	49,043.13	-	-37,517.90	37,517.90	37,517.90	-

(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.

Particulars	March 31, 2019				March 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	3996.37	-	-	3996.37	4167.45	-	-	4167.45
Total Financial Assets	3996.37	-	-	3996.37	4167.45	-	-	4167.45
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

Particulars	March 31, 2019				March 31, 2018			
	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	-	-	-	-	-	-	-	-

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

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

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.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

27 FINANCIAL INSTRUMENTS

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other short-term borrowings.

The capital structure of the Company consists only of equity.

Gearing Ratio:

₹ in Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Debt	9,919.00	4,878.28
Less: Cash and bank balances	965.45	889.90
Net debt	8,953.55	3,988.38
Total equity	66,597.82	58,540.96
Net debt to equity ratio (%)	13.44%	6.81%
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	1,182.83	1,024.59
Trade receivables	22,079.03	19,405.34
Cash and cash equivalents	965.45	889.90
Bank balances other than above	-	-
Other financial assets	70.06	77.06
b. Mandatorily measured at fair value through OCI (FVOCI)		
Investments other than subsidiary and associates	3,996.37	4,167.45
Derivative instruments	-	-
Financial liabilities		
a. Measured at amortised cost		
Borrowings (short term)	7,869.80	629.19
Trade payables	25,763.36	25,974.60
Other financial liabilities	5,490.96	6,035.83

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 forming part of Consolidated financial statements for the year ended March 31, 2019

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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 Assets exposure on the currency	
As on 31.03.2019							
USD	452,903.27	-	452,903.27	3,134,596.97	-	3,134,596.97	2,681,693.70
EUR	43,236.59	-	43,236.59	1,597,619.31	300,000.00	1,297,619.31	1,254,382.72
GBP	-	-	-	619,898.47	-	619,898.47	619,898.47
JPY	1,748,600.00	-	1,748,600.00	-	-	-	(1,748,600.00)
CHF	-	-	-	-	-	-	-
In INR	-	-	-	-	-	-	-
As on 31.03.2018							
USD	349,533.44	-	349,533.44	2,386,954.60	-	2,386,954.60	2,037,421.16
EUR	10,924.01	-	10,924.01	1,952,578.49	900,000.00	1,052,578.49	1,041,654.48
GBP	-	-	-	117,307.15	-	117,307.15	117,307.15
JPY	622,015.00	-	622,015.00	-	-	-	(622,015.00)
CHF	13,667.53	-	13,667.53	-	-	-	(13,667.53)
In INR							

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses 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.

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2019				
Trade payables	25,763.37	-	-	25,763.37
Other financial liabilities	5,490.96	-	-	5,490.96
Borrowings	7,869.80	-	-	7,869.80
	39,124.13	-	-	39,124.13
March 31, 2018				
Trade payables	25,974.60	-	-	25,974.60
Other financial liabilities	6,035.83	-	-	6,035.83
Borrowings	629.19	-	-	629.19
	32,639.62	-	-	32,639.62

Particulars	31.03.2019	31.03.2018
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 31.03.2019	As at 31.03.2018
28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debts - disputed tax liabilities		
(i) Central Excise	242.92	307.35
(ii) Entry Tax	428.29	428.29
(iii) Service Tax	176.63	190.20
(iv) VAT/CST	1,106.78	1,129.54
(v) Income Tax	1,248.49	1,248.49
Total	3,203.11	3,303.87
(b) Guarantee given by Bankers and outstanding	64.86	300.20
(c) Corporate guarantee given for others	2,700.00	2,700.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	347.28	684.80
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	6,009.98	8,294.44

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

29 EMPLOYEE BENEFIT PLANS

Defined Contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs.596.00 Lakhs (Year ended 31 March, 2018 Rs.818.02 Lakhs) for Provident Fund contributions and Rs.14.87 Lakhs (Year ended 31 March, 2018 Rs.10.65 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

State plans:

The Company makes ESI contributions to Employees State Insurance Scheme. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 290.25 Lakhs (Year ended 31 March, 2018 Rs.220.60 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Defined Benefit Plan - Gratuity:

