

THE COMPLETE SOLUTION FOR **CHAIN & BELT** TRANSMISSION



INDIA'S NO.1 OE CHAIN & KITS

MOTORCYCLE CHAIN SPROCKET KITS | CAM CHAIN | SILENT CHAIN | TENSIONERS
AUTOMOBILE BELTS | SCOOTER TRANSMISSION PRODUCTS | INDUSTRIAL CHAINS



L.G. BALAKRISHNAN & BROS LIMITED

COIMBATORE, INDIA - 641006. | www.lgb.co.in



SCOOTER PRODUCTS

INDUSTRIAL & AGRICULTURAL ROLLER CHAINS



PLATE RAMP

- Precise dimensions for proper fitment
- Manufactured using customized Forming tool
- RM Galvanized steel has superior resistance to mechanical damage

V BUSH

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

CLUTCH WEIGHT ROLLER

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

CLUTCH PULLEY KIT

- Customized metal forming tool creates accurate angles for CVT belt sliding
- Nitrided surface provides better rust prevention
- Smooth expansion and retraction of Pulley faces

5G TECH BELTS

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

FACE COMP FIXED DRIVE

- Precise teeth provides optimum fit with starter pinion gear and smooth power flow
- The precise splines ensures optimum fit with crank shaft
- Specialized case carburizing process provides better rust prevention and wear resistance

FACE COMP BOSS

- Hard Chromed for Better Wear Resistance
- Induction Hardened for Better Durability
- Precise dimensions provides optimum fit with crank shaft and CVT clutch assembly

BENDIX

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

FACE COMP MOVABLE DRIVE

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



SUPERIOR QUALITY

(₹ In Lakhs)

PERFORMANCE ANALYSIS:

Sl. No.	Particulars / Year	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
1	Turnover	208,565.31	200,797.60	153,147.43	144,427.22	158,210.43	131,540.83	117,159.39	109,010.11	104,826.38	98,792.27
2	Other Income	2,257.05	973.93	696.81	366.46	281.87	411.17	428.80	417.21	284.27	474.03
3	Material Consumption	95,885.47	90,160.68	69,089.80	64,774.98	71,051.83	59,053.80	50,824.77	47,981.87	48,612.82	48,318.14
4	Employee Cost	29,522.64	27,714.42	22,729.05	23,873.00	24,023.75	18,929.55	17,015.94	15,167.49	12,975.93	11,511.42
5	Other Expenses	45,939.10	45,143.24	35,169.48	37,188.37	42,918.27	35,301.77	34,748.60	33,282.97	30,340.09	27,755.19
6	Interest	602.60	788.13	920.71	1,408.51	1,041.73	978.13	1,399.62	1,648.28	1,631.84	1,691.03
7	Depreciation	7,355.42	7,734.22	7,749.26	7,418.28	6,397.44	5,412.75	4,922.90	4,309.37	3,733.68	3,137.12
8	Operating Profit (Before Exceptional item)	39,475.16	38,753.19	26,855.91	18,957.33	20,498.45	18,666.88	14,998.88	12,994.99	13,181.81	11,681.54
9	Exceptional Item	2,029.48	2,273.75	1,362.26	2,524.45	1,204.97	0.00	131.33	0.00	660.80	0.00
10	PBIT	34,149.21	33,292.72	20,468.91	14,063.50	15,305.98	13,254.13	10,207.31	8,685.62	10,108.93	8,544.42
11	Net Profit (PBT)	33,546.61	32,504.59	19,548.20	12,654.99	14,264.25	12,276.00	8,807.69	7,037.34	8,477.09	6,853.39
12	Profit after Tax (PAT)	24,769.58	23,911.04	14,820.73	10,183.45	9,665.18	8,009.94	6,155.36	5,745.36	6,439.60	5,434.42
13	Fixed Asset (Written Down Value)	48,031.74	47,652.30	50,705.52	54,823.12	52,380.52	39,523.36	36,035.97	33,691.74	30,421.51	23,009.10
14	Turnover Growth (%)	3.87%	31.11%	6.04%	-8.71%	20.27%	12.28%	7.48%	3.99%	6.11%	5.48%
15	Material Consumption (%)	45.97%	44.90%	45.11%	44.85%	44.91%	44.89%	43.38%	44.02%	46.37%	48.91%
16	Employee Cost (%)	14.16%	13.80%	14.84%	16.53%	15.18%	14.39%	14.52%	13.91%	12.38%	11.65%
17	Other Expenses (%)	22.03%	22.48%	22.96%	25.75%	27.13%	26.84%	29.66%	30.53%	28.94%	28.09%
18	Interest (%)	0.29%	0.39%	0.60%	0.98%	0.66%	0.74%	1.19%	1.51%	1.56%	1.71%
19	Depreciation (%)	3.53%	3.85%	5.06%	5.14%	4.04%	4.11%	4.20%	3.95%	3.56%	3.18%

(₹ In Lakhs)

Sl. No.	Particulars / Year	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
20	Gross Profit Margin (%)	18.93%	19.30%	17.54%	13.13%	12.96%	14.19%	12.80%	11.92%	12.57%	11.82%
21	PBIT Margin (%)	16.37%	16.58%	13.37%	9.74%	9.67%	10.08%	8.71%	7.97%	9.64%	8.65%
22	PBT Margin (%)	16.08%	16.19%	12.76%	8.76%	9.02%	9.33%	7.52%	6.46%	8.09%	6.94%
23	PAT Margin (%)	11.88%	11.91%	9.68%	7.05%	6.11%	6.09%	5.25%	5.27%	6.14%	5.50%
24	Return on Capital Employed (%)	23.77%	27.48%	21.75%	15.38%	19.51%	22.15%	17.51%	18.25%	21.79%	24.13%
25	Current Ratio	2.39	2.08	1.71	1.64	1.34	1.42	1.55	1.33	1.30	1.30
26	Inventory turnover ratio	5.28	5.72	5.50	5.17	5.96	5.73	5.43	5.07	5.10	5.23
27	Inventory turnover ratio - No of days	69	64	66	71	61	64	67	72	72	70
28	Trade Receivables turnover ratio	7.87	7.94	7.90	7.90	8.16	7.84	7.98	8.28	8.38	8.40
29	Trade Receivables turnover ratio - No. of days	46	46	46	46	45	47	46	44	44	43
30	Trade payables turnover ratio	4.21	4.23	3.73	3.24	3.07	2.64	2.49	2.68	3.16	3.40
31	Trade payables turnover ratio - No. of days	87	86	98	113	119	138	146	136	115	107
32	Fixed Assets Turnover ratio	4.36	4.08	2.90	2.69	3.44	3.48	3.36	3.40	3.92	4.53

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

SRI. B. VIJAYAKUMAR

MANAGING DIRECTOR

SRI. P. PRABAKARAN

EXECUTIVE DIRECTOR

SRI. RAJIV PARTHASARATHY

NON-EXECUTIVE DIRECTORS

SMT. RAJSRI VIJAYAKUMAR

SRI. S. SIVAKUMAR

INDEPENDENT DIRECTORS

SRI. V. GOVINDARAJULU

SRI. P. SHANMUGASUNDARAM

SRI. R. VIDHYA SHANKAR

SMT. KANCHANA MANAVALAN

SRI.G. D. RAJKUMAR

DR. VINAY BALAJI NAIDU

CHIEF FINANCIAL OFFICER

SRI. N. RENGARAJ

SENIOR GENERAL MANAGER (LEGAL) AND COMPANY SECRETARY

SRI. M. LAKSHMI KANTH JOSHI

BANKERS

AXIS BANK LIMITED

UNION BANK OF INDIA

HDFC BANK LIMITED

HSBC LIMITED

INDUSIND BANK LIMITED

ICICI BANK LIMITED

IDBI BANK LIMITED

YES BANK LIMITED

STATUTORY AUDITORS

M/S. SURI & CO

CHARTERED ACCOUNTANTS

SSS TOWERS, DOOR NO.432,

METTUPALAYAM ROAD

(NEAR HOTEL ANNAPOORNA),

NORTH COIMBATORE,

COIMBATORE - 641 043

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 LLP

COMPANY SECRETARIES IN PRACTICE

“SURYA ENCLAVE”, 37, MAYFLOWER AVENUE,

SOWRIPALAYAM ROAD,

COIMBATORE - 641028

PHONE : 0422 2318780

REGISTRAR AND SHARE TRANSFER AGENTS

M/S.CAMEO CORPORATE SERVICES LIMITED

“SUBRAMANIAN BUILDING”

NO 1, CLUB HOUSE ROAD, CHENNAI- 600 002

PHONE NO. 044 - 28460390

LISTED - STOCK EXCHANGES

BSE LTD.

NATIONAL STOCK EXCHANGE OF INDIA LTD.

REGISTERED OFFICE

6/16/13, KRISHNARAYAPURAM ROAD,

GANAPATHY, COIMBATORE - 641 006.

PHONE: 0422 2532325 EMAIL: info@lgb.co.in

WEBSITE: www.lgb.co.in

CIN : L29191TZ1956PLC000257

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67th

ANNUAL

GENERAL

MEETING

Day, Date and Time of AGM:

Monday, 25th September, 2023
at 10.00 A.M. (IST)

Mode:

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

Participation through VC/OAVM:

Members can login from
09.30 A.M (IST) on the
date of the AGM at [https://
www.evotingindia.com](https://www.evotingindia.com)

Remote e-voting start time and date :

9:00 a.m. (IST) on Friday,
September 22, 2023

Remote e-voting end time and date :

5:00 p.m. (IST) on Sunday,
September 24, 2023.

**NAGERCOIL
ARALVOIMOZHI**



**ROOF TOP SOLAR SYSTEM
AT LGB JALNA PLANT**



**ROOF TOP SOLAR
SYSTEM - 1.4 MW AT LGB
PILLAIYAPPAMPALAYAM PLANT**



NOTICE OF 67TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTY SEVENTH ANNUAL GENERAL MEETING (“AGM” / 67TH AGM) OF THE MEMBERS OF **L.G. BALAKRISHNAN & BROS LIMITED** (“THE COMPANY”) WILL BE HELD ON **MONDAY, 25TH DAY OF SEPTEMBER 2023 AT 10:00 AM (IST) THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO-VISUAL MEANS (“OAVM”) FACILITY WITHOUT THE PHYSICAL PRESENCE OF SHAREHOLDERS AT A COMMON VENUE TO TRANSACT THE FOLLOWING BUSINESS:**

AGENDA**ORDINARY BUSINESS**

- To consider and adopt the audited Financial Statements (including standalone and consolidated Financial Statements) along with the Cash Flow Statement for the Financial Year ended March 31, 2023, and the report of the Board of Directors and the Statutory Auditors thereon, including Annexures thereto.
- To declare a Dividend of ₹ 16/- per equity share for the Financial Year ended March 31, 2023.
- To appoint a Director in place of **Sri B Vijayakumar** (DIN: 00015583) who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of **Smt Rajsri Vijayakumar** (DIN: 00018244) who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

- To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**
“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment thereof, for the time being in force), the remuneration of **₹ 2,30,000/- (Rupees Two Lakhs Thirty Thousand Only)** excluding all taxes and reimbursement of out of pocket expenses to **Dr.G.L.Sankaran, Cost Accountant**, (Membership No.4482) who has been re-appointed by the Board of Directors as Cost

Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-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 2023-2024, subject to ratification by the Members. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor must be ratified by the Members of the Company.

Accordingly, the approval of the Members is sought for passing Ordinary Resolution as set out in Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditor for conducting the Cost Audit of the Company for the Financial Year ending on March 31, 2024. The Board recommends the Ordinary Resolution as set out in Item No.5 of the notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives, financially or otherwise, is concerned or interested in the proposed Ordinary Resolution as set out at Item No.5 of the Notice.

NOTES:

- The Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) with respect to the Special Business set out in the Notice is annexed hereto and forms part of this Notice. Further, the disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of

India (“ICSI”) in respect of the Directors seeking re-appointment at this AGM are also annexed to this Notice.

- In view of the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India during the year(s) 2020, 2021 and 2022 respectively (hereinafter referred to as “MCA and SEBI Circulars”), the Company is permitted to hold the Annual General Meeting (“AGM”) through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue. The deemed venue for the 67th AGM shall be the Registered Office of the company situated at 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore-641006, Tamil Nadu.

In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with the relevant MCA and SEBI Circulars, the 67th AGM of the Company is being held through VC / OAVM. Members desirous of participating in the 67th AGM through VC/ OAVM, may refer to the procedures mentioned below.

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THE 67TH AGM IS BEING HELD THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE 67TH AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE. MEMBERS ATTENDING THE AGM THROUGH VC / OAVM SHALL BE COUNTED FOR THE PURPOSE OF RECKONING THE QUORUM UNDER SECTION 103 OF THE ACT.**
- Since the AGM will be held through VC, the Route Map is not annexed to this Notice. The registered office of the Company shall be deemed to be the venue for the AGM.
- The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”), as the authorized agency for conducting the AGM and

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

- Electronic copy of the Annual Report for FY 2022-23 and Notice of AGM are uploaded at ‘Investor Relations’ section on the Company’s website <https://www.lgb.co.in/investor-relations/annual-reports/> and is being sent to all the Members whose email IDs are registered with the Company/ Depository Participants(s)/RTA for communication purposes and also on the website of BSE Ltd., and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com respectively. Further, Notice of AGM is available on the website of CDSL, the agency engaged for providing e-voting facility, i.e. www.evotingindia.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate, and vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail at mds@mdsassociates.in and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.
- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 19, 2023 to Monday, September 25, 2023 (both days inclusive) for the purpose of determining the eligibility of the Members to receive the dividend for the financial year ended March 31, 2023, if declared at the meeting.
- Dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on or before October 20, 2023 from the date of declaration, to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Monday, September 18, 2023.

10. Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / Cameo Corporate Services Limited by sending documents by September 18, 2023 (upto 5:00 pm) to enable the Company to determine the appropriate TDS/withholding tax rate applicable, verify the documents and provide exemption.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows-

Members having valid PAN	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2023-24 does not exceed ₹ 5,000/- and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. Form 15G/15H can be downloaded from the weblink: <https://investors.cameoindia.com> to avail the benefit and e-mail to investor@cameoindia.com & secretarial@lgb.co.in by 5.00 P.M (IST) on September 18, 2023. There is also a provision to upload Form 15G/15H in the weblink viz., <https://investors.cameoindia.com> provided by Company's RTA. No communication would be accepted from members after September 18, 2023

regarding the tax withholding matters.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits etc., may send the requisite documents by email to investor@cameoindia.com & secretarial@lgb.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00 P.M. IST on or before Monday, September 18, 2023.

11. The Company will arrange to issue the soft copy of TDS certificate to its shareholders at their registered email ID in accordance with the provisions of the Income Tax Act 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://www.incometax.gov.in/>.
12. The Company has sent necessary intimation with regard to TDS on dividend with all details to all the members through e-mail, whose e-mail IDs are registered with the Company / RTA.
13. Members who have not registered their Bank particulars with the Depository Participant(s) ("DP") / Company are advised to utilize the electronic solutions provided by National Automated Clearing House ("NACH") for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participant(s) for availing this facility. Members holding shares in physical form are requested to download the NACH form from the website of the Company viz., <https://www.lgb.co.in/investor-relations/investor-services-forms-for-download/> and the same, duly filled up and signed along with original cancelled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent ("RTA").
14. The SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested

to submit their PAN, KYC and nomination details to the Company's RTA, Cameo Corporate Services Limited. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular No.SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

15. The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company's website as well as the website of Cameo Corporate Services Limited the Registrar and Share Transfer Agent of the Company. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.
16. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now

have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

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

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

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

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

assistance in this regard.

18. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from <https://www.lgb.co.in/investor-relations/investor-services-forms-for-download/>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the Company's RTA, in case the shares are held in physical form.
19. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent ("RTA"), the details of such folios together with the share certificates for consolidating their holdings into one folio.
20. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA, namely M/s Cameo Corporate Services Limited #1, Club House Road, Chennai 600 002, by quoting the Folio number or the Client ID number with DP ID number.
21. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
22. A Member who needs any clarification on accounts or operations of the Company shall send his/her queries addressed to the Company Secretary at lk.joshi@lgb.co.in, so as to reach him on or before September 18, 2023. Such queries will be replied by the Company suitably during the AGM or through a separate e-mail.
23. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company / Registrar & Share Transfer Agent of the Company. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor

Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid/unclaimed dividend can be viewed on the Company's website. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority.

Details of shareholders whose shares are liable to be transferred to IEPF are available at the Company website: <https://www.lgb.co.in/investor-relations/transfer-of-shares-to-iepf/> The shareholders whose unclaimed dividend /share has been transferred to the 'Investor Education and Protection Fund', may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. Mr. M. Lakshmi Kanth Joshi, Senior General Manager (Legal) and Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

24. In compliance with the MCA and SEBI Circulars, the Annual Report for FY 2022-23, the Notice of the 67th AGM and the Instructions for e-voting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / respective Depository Participants. Members may also note that the Annual Report for FY 2022-23 and the Notice convening the AGM are also available on the Company's website <https://www.lgb.co.in/investor-relations/annual-reports/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited ("CDSL") (agency for providing the Remote e-voting facility) at www.evotingindia.com.
25. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the

AGM

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

- i. The businesses as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, standard 8 of the Secretarial Standards on General Meetings, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and pursuant to the relevant MCA and SEBI Circulars, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with CDSL to facilitate the members to cast their votes from a place other than venue of the AGM ("remote e-voting"). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their vote by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as venue e-voting system on the date of the AGM will be provided by CDSL.
- ii. In terms of provisions of section 107 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.
- iii. The members can join the AGM through VC / OAVM mode 30 minutes before the scheduled time of the AGM and within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will be in addition to large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders'

Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- iv. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- v. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the depositories as on Monday, September 18, 2023, being the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.
- vi. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.
- vii. Eligible members who have acquired shares after sending the Notice electronically and holding shares as on the cut-off date may approach the Company for issuance of the User Id and Password for exercising their right to vote by electronic means.
- viii. Process for those members whose e-mail ids / mobile numbers are not registered with the Company / Depositories:
 - i. Members holding shares in physical mode please provide necessary details like Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar Card (self-attested scanned copy of Aadhaar Card) by e-mail to Company/RTA e-mail id.
 - ii. Members holding shares in demat mode please update your e-mail ID and mobile number with your respective DP.
 - iii. Individual members holding shares in demat mode-please update your e-mail ID and mobile number with your respective DP which is mandatory for e-voting and joining the AGM through VC / OAVM through

Depository.