The Company provides gratuity benefit (included as part of employees contribution to funds in Note 21 Employee benefits expense) to all eligible employees, which is funded with Life Insurance Corporation of India.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Components of employer expenses		
Current service cost	155.95	129.38
Interest cost	143.10	130.73
Expected return on Plan Assets	(174.68)	(153.85)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	124.37	106.36
Actual contribution and the benefit payments for the year		
Actual benefit payments	(71.63)	(75.32)
Actual contribution	7.86	306.52
Other Comprehensive Income		
Opening OCI	84.98	135.49
Actuarial Loss /(Gain) on DBO	65.27	(69.79)
Actuarial Loss /(Gain) on Assets	96.97	19.28
Total recognized in Other Comprehensive Income	162.24	(50.51)
Closing Recognised in OCI	247.22	84.98
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	2,167.80	1,875.21
Fair value of plan assets	2,291.12	2,277.18
Funded Status [Surplus/(Deficit)] *	123.32	402.07
Unrecognised past service cost	-	-

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Net Asset/(Liability) recognized in the Balance Sheet	123.32	402.07
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	1,875.11	1,760.11
Current service cost	155.95	129.38
Interest cost	143.10	130.73
Actuarial (gain) / loss on obligation	65.27	(69.79)
Benefits paid	(71.63)	(75.32)
Present value of DBO at the end of the year	2,167.80	1,875.11
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	2,277.18	1,911.41
Acquisition adjustment		
Expected return on Plan Assets	174.68	153.85
Contributions by the employer	7.86	306.52
Actuarial gain / (loss)	(96.97)	(19.28)
Benefits paid	(71.63)	(75.32)
Plan Assets at the end of the year	2,291.12	2,277.18
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	2,167.80	1,875.11
Closing FV of Plan Assets	2,291.12	2,277.18
Funded Status [Surplus/(Deficit)]*	123.32	402.07
*Included under the head "Employee Benefits" in Note 21		
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)	8.00%	8.00%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	8.00%	8.00%

*Included in "Contribution to Provident & Other Funds" in Note 21 - Employee Costs

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	As at 31.03.2019	As at 31.03.2018
Actuarial (Gains) and Losses on Obligation	65.27	(69.79)
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	96.97	19.28
Total comprehensive Income for the year	162.24	(50.51)
Actuarial (Gains) and Losses Recognized in the year	162.24	(50.51)
Unrecognized Actuarial (Gains) and Losses for the year	-	-

- Note: (i) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated terms of the obligations.
- (ii) The estimate of future salary increased considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The Company is expected to contribute Rs. 300.00 Lakhs to the Gratuity Fund next year.
- (iv) Sensitivity Analysis:

Particulars	As at 31.03.2019	As at 31.03.2018
A. Discount Rate + 100 BP Defined Benefit Obligation [PVO]	-9.96% 1,951.83	-9.02% 1,705.88
B. Discount Rate - 100 BP Defined Benefit Obligation [PVO]	11.59% 2,419.01	10.58% 2,073.55
C. Salary Escalation Rate + 100 BP Defined Benefit Obligation [PVO]	10.81% 2,402.08	9.81% 2,059.04
D. Salary Escalation Rate - 100 BP Defined Benefit Obligation [PVO]	-9.63% 1,959.09	-8.61% 1,713.75
E. Attrition Rate + 100 BP Defined Benefit Obligation [PVO]	-3.04% 2,101.90	-2.62% 1,825.91
F. Attrition Rate - 100 BP Defined Benefit Obligation [PVO]	3.33% 2,239.96	3.01% 1,931.58

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 17.21 years (2017-18 13.72 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	March 31, 2019	March 31, 2018
Less than 1 year	94.21	154.32
Between 1 - 2 years	84.79	96.85
Between 2 - 3 years	108.58	103.76
Between 3 - 4 years	74.95	121.50
Between 4 - 5 years	87.84	94.17
More than 5 years	917.41	768.15