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

- i. The voting period begins on Friday, September 22, 2023 at 9.00 am (IST) and ends on Sunday, September 24, 2023 at 5.00 pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, September 18, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility

to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or requested to visit www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers CDSL/NSDL/KARVY/LINK INTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

1. The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID

a.	For CDSL: 16 digits beneficiary ID,
b.	For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c.	Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and have logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

7. After entering these details appropriately, click on “SUBMIT” tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant L.G.BALAKRISHNAN & BROS LIMITED on which you choose to vote.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - i. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

28. Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- iii. 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.
- iv. The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- v. It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address mds@mdsassociates.in and secretarial@lgb.co.in if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

29. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- i. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request on or before September 18, 2023 mentioning their name, demat account number/folio number, email id, mobile number at secretarial@lgb.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries on or before September 18, 2023 mentioning their name, demat account number/folio number, email id, mobile number at secretarial@lgb.co.in. These queries will be replied to by the company suitably by email.
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have

not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

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

30. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR EVOTING

- i. For shareholders holding shares in physical form - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA's email ID at secretarial@lgb.co.in or investors@cameo.com respectively.
- ii. For shareholders holding shares in dematerialised form - please update your e-mail id and mobile no. with your respective Depository Participant (DP).
- iii. For individual shareholders holding shares in dematerialised form - please update your e-mail id and mobile no with your respective Depository Participant (DP) which is mandatory while e-voting and joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing,

25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

31. Other Instructions

1. Mr. M.D.Selvaraj (FCS: 960, CP: 411), Managing Partner of M/s.MDS & Associates LLP, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
2. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall

Coimbatore
29.04.2023

make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 2 (two) working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

3. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.lgb.co.in/investor-relations/general-meeting-notice/> and on the website of CDSL at www.evoting.india.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.

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

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

Name of Director	Sri B Vijayakumar	Smt Raj Sri Vijayakumar
Director Identification Number	00015583	00018244
Date of Birth / Age	22.01.1953 / 70 years	11.09.1981 / 42 years
Nationality	Indian	Indian
Qualifications	B. Sc	BBA
Date of first appointment on the Board	25.11.1986	30.10.2006
Brief profile including areas of expertise and experience	More than 42 years as an Industrialist and more than 37 years as the Managing Director of the Company	More than 20 years' experience in General Administration
Terms and conditions of appointment/re-appointment	Appointed for a period of 5 years. Liable to retire by rotation	Liable to retire by rotation
Number of Board Meetings attended during last Financial Year 2022--23	4 of 4	3 of 4
Remuneration to be paid	As approved by Shareholders	Sitting Fees only
Remuneration last drawn	₹ 728.74 Lakhs	Nil
Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company.	Daughter - Raj Sri Vijayakumar Daughter's Husband - Rajiv Parthasarathy	Father - B Vijayakumar Spouse - Rajiv Parthasarathy
Details of shares held in the Company (including shareholding as a beneficial owner) (as on March 31, 2023)	Direct Holding - 3454000 - 11.00% Significant Beneficiary Ownerships 1. Jeshta Family Private Trust - 4.97% 2. LG Farm Products Private Ltd - 2.55% 3. LG Sports Private Ltd - 1.37%	Direct Holding - 2179156 - 6.94% Significant Beneficiary Ownerships 1. Super Transports P Ltd - 0.45% 2. LGB Auto Products P Ltd - 5.71%

Name of Director	Sri B Vijayakumar	Smt Raj Sri Vijayakumar
List of Directorships held in other Companies as on March 31st, 2023	1. LGB Forge Limited (resigned 12.08.2021 appointed on 03.08.2022) 2. LGB Auto Products Private Ltd 3. LG Sports Private Ltd 4. Super Speeds Private Ltd 5. Super Transports Private Ltd 6. South Western Engineering India Private Ltd 7. LG Farm Products Private Ltd 8. Elgi Equipments Limited	1. LGB Forge Limited 2. LGB Auto Products Private Ltd 3. Super Speeds Private Ltd 4. Super Transports Private Ltd 5. Silent Chain India Private Ltd 6. LG Farm Products Private Ltd 7. Elgi Automotive Services Private Ltd 8. Rajivrdhan Private Ltd 9. Pattimaachi Private Ltd
Name of Listed Companies from which the Director has resigned in the past three years	Nil	Nil
Chairman/Member of the Committees of other public companies as on March 31st, 2023 (includes audit committee and stakeholder's relationship committee)	Nil	LGB Forge Limited Audit Committee - Member Stakeholder's Relationship Committee - Member



BOARD'S REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting their **Sixty Seventh (67th) Annual Report** on the business and operations, along with the audited Financial Statements of your Company (**standalone and consolidated**), for the year ended **March 31, 2023**.

FINANCIAL RESULTS

The key highlights of the Standalone and Consolidated Audited Financial Statements of your Company for the Financial Year ended March 31, 2023, in comparison with the previous Financial Year ended March 31, 2022, are summarized below:

Particulars	Consolidated		Standalone	
	31.03.2023 (₹ In Lakhs)	31.03.2022 (₹ In Lakhs)	31.03.2023 (₹ In Lakhs)	31.03.2022 (₹ In Lakhs)
TOTAL INCOME	2,22,554.84	2,11,412.90	2,10,822.36	2,01,771.53
Profit before interest, depreciation & Tax	40,608.37	40,051.76	39,475.15	38,753.19
Less : Interest	660.39	835.98	602.60	788.13
Depreciation	7,946.79	8,321.81	7,355.42	7,734.22
PROFIT BEFORE TAX	32,001.19	30,893.97	31,517.13	30,230.84
Add : Exceptional items	2,029.48	2,273.75	2,029.48	2,273.75
Less : Provisions for Taxation				
Current Income Tax / MAT	8,705.75	8,741.88	8,684.91	8,741.88
Current tax expenses relating to previous year	-	307.46	-	307.46
Deferred Tax (Credit / charge)	92.12	(455.79)	92.12	(455.79)
PROFIT AFTER TAX	25,232.80	24,574.17	24,769.58	23,911.04

REVIEW OF OPERATIONS:

The Highlights of the Company's performance (Consolidated) for the year ended March 31, 2023, are as under:

On consolidated basis, revenue from operations and other income for the Financial Year under review were ₹ 2,22,554.84 Lakhs as against ₹ 2,11,412.90 Lakhs for the previous Financial Year registering an increase of 5.27%. The profit before tax and exceptional item was ₹ 32,001.19 Lakhs and the profit after tax, was ₹ 25,232.80 Lakhs for the Financial Year under review as against ₹ 30,893.97 Lakhs and ₹ 24,574.17 Lakhs, respectively for the previous Financial Year.

The Highlights of the Company's performance (Standalone) for the year ended March 31, 2023, are as under:

On standalone basis, revenue from operations and other income for the Financial Year under review were ₹ 2,10,822.36 lakhs as against ₹ 2,01,771.53 Lakhs for the previous Financial Year registering an increase of 4.48%. The profit before tax and exceptional item was ₹ 31,517.13 Lakhs and the profit after tax, was ₹ 24,769.58 Lakhs for the Financial Year under review as against ₹ 30,230.84 Lakhs and ₹ 23,911.04 Lakhs, respectively for the previous Financial Year.

TRANSFER TO RESERVES

The Company has transferred an amount of ₹ 20,000 Lakhs to the General Reserves out of the amount available for appropriations and the remaining amount of ₹ **10,851.47 Lakhs** has been retained in the Surplus in Profit and Loss Account.

DIVIDEND

Based on Company's Performance and in terms of Dividend Distribution Policy of the Company, the Board of Directors in its meeting held on April 29, 2023, has recommended a dividend of ₹ 16/- (i.e., 160%) per equity share having face value of ₹ 10/- each amounting to ₹ 5,022.79 Lakhs for the Financial Year ended March 31, 2023, subject to the approval of the Members at the ensuing Annual General Meeting ('AGM') of the Company. The Dividend, if approved, will be paid to all those Members whose names appears in the Register of Member as on the record date i.e. 18th September, 2023.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020, and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961.

According to Regulation 43A of the Listing Regulations, the top 1000 listed entities based on market capitalization, calculated as on 31st March of every Financial Year are required to formulate a Dividend Distribution Policy which shall be disclosed on the website of the listed entity and a weblink shall also be provided in their Annual Reports. Accordingly, the Dividend Distribution Policy of the Company can be accessed using the following link <https://www.lgb.co.in/wp-content/uploads/2021/09/LGB-Dividend-Distribution-Policy.pdf>

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

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time ("the Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF Authority after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred unpaid/ unclaimed dividend which remained unclaimed for a period of 7 years in respect of the Financial Year 2015-2016 (2nd Interim) along with 4737 shares to the Investor Education and Protection Fund (IEPF). The details are also available on the website of the Company, <https://www.lgb.co.in/investor-relations/transfer-of-shares-to-iepf/>

SHARE CAPITAL

The authorised share capital of the Company as on 31st March 2023 was ₹ 47,00,00,000/- comprising of 4,70,00,000 equity shares of ₹ 10/- each. The issued, subscribed and paid-up equity share capital as on 31st March 2023, was ₹ 31,39,24,160/- comprising of 3,13,92,416 equity shares of ₹ 10/- each.

There was no public issue, rights issue, bonus issue or preferential issue, etc., during the year under review. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor issued any convertible securities.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board has met 4 times during the Financial Year 2022-23. The details of the meetings of the Board and Committees thereof are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report. The Intervening gap between the Meetings was within the period prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

INDEPENDENT DIRECTORS' MEETING

The Independent Directors have met on February 25, 2023, without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

COMPLIANCE WITH 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).

DIRECTORS & KEY MANAGERIAL PERSONNEL**DIRECTOR RETIRING BY ROTATION**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Sri. B. Vijayakumar (DIN: 00015583), Executive Chairman and Smt. Rajsri Vijayakumar (DIN:00018244), Director, being longest in the office, are liable to retire by rotation at the ensuing Annual General Meeting of the Company in terms of the Articles of Association and being eligible, they have offered themselves for re-appointment. Necessary agenda for their re- appointment are included in the Notice of AGM for seeking the approval of Members. The Board of Directors recommend their re-appointment.

During the year, based on the recommendation of Nomination and Remuneration committee and the approval of the Audit Committee and the Board of Directors, the Shareholders of the Company has approved the following changes by means of passing necessary special / ordinary resolution(s), as applicable, through postal ballot means on December 18, 2022:

- Sri. B. Vijayakumar (DIN: 00015583), who was Chairman and Managing Director (Promoter) of the Company and who had expressed his desire to step-down as Managing Director and who will attain the age of 70 years on January 22, 2023, was re-designated as "Executive Chairman" of the Company for the remaining period of his current tenure and approved the variation in the terms of payment of remuneration to him, effective from January 01, 2023. (Special Resolution)
- Approved the variation in the terms of payment of remuneration to Sri.P.Prabakaran (DIN.01709564), Managing Director of the Company for the remaining period of his tenure, effective from January 01, 2023. (Ordinary Resolution)
- Sri. Rajiv Parthasarathy (DIN: 02495329), who was already the Whole-time Director (designated as "Senior Vice President - Operations"), was re-designated as "Executive Director" of the Company for the remaining period of his current tenure and approved the variation in the terms of payment of remuneration to him, effective from January 01, 2023. (Special Resolution)

Other than the above, there was no change in the composition of the Board of Directors and Key Managerial Personnel of the Company.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are as given herein below:

Sri. B. Vijayakumar (DIN: 00015583)	Executive Chairman
Sri. P. Prabakaran (DIN: 01709564)	Managing Director
Sri. Rajiv Parthasarathy (DIN: 02495329)	Executive Director
Sri. N. Rengaraj	Chief Financial Officer
Sri. M. Lakshmi Kanth Joshi	Senior General Manager (Legal) & Company Secretary.

During the year under review, there has no change in Key Managerial Personnel, except the changes mentioned herein above.

INDEPENDENT DIRECTORS' DECLARATION

All the Independent Directors have given declaration to the effect that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 read with applicable Schedule and Rules issued thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 and its corrigendum, effective from 1st January, 2022 and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended).

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

The Board of Directors have evaluated the Independent Directors during the year 2022-23 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) read with Section 134(5) of the Act, the Directors state that:

- in the preparation of the annual accounts for the Financial Year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2023 and of the profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the annual accounts on a going concern basis.
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

The Board has made a formal annual evaluation of its own performance and its Committees and of every Individual Directors including the Independent Directors of the Company. The Board's own performance was evaluated based on the criteria like structure, governance, dynamics and functioning and review of operations, financials, internal controls etc.

The performance of the Individual Directors including Independent Directors were evaluated based on the evaluation criteria laid down under the Nomination and Remuneration Policy and the Code of Conduct as laid down by the Board. Further, the Independent Directors, at their separate meeting held during the year 2022-23, has evaluated the performance of the Board as a whole, its Chairman and Non-Executive Non-Independent Directors and other items as stipulated under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committees of the Board were evaluated based on the terms of reference specified by the Board to the said Committee, frequency and effectiveness of Committee meetings, quality of relationship of the Committee and the Management etc. The Board of Directors were satisfied with the evaluation process which ensured that the performance of the Board, its Committees, Individual Directors including Independent Directors adheres to their applicable criteria.

NOMINATION AND REMUNERATION POLICY

Based on the recommendation of the Nomination and Remuneration Committee, the Company has formulated and adopted the Nomination and Remuneration Policy ('NRC Policy') which inter alia provides the criteria for selection and appointment of Directors, Senior Management, evaluation of the performance of the Directors / Key Managerial Personnel / Senior Management and the remuneration payable to them in accordance with the provisions of the Act read with the relevant Rules issued thereunder and the Listing Regulations. The NRC Policy of the Company can also be accessed on the Company's website at <https://www.lgb.co.in/wp-content/uploads/2022/07/Nomination-Remuneration-Policy.pdf>. The salient features of the NRC Policy have been disclosed in the Corporate Governance Report forming an integral part of this report.

ANNUAL RETURN

In compliance of Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of the Annual Return of the Company for the FY 2022-23 is available on the Company's website and can be accessed at <https://www.lgb.co.in/investor-relations/annual-return-mgt-7/>

STATUTORY AUDITORS

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company, at their 66th Annual General Meeting ('66th AGM') held on August 25, 2022, had approved the re-appointment of M/s. Suri & Co, Chartered Accountants (Firm Registration No. 0042835), as the Statutory Auditors of the Company to hold such office for a Second Term of Five consecutive years from the conclusion of 66th AGM till the conclusion of 71st AGM. Accordingly, no resolution for appointment of statutory auditors is included in the Notice convening the 67th Annual General Meeting.

M/s. Suri & Co, Chartered Accountants have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI. The Company has also obtained necessary consent under Section 139 and eligibility certificate under Section 141 from the Statutory Auditors to the effect that their appointment is in conformity with the provisions of the Companies Act, 2013.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS

The Report given by M/s. Suri & Co on the Financial Statements of your Company for the Financial Year 2023 is part of the Annual Report. The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

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

During the year, the Auditors had not identified or reported any instances of fraud under Section 143 (12) of the Act.

COST AUDITOR & MAINTENANCE OF COST RECORDS

The Company has made and maintained cost records as prescribed by the Central Government under Section 148 of the Companies Act, 2013. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company had re-appointed Dr.G.L. Sankaran (Membership No.4482), Cost Accountant as the Cost Auditor to conduct an audit of the cost records of the Company for the year 2023-2024 and the remuneration payable to him, subject to ratification by the Members by means of passing an Ordinary Resolution. As required under the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, necessary ordinary resolution seeking Members' ratification for the remuneration payable to the Cost Auditor is included in the Notice convening the 67th Annual General Meeting of the Company.

Further, the Cost Audit Report for the Financial Year 2022-2023 will be filed with the Central Government in the prescribed form within the period stipulated under the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013, the Company has obtained Secretarial Audit Report in the prescribed Form MR-3 from Mr. M. D. Selvaraj (FCS: 960 / COP: 411), Managing Partner of M/s. MDS & Associates LLP (ICSI Peer Review No.3030/2023), Company Secretaries, Coimbatore for the Financial Year ended 31st March, 2023 and the same is annexed herewith as 'Annexure - A' to this Report. With respect to the observations of the Secretarial Auditor of the Company in his report, your Directors wish to state that necessary steps has been initiated to ensure compliance with all applicable statutory requirements.

Further, the Board of Directors has appointed M/s. MDS & Associates LLP (ICSI Peer Review No.3030/2023), Company Secretaries, Coimbatore as Secretarial Auditors to carry out the Secretarial Audit for the Financial Year 2023-24 pursuant to Section 204 of the Companies Act, 2013 read with the relevant Rules made thereunder and the Listing Regulations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

During the Financial Year ended March 31, 2023, no loan or guarantee or security falling under Section 186 of the Companies Act, 2013 were given by the Company. The details of the investments made during the year under review and the investments made in earlier years in compliance with Section 186 of the Act has been disclosed under the relevant notes to standalone Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the contracts/ arrangements / transactions made by the Company with its related parties during the Financial Year under review were on arm's length basis and in the ordinary course of business and were approved by the Audit Committee. Further, during the reporting period, the Company has not entered into any contract / arrangement/ transaction with any related party which could be considered material in accordance with the Company's Policy on Related Party Transactions, read with the Listing Regulations and accordingly, the disclosure of material related party transactions in Form AOC-2 is not applicable. However, the details of all transactions with related parties have been disclosed in Notes to the Standalone Financial Statement forming an integral part of this Annual Report.

Further, the Company has formulated a policy on related party transactions for identification and monitoring of such transactions. The Policy on related party transactions as recommended by the Audit Committee and approved by the Board can be accessed on the Company's website at <https://www.lgb.co.in/wp-content/uploads/2023/08/Policy-on-Materiality-of-Related-Party-Transaction-and-Dealing-with-Related-Party-Transaction.pdf>

COVID-19

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

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

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

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

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

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy which covers the risk Management approach of the Company and includes collective identification of risks impacting the Company’s business and documents their process of identification, mitigation and optimization of such risks. The Company has constituted a Risk Management Committee in accordance with Regulation 21 of the Listing Regulations. The Risk Management Policy adopted by the Company is available on the website of the Company and can be accessed through the following weblink: <https://www.lgb.co.in/wp-content/uploads/2021/08/risk-management-policy.pdf>

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Act, the Company has constituted a Corporate Social Responsibility Committee and has adopted a Corporate Social Responsibility Policy. The requisite information has also been provided in the Corporate Governance Report forming part of this Directors’ Report. The CSR policy is available on the website of the Company at <https://www.lgb.co.in/wp-content/uploads/2022/07/Corporate-Social-Responsibility-Policy.pdf>.

The annual report on CSR activities as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **ANNEXURE - C** to this report.

FIXED DEPOSITS

As of 31st March 2023, the fixed deposits accepted by the Company from public and shareholders aggregated to ₹ 1,396.15 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, the approval of shareholders was obtained by the Company by way of Special Resolution at the Annual General Meeting held on 10.09.2015 for inviting/ accepting/ renewing deposits from Members and public.

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 “ICRA “AA”(stable) for its fixed deposit from ICRA.

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

	₹ in lakhs
Amount of deposits as on 01.04.2022	1605.82
Deposits accepted during the year	48.50
Deposits repaid during the year	258.17
Amount of deposits as on 31.03.2023	1396.15
a. At the beginning of the year	1605.82
b. Maximum during the year	1629.57
c. At the end of the year	1396.15
Deposits remaining unpaid or unclaimed as at the end of the year	Nil
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	Nil
The details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

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

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

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

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

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (“IBC Code”) during the Financial Year and does not have any proceedings related to IBC Code.

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

The Company has not made any onetime settlement during the Financial Year 2022-23 with Banks or Financial Institution and hence, the disclosure under this clause is not applicable.

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

During the year under review, the Company has commenced construction of Factory on the allotment of Land at Additional Bultibori MIDC Industrial Area Nagpur for establishment of New Manufacturing Plant for manufacturing of Power Transmission Chains and related Products for Auto and Industrial Application under MEGA Project Scheme. The commercial production in the new plant will start in Q3-Q4 of the FY 2023-2024.