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
30 Segmental Reporting:		
Primary Segment information (Business Segments):		
A. Segment Revenue:		
Transmission	124,693.15	105,259.14
Metal Forming	44,106.72	26,854.21
Others	-	13,289.65
Total	<u>168,799.87</u>	<u>145,403.00</u>
B. Segment Results:		
Transmission	10,730.86	10,397.80
Metal Forming	4,099.01	3,293.37
Others	-	982.45
Total	<u>14,829.87</u>	<u>14,673.62</u>
Less: (i) Interest	1,125.61	1,057.14
(ii) Other unallocable expenditure net off unallocable income	(557.78)	498.73
Profit before Tax	14,262.04	13,117.75
Less: Provision for taxation	4,599.07	4,266.06
Profit after Tax	<u>9,662.97</u>	<u>8,851.69</u>

C. Other Information

Particulars	As at 31.03.2019				
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	66,618.33 (55,359.17)	20,840.99 (18,752.63)	13,541.52 (3,401.39)	4,383.52 (3,540.95)	71.04 (127.77)
Metal Forming	41,279.82 (33,999.39)	9,912.93 (8,879.14)	4,826.43 (2,990.68)	2,421.87 (1,538.10)	80.52 (18.83)
Others	- (6,578.50)	- (1,347.06)	- (1,306.98)	- (700.42)	- (4.61)
Unallocated	14,224.52 (5,592.62)	24,770.93 (14,009.90)	- -	- -	- -

Note: Components of business segments are as under:

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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

D. Secondary Segment Information (Geographical Segment)

Particulars	As at 31.03.2019	As at 31.03.2018
(1) Segment Revenue:		
Within India	1,40,921.65	1,22,504.39
Outside India	27,878.22	22,898.61
Total	1,68,799.87	1,45,403.00
(2) Segment Assets:		
Within India	1,11,030.56	90,459.67
Outside India	11,092.11	11,070.01
Total	1,22,122.67	1,01,529.68
(3) Capital Expenditure:		
Within India	18,367.95	6,540.01
Outside India	167.47	1,159.04
Total	18,535.42	7,699.05

31 DETAILS OF LEASING ARRANGEMENTS

	As at 31.03.2019	As at 31.03.2018
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	110.17	90.37
As Lessee		
b The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and may be renewed based on mutual agreement of the parties.		
Future minimum lease payments not later than one year	606.90	247.89
later than one year and not later than five years	1,055.78	269.05
later than five years	-	31.01
Lease payments recognized in the Statement of Profit and Loss	656.06	566.8

32 EARNINGS PER SHARE

	As at 31.03.2019	As at 31.03.2018
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In Rs. Lakhs	9,956.95	8,605.78
Profit attributable to Equity Shareholders - In Rs. Lakhs (A)	9,956.95	8,605.78
Total number of equity shares outstanding at balance sheet date.	31,392,416	31,392,416
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	31,392,416	31,392,416
Nominal value of Equity Shares - In Rs.	10	10
Basic and Diluted Earnings Per Share-In Rs. (A/B)(Not annualized)	31.72	27.41

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

	As at 31.03.2019	As at 31.03.2018
33 DEFERRED TAX LIABILITY		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	2,457.47	1,948.84
On account of provision for doubtful debts	(64.29)	(41.83)
On account of provision for contingencies	(242.27)	(176.51)
On account of Gain on actuarial valuation	(21.59)	62.03
On account of provision for leave salary	(112.10)	(100.31)
	2,017.22	1,692.22

34 Effective from 01.07.2017, Revenue are recorded net of GST, whereas earlier revenue were recorded gross of Excise duty, which formed part of expenses.

35 Exceptional Item represent profit on sale of land including compulsory acquisition by the Department of Highways.

36 Borrowing cost capitalized during the year ₹ 137.35 Lakhs (previous year ₹ 11.30 Lakhs)

37 "IND AS-115" Revenue from contracts with customer mandatory from reporting period beginning on or after April 01, 2018 replaces existing revenue recognition requirement. The application of IND AS - 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company. Further there were no significant adjustment required to the retained earnings as at April 01, 2018 under the modified retrospective approach.

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

39 Related party disclosure

List of parties having significant influence

Associate Companies

Renold Chain India Private Limited - 25%

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

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

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Key management personnel

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

Relatives of Key Management Personnel

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

	In terms of our report attached	For and on behalf of Board of Directors	
	For SURI & CO Chartered Accountants FRN: 004283S	B. VIJAYAKUMAR Chairman and Managing Director DIN: 00015583	P. PRABAKARAN Managing Director DIN : 01709564
Place : Coimbatore	R. Krishnamoorthy	M. LAKSHMI KANTH JOSHI General Manager (Legal) and Company Secretary	N. RENGARAJ Chief Financial Officer
Date : 29.04.2019	Partner Membership No. 020695		

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

a) Transactions during the year

S.	Particulars	Associates/Others		Key Managerial		Relatives of key		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Remuneration to Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	554.89	486.23	-	-	554.89	486.23
	Sri.P. Prabakaran	-	-	374.83	343.34	-	-	374.83	343.34
	Sri.N.Rengaraj	-	-	109.91	81.56	-	-	109.91	81.56
	Sri.M.Lakshmi Kanth Joshi	-	-	40.60	34.06	-	-	40.60	34.06
	Sri.M.Lakshmi Kanth Joshi	-	-	29.55	27.27	-	-	29.55	27.27
2	Loan Receipts (Borrowings)	567.00	124.00	300.00	219.00	563.00	49.00	1,430.00	392.00
	Enterprises owned or significantly influenced by KMP and Relatives of KMP								
	Associates								
	L.G.Sports Ltd	400.00	20.00	-	-	-	-	400.00	20.00
	Elgi Automotive Services (P) Limited	30.00	51.00	-	-	-	-	30.00	51.00
	LGB Auto Products (P) Limited	117.00	53.00	-	-	-	-	117.00	53.00
	Others	20.00	-	-	-	-	-	20.00	-
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	300.00	219.00	-	-	300.00	219.00
	Relatives of Key Managerial Personnel								
	Sri.V.Rajviradhan	-	-	-	-	405.00	18.00	405.00	18.00
	Smt.Rajsri Vijayakumar	-	-	-	-	158.00	31.00	158.00	31.00
3	Loan Repayment (Borrowing)	150.00	147.00	337.00	79.00	338.00	62.00	825.00	288.00
	Enterprises owned or significantly influenced by KMP and Relatives of KMP								
	Associates								
	L.G.Sports Ltd	-	20.00	-	-	-	-	-	20.00
	Elgi Automotive Services (P) Limited	20.00	127.00	-	-	-	-	20.00	127.00
	LGB Auto Products (P) Limited	110.00	-	-	-	-	-	110.00	-
	Others	20.00	-	-	-	-	-	20.00	-
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	337.00	79.00	-	-	337.00	79.00
	Relatives of Key Managerial Personnel								
	Sri.V.Rajviradhan	-	-	-	-	275.00	31.00	275.00	31.00
	Smt.Rajsri Vijayakumar	-	-	-	-	63.00	31.00	63.00	31.00