ON-GOING ACQUISITION OF RSAL STEEL PRIVATE LIMITED

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

INTERNAL FINANCIAL CONTROLS

The Company has adequate Internal Financial Control systems in place which are supplemented by an extensive Internal Audit Program conducted by an Independent Professional Agency. The Internal Control system is designed to ensure that all financial and other records are reliable for preparing Financial Statements and for maintaining accountability of Assets. During the Financial Year, such controls were tested and no reportable material deficiency in controls were observed.

DISCLOSURE UNDER SECTION 197(12) AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc., as stipulated under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **ANNEXURE-D** to this Report.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate Internal Financial Control systems in place which are supplemented by an extensive internal audit program conducted by an independent professional agency. The internal control system is designed to identify and help mitigate risk and improve the Company's overall internal controls and to ensure that all financial and other records are reliable for preparing Financial Statements and for maintaining accountability of assets. During the Financial Year, such controls were tested and no reportable material deficiency in controls were observed. Internal Financial Controls are evaluated, and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") is annexed with the Independent Auditors' Report.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

As of March 31, 2023, the Company has three subsidiaries viz., LGB USA INC, (Direct Overseas Subsidiary), GFM Acquisition LLC and GFM LLC (Step down overseas subsidiaries) in USA. The Company does not have any joint ventures or associate companies during the reporting period.

ACCOUNTS OF SUBSIDIARIES

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

Further, in accordance to the provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein audited Financial Statements of the Company and also the Financial Statements of subsidiary Company have been placed on the website of the Company at <https://www.lgb.co.in/wp-content/uploads/2023/08/Subsidiary-Financials-2022.pdf>

The Company has laid down policy on material subsidiary and the same is placed on the website <https://www.lgb.co.in/wp-content/uploads/2021/08/policy-for-determining-material-subsidiaries.pdf> None of the subsidiaries are material subsidiary for the financial year ended 31st March 2023 as per the provisions of SEBI (LODR) Regulations, 2015.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year ended 31st March 2023.

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining the highest standards of Corporate Governance and adheres to the corporate governance requirements as set out by the SEBI. The Company has also implemented several best governance practices. A detailed Corporate Governance Report ("CG Report") as stipulated under Regulation 34(3) read with Part C of Schedule V of the Listing Regulations is forming part of this Annual Report. The requisite certificate from Mr. M. D. Selvaraj (FCS: 960 / COP: 411), Managing Partner of M/s. MDS & Associates LLP (ICSI Peer Review No.3030/2023), Company Secretaries, Coimbatore confirming compliance with the conditions of corporate governance is attached to the CG Report as **"ANNEXURE G"**.

AUDIT COMMITTEE

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

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy and Vigil Mechanism that provides a mechanism to report violations, any unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct, including providing adequate safeguards against victimisation. Further, it is stated that the Company has provided direct access to the Chairman of the Audit Committee under the whistle blower mechanism.

During the Financial Year 2022-23, no case was reported under Whistle Blower Policy of the Company. The details of the Whistle Blower Policy have been disclosed in the Corporate Governance Report and the same is available on the website of the Company at: <https://www.lgb.co.in/wp-content/uploads/2021/08/whistle-blower-policy.pdf>

LISTING OF EQUITY SHARES

The Company's Equity Shares continue to be listed at National Stock Exchange of India Limited and BSE Limited and details of listing have been given in the Corporate Governance Report forming part of this Directors' Report. We confirm that the Listing fee for the Financial Year 2023-2024 has been paid to them.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant SEBI Circulars, a new reporting requirement on ESG Parameters were prescribed under "Business

Responsibility and Sustainability Reporting” (“BRSR”). The BRSR seeks disclosure on the performance of the Company against the nine principles of the “National Guidelines on Responsible Business Conduct” (“NGRBCs”).

As per the SEBI Circulars, effective from the Financial Year 2022-23, filing of BRSR is mandatory for the top 1,000 listed companies by market capitalisation. Accordingly, the “Business Responsibility and Sustainability Report” of the Company is annexed as **ANNEXURE H** and forms an integral part of the Annual Report.

HUMAN RESOURCE

We believe that the human resource forms the key factor in leading organizational success and thereby, we consider our employees to be our most valued asset. LGB provides in-house training for employees through skill development initiatives and career development opportunities at all levels and across all functions. Our Company’s talent Management strategy focuses on sustaining the Company’s position as among India’s most valuable organizations for successfully delivering quality customer service and competitive superiority, while also facilitating future-preparedness and agility.

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

INSURANCE

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. The Company has in place an Anti-Sexual Harassment Policy in line with requirements, inter-alia, of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainee) are covered under this policy. No complaints of sexual harassment were received by the Company during the Financial Year 2022-2023.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their sincere appreciation of the Company’s customers, vendors and bankers for their continued support to the Company during the year. The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organization. We thank the Government of India, the state governments and other government agencies for their assistance and co-operation and look forward to their continued support in the future. Finally, the Board would like to express its gratitude to the Members for their continued trust, co-operation and support.

For and on behalf of the Board of Directors

Coimbatore
29.04.2023

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564



ANNEXURE - A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To

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

We 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,

We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended **31st March, 2023**, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2023 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment.
- e) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

- e. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

We 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 Company has (a) remitted the unpaid/unclaimed dividend amount(s) relating to financial year 2014-15 (final dividend) and 2015-16 (first interim dividend) to the Investor Education and Protection Fund (IEPF) on 28.11.2022 and 24.01.2023 respectively, whereas the due date(s) were 14.11.2022 and 01.01.2023; (b) transferred the underlying equity shares in respect of the said unpaid/unclaimed dividend amount(s) relating to financial year 2014-15 and 2015-16 to the Investor Education and Protection Fund (IEPF) on 27.12.2022 and 04.04.2023 respectively, whereas the due date(s) were 14.11.2022 and 01.01.2023.

We 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 and Sweat Equity) Regulations, 2021;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- e. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

We 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.

We 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.

We 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.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. The change(s) 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.

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

We further report that there were no instances of;

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

Place : Coimbatore
Date : 29.04.2023

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

For MDS & Associates LLP
Company Secretaries
M D SELVARAJ
Managing Partner
FCS No.: 960 / C P No.: 411
UDIN: F000960E000225492
Peer Review No. 3030/2023

'ANNEXURE A'

ANNEXURE TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

To

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

Our 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. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of the Management. Our 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 : 29.04.2023

For MDS & Associates LLP
Company Secretaries
M D SELVARAJ
Managing Partner
FCS No.: 960 / C P No.: 411
UDIN: F000960E000225492
Peer Review No. 3030/2023

ANNEXURE B

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

A. CONSERVATION OF ENERGY

The Company has taken specific initiatives towards conservation of electrical energy through usage of energy efficient equipment, substitution of electrical power for applications such as heating and usage of alternate / renewable energy.

The total renewable power consumption aggregates to **130.70 LAKH UNITS** during the **FINANCIAL YEAR 2022-2023** (125 lakhs units during the financial year 2021-2022) which represents 13.34% of total power consumption. The use of renewable power sources has resulted in reduction of emission of Green House Gases equivalent to **11,920 MT CO₂**.

Steps taken or impact on conservation of energy:

The Company also focused on energy savings at its manufacturing units through implementation of energy conservation initiatives / projects. The steps taken on conservation of energy are as follows: -

- a) Reduction in power consumption by revamping the old furnaces and thereby eliminating the heat loss and getting good quality output.
- b) Reduction in transformer loss by switching off one transformer and sharing the load to another transformer during Sunday/Holidays.
- c) Power consumption of air compressors has been reduced by eliminating air leakages in pipelines and setting the required air pressure.
- d) VFD system installed in higher capacity motors to conserve energy.
- e) Thyristor controls installed in furnace heaters to maintaining the desired temperature.
- f) Thermography study conducting in electrical system and eliminating over heating of electrical equipment's.
- g) Selection of appropriate size of cable for

- electrical equipment's and machineries to avoid cable loss.
- h) Inverter type 3 Star/5 Star Split AC using in office area.
- i) Latest energy efficient EFF clause -2 motors using in our machineries.
- j) Installed Heli fans in shop floor roof area and eliminated huge number of wall mount/stand mount type industrial man coolers thereby resulting in achieving energy saving.
- k) In office & Shop area, lights were converted into LED lights.
- l) All wash basin water taps were converted into sensor type to reduce water consumption.
- m) In machine shop roof, facilities adopted with polycarbonate sheet for natural lights & provided natural turbo ventilators.
- n) Energy saving panel for lightings through main feeder.
- o) Dripping system in some areas for gardening.
- p) Introduction of Natural Turbo Ventilation, which is reckoned as a perfect and natural air exhausting option for the industry.
- q) Installation of APFC (Automatic Power Factor Controllers) to improve/stabilise power factor.
- r) Optimum utilisation of energy through process redesigning as well as maximum utilisation of equipment that offers improved energy efficiency.
- s) Time switches installed at various places for automatic control of streetlights.
- t) Replacement of all conventional high energy consumption lighting, by installation of LED and induction lights in major areas.
- u) The Company has taken measures to save water whereby 100 per cent of the domestic effluent and the trade effluent/sewage is treated and used for gardening.
- v) Energy conservation awareness training given to employees.

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

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

(B) TECHNOLOGY ABSORPTION-

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

- a) Employed an US based consultant for IC Engine Assembly & Testing
- b) Working with European and Japanese suppliers for the special coating techniques for chain parts
- c) Employed a rubber consultant to enhance rubber product range.

2. BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

- a) New Business - IC Engine assembly & Testing for an export customer

- b) New Businesses from stellantis for four-wheeler application and from two-wheeler OEMs for electric vehicles.

3. IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR) -

- a) Laser Structuring as a dive feature for sprockets
- b) Gear Grinding Technology
- c) Rocker Pin Chain
- d) Chain Pin Nitriding

(iv) the expenditure incurred on Research and Development

The Company has incurred a total expenditure of **₹ 758.78 LAKHS** (includes Capital and Recurring Expenses) towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned : ₹ 24,371.88 Lakhs
Foreign Exchange used : ₹ 7,539.69 Lakhs

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

Place : Coimbatore
Date : 29.04.2023



**GEAR GRINDING MACHINE
@ PILLAIAPPAMPALAYAM**



ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Board of Directors in accordance with Section 135 of the Companies Act, 2013 (the Act) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 has adopted the Corporate Social Responsibility (CSR) Policy. The CSR policy lays down thrust areas for CSR activities which include projects benefitting the communities around the Company, its neighboring regions, and other underdeveloped areas. The policy mentions that the CSR activities of the Company would mainly focus on Education, Medical and Health Care, Rural Development, and outlines the nature of activities / programs proposed to be undertaken by the Company.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. B Vijayakumar	Chairman	5	5
2.	Mr R Vidhyashankar	Member	5	5
3.	Mrs. Rajsri Vijayakumar	Member	5	5
4	Mr P Prabakaran	Member	5	5

3. PROVIDE THE WEBLINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

CSR Committee:	https://www.lgb.co.in/wp-content/uploads/2022/05/Various-Committees-of-Board-of-Directors.pdf
CSR Policy:	https://www.lgb.co.in/wp-content/uploads/2023/08/Corporate-Social-Responsibility-Policy.pdf
CSR Projects:	https://www.lgb.co.in/wp-content/uploads/2023/08/CSR-Projects-Approved-by-the-Board-for-the-Financial-Year-2022-23.pdf

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.

Impact Assessment of CSR Projects is not applicable.

5. (a) Average net profit of the company as per section 135 (5) : ₹ 20,788.87 Lakhs
 (b) Two percent of average net profit of the company as per section 135(5) : ₹ 415.77 Lakhs
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil
 (d) Amount required to be set off for the financial year, if any : Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 415.77 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than
 (i) On going Project : ₹ 28.05 Lakhs
 (ii) Other than On going Project : ₹ 207.08 Lakhs
 (b) Amount spent in Administrative Overheads : Nil
 (c) Amount spent on Impact Assessment, if applicable : Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 235.13 Lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Lakhs)	Amount Unspent (in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
235.13	181.00	12.04.2023	Nil	Nil	Nil

(f) Excess amount for set off, if any

S. No.	Particular	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	415.77
(ii)	Total amount spent for the Financial Year	416.13
(iii)	Excess amount spent for the financial year ((ii)-(i))	0.36
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	0.36

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

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6)	Balance amount in un-spent CSR amount under section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	2019-20	-	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-	-
3	2021-22	101.04	-	101.04	-	-	-	-
	TOTAL	101.04	-	101.04	-	-	-	-

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

If Yes, enter the number of Capital assets created / acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
NOT APPLICABLE							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable.

Place : Coimbatore
Date : 29.04.2023

B VIJAYAKUMAR
Chairman of the Committee
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

On going project of Lift Irrigation Systems in Lakshminaickenpalayam Village expected in line of commencement Dec'23



ANNEXURE D

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, 2023, 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, 2023:

Sr. No	Director	Category	Remuneration ₹ in lakhs	Median Remuneration	Ratio	% increase / (decrease)
1	Sri.B.Vijayakumar	Executive Chairman	728.74	3.45	211:1	-9%
2	Sri.P.Prabakaran	Managing Director	276.72	3.45	80:1	9%
3	Sri. Rajiv Parthasarathy	Executive Director	57.98	3.45	17:1	224%
4	Smt.Rajsri Vijayakumar	Non-Executive Promoter	-	-	-	-
5	Sri.S.Sivakumar	Non-Executive Non-Independent	-	-	-	-
6	Smt.Kanchana Manavalan	Non-Executive Independent	-	-	-	-
7	Sri.G.D. Rajkumar	Non- Executive Independent	-	-	-	-
8	Sri.V.Govindarajulu	Non-Executive Independent	-	-	-	-
9	Sri.P.Shanmugasundaram	Non- Executive Independent	-	-	-	-
10	Sri.R.Vidhya Shankar	Non- Executive Independent	-	-	-	-
11	Dr.Vinay Balaji Naidu	Non- Executive Independent	-	-	-	-
12	Sri.N.Rengaraj	Chief Financial Officer	57.05	-	-	10%
13	Sri. M. Lakshmi Kanth Joshi	Senior General Manager (Legal) & Company Secretary	41.13	-	-	10%

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

- Percentage increase in the median remuneration of employees in the Financial Year : 7%
- Number of permanent employees on the rolls of Company as on 31st March, 2023 : 2478
- Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentiles increase in remuneration other than managerial personnel is 7% and average percentile increase / (decrease) in remuneration for managerial personnel is -1%.

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

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

For and on behalf of the Board of Directors

Place : Coimbatore
Date : 29.04.2023

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

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

S. No	Name of Employee	Designation	Remuneration Received ₹ In Lakhs	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Share held
1	B Vijayakumar	Executive Chairman	728.74	Permanent	BSC	45	25-11-1986	70	NIL	11.00
2	P Prabakaran	Managing Director	276.72	Permanent	BE	35	21-03-1988	64	Shanthi Gears Limited	-
3	Rajiv Parthasarthy	Executive Director	57.98	Permanent	BE	15	01-08-2021	45	NIL	-
4	N Rengaraj	Chief Financial Officer	57.05	Permanent	MBA, FCA	25	01-03-2004	53	Rubfla International Limited	-
5	P Subbiah	General Manager	43.81	Permanent	BE	35	02-07-2007	57	PHC Manufacturing Private Limited	-
6	M Lakshmi Kanth Joshi	Senior General Manager (Legal) & Company Secretary	41.13	Permanent	MBA. ACS., LLB	25	30-03-2005	56	Veejay Lakshmi Engineering Works Limited	-
7	N Suresh Kumar	General Manager	40.67	Permanent	DME, BBA	32	01-02-1995	52	Milltex Engineering Private Limited	-
8	A Ramadass	Chief Technical Officer	40.51	Permanent	AMIIM, MBA	35	21-08-2020	54	Magna Automotive India Private Limited	-
9	M Dhanasekar	General Manager	32.61	Permanent	BE, MBA	31	29-11-1998	52	Sunjai Engineering Private Limited	-
10	R Senthilkumar	General Manager	31.52	Permanent	BE., MBA	32	24-04-1991	54	NIL	-

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

S. No	Name of Employee	Designation	Remuneration Received ₹ In Lakhs	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Share held
1	B Vijayakumar	Executive Chairman	728.74	Permanent	BSC	45	25-11-1986	70	NIL	11.00
2	P Prabakaran	Managing Director	276.72	Permanent	BE	35	21-03-1988	64	Shanthi Gears Limited	-

Coimbatore
29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583

P. PRABAKARAN
Managing Director
DIN: 01709564

FORM AOC-1

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

Part "A" : Subsidiaries

Figures in Lakhs

1.	Name of the Subsidiary Company	LGB USA INC	
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting to period	01-01-2022 to 31-12-2022	01-01-2022 to 31-12-2022
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR	USD
4.	Share Capital	3,392.85	52.40
5.	Reserves & Surplus	2,337.69	26.11
6.	Other Liabilities	3,284.42	42.07
7.	Total Liabilities	9,014.95	120.57
8.	Total Assets	9,014.95	120.57
9.	Investments (Excl. investment in subsidiaries)	Nil	Nil
10.	Turnover & Other Income	11,732.49	149.17
11.	Profit / (Loss) Before Taxation	484.06	3.10
12.	Provision for Tax (incl: Deferred Tax)	-	-
13.	Profit / (Loss) after Taxation	484.06	3.10
14.	Proposed Dividend	Nil	Nil
15.	% Share Holding	96.00%	96.00%

Notes

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

Part "B" : Associates and Joint Ventures

The Company does not have Associates or Joint Ventures during the year 2022-23.

Coimbatore
29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583

P. PRABAKARAN
Managing Director
DIN: 01709564

SPROCKETS AND GEARS



MOULDED RUBBER PRODUCTS

ANNEXURE F

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The automotive industry is coming out of one of its most challenging periods in history. Considering that the post-pandemic, a major restructuring is underway in global supply chains following widespread disruption in recent times due to Covid, Russia-Ukraine conflict and the global inflation in advanced economies was accompanied by tightening monetary policy stance, which in turn created a ripple effect in global markets. Although we have no operations in Russia or Ukraine, we are closely monitoring the conflict and constantly assessing its potential impacts on LGB and our customers.

Moreover, domestic sales across the segments of the industry are bouncing back to the pre-pandemic levels. These trends assure us that the Indian auto component industry is set on the trajectory of strong and sustainable growth. The collective effort of the government and the industry players have started to come to fruition, putting India on the world map as the global manufacturing destination. Nevertheless, by focusing on our strategy and financial prudence, LGB remained steadfast and delivered strong FY 2022-2023 results.

COMPANY AND BUSINESS OVERVIEW

With over 66 years of service, LGB has established itself as a leading supplier of Transmission Chain's, Sprockets and Metal formed Parts for automotive applications and for Original Equipment Manufacturers (OEM) and also caters to export, after market and spares segments. Our strong "ROLON" brand recognition with global presence is built on the pillars of Trust, Integrity, and Respect. From research and development to manufacturing, marketing, and customer engagement, LGB provides a comprehensive range of Products. We continue to focus on creating new products as well as expanding the use of existing offerings that are tailored to the different needs of our customers. Building and strengthening

strategic partnerships with customers is core to LGB's strategy.