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

S. No.	Particulars	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
6	Interest Expense								
	Enterprises owned or significantly influenced by KMP and Relatives of KMP								
	L.G.Sports Ltd	117.95	163.85	74.91	81.75	219.55	124.09	412.41	369.69
	L.G.Auto Products (P) Limited	61.39	86.22	-	-	-	-	61.39	86.22
	L.G.Farm (P) Limited	22.20	21.02	-	-	-	-	22.20	21.02
	Others	15.74	22.12	-	-	-	-	15.74	22.12
	Key Managerial Personnel	18.62	34.49	-	-	-	-	18.62	34.49
	Sri.B.Vijayakumar	-	-	71.06	74.49	-	-	71.06	74.49
	Sri.P.Prabakaran	-	-	3.73	7.26	-	-	3.73	7.26
	Sri.N.Rengaraj	-	-	0.12	-	-	-	0.12	-
	Relatives of Key Managerial Personnel	-	-	-	-	-	-	-	-
	Sri.V.Rajviridhan	-	-	-	-	39.54	44.80	39.54	44.80
	Smt.Rajsri Vijayakumar	-	-	-	-	18.68	14.85	18.68	14.85
	Smt.Samradhi Andal	-	-	-	-	80.44	31.54	80.44	31.54
	Sri.Vidhur Narayan	-	-	-	-	79.08	31.84	79.08	31.84
	Smt.D.Maheshwari	-	-	-	-	1.81	1.06	1.81	1.06
7	Equity Investment	-	-	-	-	-	-	-	-
8	Dividend Receipts	0.03	0.03	-	-	-	-	0.03	0.03
9	Dividend Payments	134.78	101.36	225.67	175.52	315.97	245.71	676.42	522.59
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	225.63	175.49	-	-	225.63	175.49
	Sri.P.Prabakaran	-	-	0.04	0.03	-	-	0.04	0.03
	Relatives of Key Managerial Personnel								
	Sri.V.Rajviridhan	-	-	-	-	197.87	153.90	197.87	153.90
	Smt.Rajsri Vijayakumar	-	-	-	-	98.06	76.27	98.06	76.27
	Others	-	-	-	-	20.04	15.54	20.04	15.54
10	Rent Income	67.17	64.01	-	-	-	-	67.17	64.01
	Enterprises owned or significantly influenced by KMP and Relatives of KMP								
	LGB Forge Limited	50.57	50.00	-	-	-	-	50.57	50.00
	Super Transports Private Limited	10.71	5.05	-	-	-	-	10.71	5.05
	Others	5.89	8.96	-	-	-	-	5.89	8.96

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

S. No.	Particulars	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
11	Rent / Lease Expenses	0.00	4.16	-	-	-	-	-	4.16
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	South Western Engineering India Limited	-	3.92	-	-	-	-	-	3.92
	LGB Forge Limited	-	-	-	-	-	-	-	-
12	Purchase of Materials, Spares & power	1,841.93	1,065.26	-	-	-	-	1,841.93	1,065.26
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Renold Chain India (P) Ltd.	144.77	243.72	-	-	-	-	144.77	243.72
	LGB Forge Limited	1,462.94	722.41	-	-	-	-	1,462.94	722.41
	LGB & Bros, Karur	140.94	-	-	-	-	-	140.94	-
	Others	93.28	99.13	-	-	-	-	93.28	99.13
13	Processing/Conversion Charges	616.50	361.43	-	-	-	-	616.50	361.43
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	South Western Engineering India Limited	600.13	350.47	-	-	-	-	600.13	350.47
	Others	16.37	10.96	-	-	-	-	16.37	10.96
14	Sale of Materials, Stores and Service Charges	1,125.23	1,139.49	-	-	-	-	1,125.23	1,139.49
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Renold Chain India (P) Ltd.	883.66	823.65	-	-	-	-	883.66	823.65
	LGB Forge Limited	224.74	184.36	-	-	-	-	224.74	184.36
	Others	16.83	131.48	-	-	-	-	16.83	131.48
15	Processing charges Receipts	138.05	111.78	-	-	-	-	138.05	111.78
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	125.60	99.15	-	-	-	-	125.60	99.15
	Others	12.45	12.63	-	-	-	-	12.45	12.63

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

S. No.	Particulars	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
16	Sale of Property, Plant & Equipment								
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	2.72	13.86	-	-	-	-	2.72	13.86
	L G Sports Limited	1.58	6.46	-	-	-	-	1.58	6.46
	Super Transports (P) Limited	-	4.45	-	-	-	-	-	4.45
	Others	1.14	2.95	-	-	-	-	1.14	2.95
17	Purchase of Property, Plant and Equipment								
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	8.22	14.88	-	-	-	-	8.22	14.88
	Super Transports (P) Limited	-	6.52	-	-	-	-	-	6.52
	L G Sports Limited	-	6.28	-	-	-	-	-	6.28
	South Western Engineering India Limited	8.15	-	-	-	-	-	8.15	-
	Others	0.07	2.08	-	-	-	-	0.07	2.08
		6,080.18	3,456.11	1,682.47	1,056.50	2,316.52	490.79	10,079.17	5,003.41