OPPORTUNITIES / OUTLOOK

The growth outlook is better than pre-pandemic years for Indian Automobile segment and is prepared to grow at its potential in the medium term. The demand for automotive components is increasing due to various factors, such as the increasing service life of vehicles. "ICRA" projects replacement demand growth at 6-8 per cent in FY2024, supported by underlying demand drivers, including the increase in mobility, improving economic activity. Besides that, Indian automobile market is predominantly led by two-wheeler segment, sales may boost amidst improving rural incomes, expanding middle class population and due to vehicle scrappage policy introduced by Indian Government. These measures are expected to brighten the long-term prospects for the industry. LGB continues to transform its offering in order to provide its customers with differentiated, reliable and high-quality products and services based on their needs.

Going forward, LGB will continue to closely watch global developments, seeking opportunities to advance our strategy, building on our strengths, and adapting to business environment changes. By doing so, LGB is confident that it can continue supporting customers and creating lasting value for all LGB's Shareholders.

THREATS

In terms of the outlook for the FY2024, the components body, however, is adopting a wait-and-watch approach as uncertainties continue to loom large due to the prolonged Russia-Ukraine conflict, changed the market landscape considerably, contributing to a downturn in demand. Accordingly, we face global macroeconomic challenges and highly competitive environment. While the overall environment remains uncertain, particularly in light of the effects of the COVID-19 pandemic, increase in raw material prices, increase in lending rates, global

geopolitical tensions, volatility in exchange rates and evolving dynamics in the global trade environment. The hardening of crude oil prices presents a major risk to the outlook on inflation. The Company keenly monitor the price movements and undertakes the necessary strategy or adopts remedial measures to offset this risk and we continue to aggressive in priority areas with the objective of driving profitable growth over the long term. Despite such turbulence, LGB continued making significant progress.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company manufactures chains, sprockets and metal formed parts for automotive applications. Its business segments are transmission and metal forming. Its transmission products include chains, sprockets, tensioners, belts and brake shoe. It also offers metal forming products consisting of fine blanking for precision sheet metal parts, machined components and wire drawing products for internal use as well as for other chain manufacturing plants, spring steel suppliers and umbrella manufacturers.

The sales performance during the year is as follows:

Particulars	Consolidated (₹ in lakhs)
Transmission	1,73,165.98
Metal Forming	47,131.81
Total	2,02,297.79

RISKS AND CONCERNS

The Board of Directors has adopted and approved a Risk Management Policy for the Company to ensure the ongoing identification, evaluation, and mitigation of business risks, safeguarding the interests of its stakeholders. The Risk Management framework is designed to adapt to the evolving business environment and promptly address any emerging risks. The Risk Management Committee is updated on emerging risks and corrective actions every six months.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

At LGB, Internal Control serves as a fundamental pillar of Corporate Governance. The Company has established policies, procedures, control frameworks, and Management systems. These initiatives ensure compliance with regulatory requirements, internal controls, and accurate financial and operational reporting. At the entity and process levels, internal control mechanisms are designed to promote adherence to established procedures and ethical codes of conduct. Senior Management certifies the effectiveness of internal controls, ensures compliance with financial and commercial transactions, and declares any conflicts of interest. Independent internal auditors further bolster the internal control process. The Audit Committee of LGB reviews and approves the audit plan. In addition, regular meetings are held to review auditor reports and compliance. Significant audit observations and follow-up actions are reported to the Audit Committee for further review.

FINANCIAL AND OPERATIONAL PERFORMANCE

On consolidated basis, revenue from operations and other income for the financial year under review were ₹ 2,22,554.84 Lakhs as against ₹ 2,11,412.90 Lakhs for the previous financial year registering an increase of 5.27%. The profit before tax and exceptional item was ₹ 32,001.19 Lakhs and the profit after tax, was ₹ 25,232.80 Lakhs for the financial year under review as against ₹ 24,574.17 Lakhs respectively for the previous financial year.

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 2,10,822.36 Lakhs as against ₹ 2,01,771.53 Lakhs for the previous financial year registering an increase of 4.48%. The profit before tax and exceptional item was ₹ 31,517.13 Lakhs and the profit after tax was ₹ 24,769.58 Lakhs for the financial year under review as against ₹ 23,911.04 Lakhs respectively for the previous financial year.

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

	Year ended March 31, 2023	Year ended March 31, 2022	% of Change
Current Ratio	2.39	2.08	15.31%
Debt-Equity Ratio	0.06	0.08	-18.10%
Debt Service Coverage Ratio	18.31	22.63	-19.09%
Return on Equity Ratio	0.18	0.22	-15.21%
Inventory turnover ratio	5.28	5.72	-7.80%
Trade Receivables turnover ratio	7.87	7.94	-0.89%
Trade payables turnover ratio	4.21	4.23	-0.41%
Net capital turnover ratio	1.70	2.02	-16.20%
Net profit ratio	12%	12%	-0.03%
Return on Capital employed	24%	27%	-3.71%
Return on investment	4%	2%	1.61%

HEALTH, SAFETY, SECURITY ENVIRONMENT

We are committed to creating a safe and secure work environment for our employees. We strive to ensure that safety is our top priority in all our operations, and we are dedicated to fostering a culture of safety first. We regularly review our safety practices to ensure that they meet the highest industry standards, and we endeavor to ensure that our workplace is the best it can be. As a result, there were no fatal accidents in **FY 2022-23**. The Company is committed to maintain its operations and

workplace free from incidents and significant risk to the health & safety of its stakeholders through improved engineering practices, constant communication, safety awareness, robust checking systems and sound training practices and through audits..

HUMAN RESOURCES / INDUSTRIAL RELATIONS

LGB ability to attract, retain and develop talented employees at all levels is critical to delivering on the company's Purpose and Global Integrator vision. The People strategy was designed, in alignment with the company's Core Values, to create the right environment to engage and inspire employees to thrive.

During the year **2022-23**, the Company made significant progress in rolling out initiatives to support the priorities defined in the People Strategy. These included new talent attraction and onboarding programmes, a strong focus on leadership development, and a new talent Management approach closely linked to new career building tools.

The Industrial relations were peaceful and harmonious throughout the year. As on the date, the number of permanent employees on roll is **2,478**.

CAUTIONARY STATEMENT

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

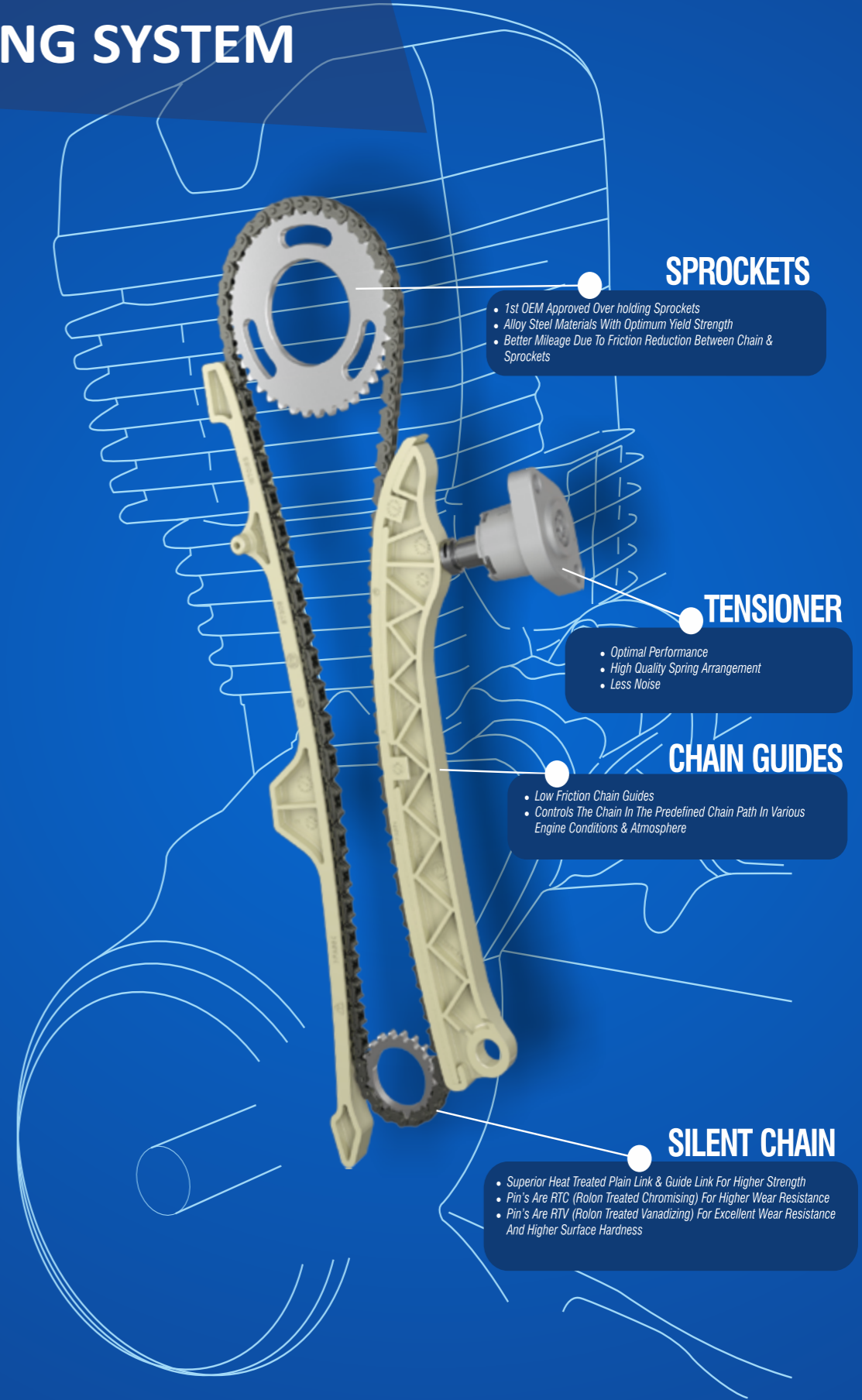
For and on behalf of the Board of Directors

Coimbatore
29.04.2023

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583

P.PRABAKARAN
Managing Director
DIN:01709564

TIMING SYSTEM



SPROCKETS

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

TENSIONER

- Optimal Performance
- High Quality Spring Arrangement
- Less Noise

CHAIN GUIDES

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

SILENT CHAIN

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

CORPORATE GOVERNANCE REPORT

ANNEXURE G

As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”)

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

L.G.Balakrishnan & Bros Limited (LGB) is committed to maintaining the highest standards of corporate governance; this ensures effective decision-making, robust risk Management, accountability, ownership, transparency and social responsibility at all levels of the organization.