b) Balance outstanding at the end of the year

S. No.	Particulars	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Receivable balance	164.79	286.93	-	-	-	-	164.79	286.93
	Renold Chain India (P) Ltd.	145.04	226.59	-	-	-	-	145.04	226.59
	Super Speeds (P) Limited	-	50.02	-	-	-	-	-	50.02
	Others	19.75	10.32	-	-	-	-	19.75	10.32
2	Payable balance	58.70	139.92	-	-	-	-	58.70	139.92
	Renold Chain India (P) Ltd.	-	113.75	-	-	-	-	-	113.75
	Others	58.70	26.17	-	-	-	-	58.70	26.17
3	Unsecured borrowings balance	480.00	63.00	118.00	155.00	225.00	-	823.00	218.00
	L G Sports Limited	400.00	-	-	-	-	-	400.00	-
	LGB Auto Products (P) Limited	60.00	53.00	-	-	-	-	60.00	53.00
	Elgi Automotive Services (P) Limited	20.00	10.00	-	-	-	-	20.00	10.00
	Others	-	-	118.00	155.00	225.00	-	343.00	155.00

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Statement pursuant to general exemption received under section 129(3) of the Companies Act, 2013 relating to subsidiary Company.

Particulars	LGB USA Inc. *	
	INR	USD
Currency		
Share Capital	2,004.15	35.45
Reserves & Surplus	3,400.11	46.24
Total Liabilities	3,463.36	49.63
Total Assets	8,867.62	131.32
Investments (Excl. investment in subsidiaries)	Nil	Nil
Turnover & Other Income	10,589.44	154.91
Profit / (Loss) Before Taxation	(2.21)	(1.41)
Provision for Tax (incl: Deferred Tax)	-	-
Profit / (Loss) after Taxation	(2.21)	(1.41)
Proposed Dividend	Nil	Nil
% Share Holding	77.01%	

* LGB USA Inc; figures presented on a consolidated basis.

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated Profit or Loss	Amount (₹ in Lakhs)
L.G.Balakrishnan & Bros Limited.	94%	63,576	97%	9,665
Foreign:				
1. LGB USA INC. *	2%	1,009	0%	(1)
2. Minority Interests in all subsidiaries:	3%	1,485	0%	(1)
Associates				
Indian :				
1. Renold Chain India Private Limited	1%	528	3%	293
Total	100%	66,598	100%	9,956

* LGB USA Inc. figures presented alongwith subsidiaries

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Associates & Joint Ventures

1	Name of the Associate Company	Renold Chain India Private Limited
2	Latest audited Balance Sheet Date	31st March, 2019
3	Shares of Associate/ Joint Ventures held by the Company	1,02,50,000
	on the year end - No. of Shares - Equity	
	Amount of investment in Associates / Joint Venture	Rs.1,025.00 Lakhs
	Extend of Holding %	25%
4	Description of how there is significant influence	Shareholding
5	Reason why the Associate is not consolidated	NA
6	Networth attributable to shareholding as per latest	
	audited Balance Sheet	Rs.1,550.94 Lakhs
7	Profit / Loss for the year	
	(i) Considered in Consolidation	Rs.293.44 Lakhs
	(ii) Not considered in Consolidation	Rs.667.05 Lakhs

Notes forming part of Consolidated financial statements for the year ended March 31, 2019

Associates & Joint Ventures

1	Name of the Associate Company	Renold Chain India Private Limited
2	Latest audited Balance Sheet Date	31st March, 2019
3	Shares of Associate/ Joint Ventures held by the Company	1,02,50,000
	on the year end - No. of Shares - Equity	
	Amount of investment in Associates / Joint Venture	Rs.1,025.00 Lakhs
	Extend of Holding %	25%
4	Description of how there is significant influence	Shareholding
5	Reason why the Associate is not consolidated	NA
6	Networth attributable to shareholding as per latest	
	audited Balance Sheet	Rs.1,550.94 Lakhs
7	Profit / Loss for the year	
	(i) Considered in Consolidation	Rs.293.44 Lakhs
	(ii) Not considered in Consolidation	Rs.667.05 Lakhs

ATTENDANCE SLIP

L.G. BALAKRISHNAN & BROS LIMITED

CIN : L29191TZ1956PLC000257

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

Email: info@lgb.co.in, Website: www.lgb.co.in

Phone: 0422 2532325, Fax: 0422 2532333

63rd ANNUAL GENERAL MEETING

DP ID	Folio No.
Client ID	No. of Shares

Name of the Member

Name of the Proxy

I hereby record my presence at the 63rd ANNUAL GENERAL MEETING of the Company held on **Thursday, July 18th, 2019 at 10.45 A.M.** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for FY 2018-19 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2018-19 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

E-VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USED ID	PASSWORD*
190608001	Folio No. / Client ID Date of Birth	PAN Number / Bank Account No /

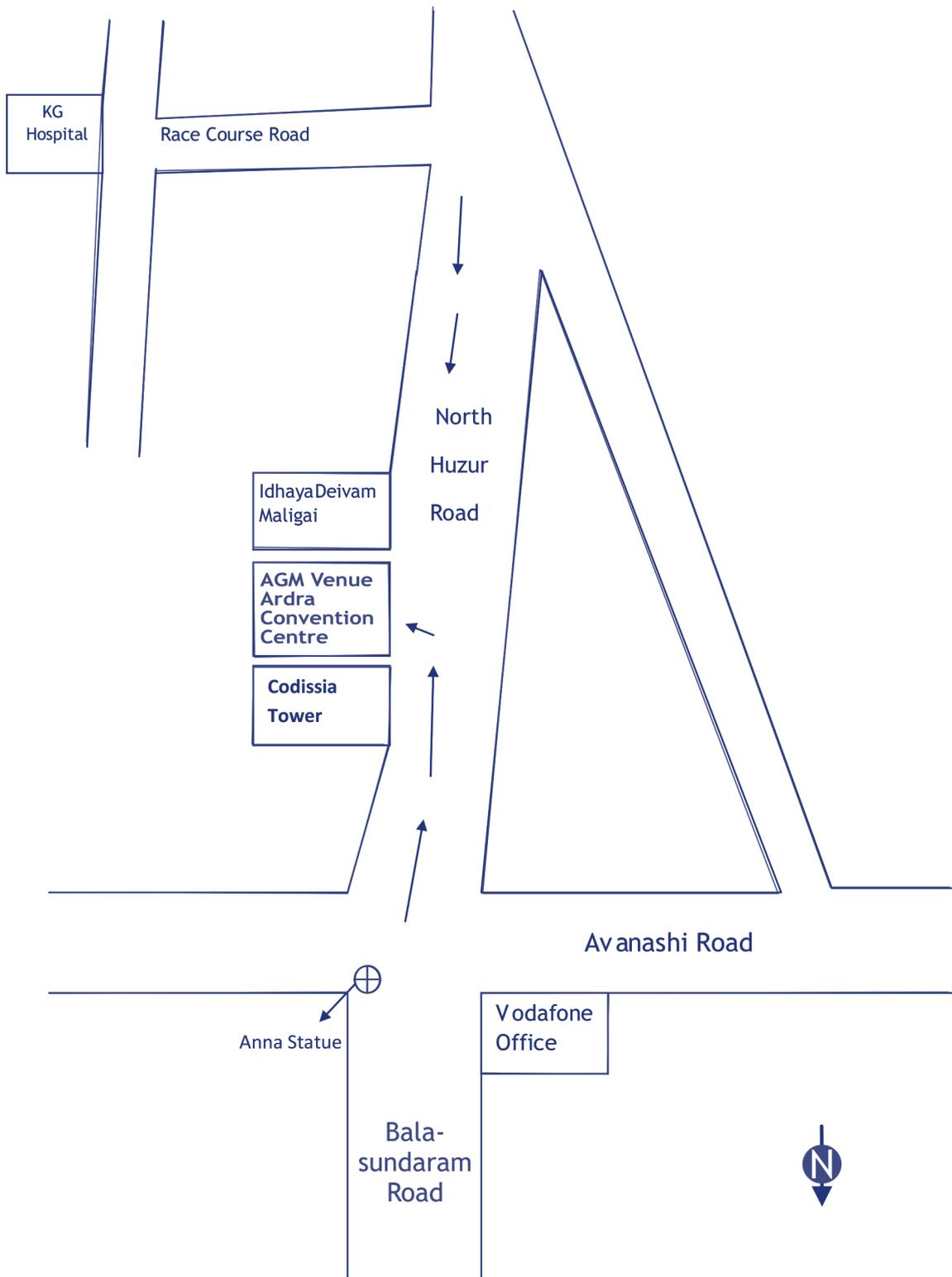
* Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting.

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Monday, 15th July, 2019 (from 9.00 A.M)	Wednesday, 17th July, 2019 (upto 5.00 P.M)

Note : Please refer the details and instructions form integral part of the Notice for the Annual General Meeting.

Route map of AGM Venue



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

L.G. BALAKRISHNAN & BROS LIMITED

CIN : L29191TZ1956PLC000257

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

Email: info@lgb.co.in, Website: www.lgb.co.in

Phone: 0422 2532325, Fax: 0422 2532333

**63nd ANNUAL GENERAL MEETING
18th July, 2019**

Name of the member(s):

Registered address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We being the member(s) of _____ shares of L.G. Balakrishnan & Bros Limited, hereby appoint:

1) Name:..... Address.....

Email ID.....Signature.....or failing him;

2) Name:..... Address.....

Email ID.....Signature.....or failing him;

3) Name:..... Address.....

Email ID.....Signature.....or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 63rd Annual General Meeting of the Company, to be held on **Thursday, July 18, 2019 at 10.45 A.M** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.

S.No	Resolutions
Ordinary Business	
1.	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2.	To declare dividend on Equity Shares for the Financial year ended March 31, 2019.
3.	To appoint a Director in place of Sri.P.Prabakaran (DIN 01709564), who retires by rotation and being eligible, seeks re-appointment.
4.	To appoint a Director in place of Smt.Rajsri Vijayakumar (DIN 00018244), who retires by rotation and being eligible, seeks re-appointment.
Special Business	
5.	Appointment of Smt. Kanchana Manavalan (DIN 07497403) as an Independent Director.
6.	Appointment of Sri. G. D. Rajkumar (DIN 00197696) as an Independent Director.
7.	Re-Appointment of Sri. V. Govindarajulu (DIN 00016108) as an Independent Director.
8.	Re-Appointment of Sri. P. Shanmugasundaram (DIN 00119411) as an Independent Director.
9.	Re-Appointment of Sri. R. Vidyasankar (DIN 00002498) as an Independent Director.
10.	Re-Appointment of Sri. B. Vijayakumar (DIN 00015583) as Chairman and Managing Director.
11.	Approval for remuneration of Cost Auditor.

Signed this day of.....2019.

Signature of Shareholder



Notes

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 63rd Annual General Meeting

To

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

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

1. Particulars of the shareholder
- a) Regd. Folio No. :
- b) Name of the first Regd. Holder (in block letters) :
2. Particulars of the Bank
- a) Name of the Bank :
- b) Address of the Branch :
- c) Account No. (As appearing in the cheque book) :
- d) Account Type (Savings Account, Current Account or Cash Credit) :

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

--	--	--	--	--	--	--	--	--
- IFSC code of the Bank

--	--	--	--	--	--	--	--	--	--	--

DECLARATION

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

(Signature of the first Regd. holder)

(Signature of the second holder)

Place : Name :

Date : Address :

.....Pincode

Phone :

Email:.....

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

To (Your Depository Participant)

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

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

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

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

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DECLARATION

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

(Signature of the First (regd.) holder)

Place :

Date :

Phone :

Email:.....

Note : Please send this form to your Depository participant.

If Undelivered Please Return to :



L.G. BALAKRISHNAN & BROS LIMITED

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

Tel : 0422 - 2532325, Fax : 0422 - 2532333

CIN : L29191TZ1956PLC000257

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