LGB believes that transparency in the form of disclosures, presence of strong Board with adequate composition of Independent Directors, compliance of law in letter and spirit, responsible corporate conduct and being accountable ensures good Corporate Governance and enhances the reputation of the Company without hindering with the shareholder’s faith in the Company. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“the Listing Regulations”).

2. BOARD OF DIRECTORS:

The Board of Directors along with its Committees, guides, directs and oversees the Management and protects long term interests of shareholders, employees and the society, at large. The Board also ensures compliance of the applicable provisions and code of ethical standards wherever the Company and its subsidiaries are present.

In conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and applicable provisions of the Companies Act, 2013 (‘Act’), as amended from time to time, your Company has a competent Board with right mix of knowledge, skills, experience and expertise in diverse areas with an optimum combination of Executive and Non-Executive Directors including Women Directors and requisite number of Independent Directors.

As on March 31, 2023, the Company’s Board consists of 11 Members comprising eight Non-executive Directors (including six Independent Directors), three Executive Directors (including two promoter/promoter group Directors). Further, there are two Women Directors on the Board, out of which one is an Independent Director.

None of the Directors on the Board is a member of more than 10 (Ten) Committees or a Chairperson of more than 5 (Five) Committees [as stipulated in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) across all the Indian Public Companies, in which he/she is a Director. The annual disclosure providing the Committee position and other Directorship has been made by the Directors.

The details of composition and category of the Directors on the Board, their attendance at Board Meetings and last Annual General Meeting, number of Directorships held by them in other Indian Public Limited Companies including the Committee Chairmanships/Memberships held by them are given below

Name and DIN	Category & Designation	Attendance			No. of Directorship in other Public Companies*	Number of Committee Positions held in other Companies **	
		No. of Board Meetings Held during the year	Board Meetings attended during the year	AGM		Chairman ship	Member ship
Sri. B. Vijayakumar # DIN:00015583	Executive - Promoter Executive Chairman	4	4	Yes	2	-	-
Sri. P. Prabakaran DIN:01709564	Executive Managing Director	4	4	Yes	-	-	-
Sri.Rajiv Parthasarathy \$ DIN: 02495329	Executive - Promoter Executive Director	4	4	Yes	-	-	-
Smt.Rajsri Vijayakumar @ DIN: 00018244	Non-Executive Promoter	4	3	Yes	1	-	2
Sri. S. Sivakumar DIN: 00016040	Non-Executive Non-Independent	4	4	Yes	-	-	-
Smt.Kanchana Manavalan DIN: 07497403	Non-Executive Independent	4	4	Yes	-	-	-
Sri. V. Govindarajulu DIN: 00016108	Non-Executive Independent	4	4	Yes	-	-	-
Sri.P. Shanmugasundaram DIN: 00119411	Non-Executive Independent	4	4	Yes	2	2	-
Sri.R. Vidhya Shankar DIN: 00002498	Non-Executive Independent	4	4	Yes	2	1	2
Sri. G.D. Rajkumar DIN: 00197696	Non-Executive Independent	4	4	Yes	1	-	1
Dr.Vinay Balaji Naidu DIN:09232643	Non- Executive Independent	4	4	Yes	1	1	2

* Exclude Directorship in Private Companies and Foreign Companies.

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

Sri. B. Vijayakumar, who was already Chairman and Managing Director, has been re-designated as Executive Chairman effective from January 01, 2023

\$ Sri. Rajiv Parthasarathy is husband of Smt. Rajsri Vijayakumar. Sri. Rajiv Parthasarathy, who was already Whole-time Director (designated as “Senior Vice President-Operations”) has been re-designated as Executive Director effective from January 01, 2023

@ Sri. B. Vijayakumar is Father of Smt. Rajsri Vijayakumar.

Details of Directorship of Directors in other Listed Entities and the category of their Directorship as on March 31, 2023:

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Category of Directorship
Sri.B.Vijayakumar DIN:00015583	Elgi Equipments Limited	Non-Executive Independent Director
	LGB Forge Limited	Non-Executive Non Independent Director
Sri.P.Prabakaran DIN:01709564	NIL	NA
Smt.Rajsri Vijayakumar DIN: 00018244	LGB Forge Limited	Managing Director
Sri.Rajiv Parthasarathy DIN: 02495329	NIL	NA
Sri.S.Sivakumar DIN: 00016040	NIL	NA
Smt.Kanchana Manavalan DIN: 07497403	NIL	NA
Sri.V.Govindarajulu DIN: 00016108	NIL	NA
Sri.P.Shanmugasundaram DIN: 00119411	LGB Forge Limited	Non-Executive Independent Director
	Pricol Limited	Non-Executive Independent Director
Sri.R.Vidhya Shankar DIN: 00002498	Pricol Limited	Non-Executive Independent Director
Sri. G D Rajkumar DIN: 00197696	Magna Electro Castings Limited	Non-Executive Independent Director
Dr.Vinay Balaji Naidu DIN:09232643	Precot Limited	Non-Executive Independent Director

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships 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.

DETAILS OF THE BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2022-2023

The Board meets at least once in a quarter and the interval between two consecutive Board meetings is not more than 120 days. The Meetings of the Board deliberate among other things, key issues like periodic operating and financial results, capital/ operating budgets, findings/comments of the Statutory and Internal Auditors, risk Management, internal controls, issue of capital and other resource mobilization efforts. The Board also deliberates on the Company’s strategy for medium and long term growth. The necessary quorum was present in all the Board meetings. Agenda and other material information 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 annual calendar of Board Meetings is agreed upon at the beginning of the year to ensure that there is maximum attendance and participation in the Board Meetings. The Company conducts Board Meetings in compliance with the requirements of the Companies Act, 2013 and Listing Regulations. During the Financial Year 2022-23, the Board has met 4 times on 30.04.2022, 30.07.2022, 31.10.2022 and 28.01.2023 respectively.

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

The details of shares held by the Non-Executive Directors as on March 31, 2023 are given under the table below

Name	No of Shares held	% of Holding
Smt.Rajsri Vijayakumar	2,179,156	6.94
Smt.Kanchana Manavalan	516	0.00
Sri.S.Sivakumar	1,194	0.00
Sri.V.Govindarajulu	-	-
Sri.P.Shanmugasundaram	-	-
Sri.R.Vidhya Shankar	-	-
Sri.G.D.Rajkumar	-	-
Dr.Vinay Balaji Naidu	5,500	0.17

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

None of the Directors were issued any stock options.

DIRECTORS INTER-SE RELATIONSHIP

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors are regularly familiarised about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. Periodic presentations are made at the Board/Committee meetings on the Company’s business and developments. In this regard, the Company follows a structured familiarisation program for the Independent Directors. The details of familiarization programmes imparted to independent Directors during the Financial Year 2022-23 are disclosed on the Company’s website <https://www.lgb.co.in/wp-content/uploads/2023/06/Familiarization-Programme.pdf>

BOARD SKILL/COMPETENCIES/EXPERTISE

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 Board constantly focuses on raising of the governance standards of the Company.

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

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

Our Directors are responsible for overseeing the Company's business consistent with their fiduciary duties. This significant responsibility requires highly skilled individuals with various qualities, attributes, and professional experiences. We believe the board is well-rounded, with a balance of relevant perspectives and experience, as illustrated in the following chart.

S. No	Name of Director	General Management, HR and Leadership	Technical	Strategy & Business Planning	Finance and Accounts	Corporate Governance	Stakeholder Value Creation
1	Sri.B.Vijayakumar DIN:00015583	✓	✓	✓	✓	✓	✓
2	Sri.P.Prabakaran DIN:01709564	✓	✓	✓	✓	✓	✓
3	Smt.Rajsri Vijayakumar DIN: 00018244	✓	✓	✓	✓	✓	✓
4	Sri.Rajiv Parthasarathy DIN: 02495329	✓	✓	✓	✓	✓	✓
5	Sri.S.Sivakumar DIN: 00016040	✓	✓	✓	✓	✓	✓
6	Smt.Kanchana Manavalan DIN: 07497403	✓	-	✓	✓	✓	✓
7	Sri.V.Govindarajulu DIN: 00016108	✓	-	✓	✓	✓	✓
8	Sri.P.Shanmugasundaram DIN: 00119411	✓	-	✓	✓	✓	✓
9	Sri.R.Vidhya Shankar DIN: 00002498	✓	-	✓	✓	✓	✓
10	Sri. G D Rajkumar DIN: 00197696	✓	✓	✓	✓	✓	✓
11	Dr.Vinay Balaji Naidu DIN:09232643	✓	-	✓	✓	✓	✓

MEETING OF INDEPENDENT DIRECTORS

In accordance with Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 25.02.2023 without the presence of Non- Independent Directors and Members of Management, to review the performance of Non-Independent Directors and the Board of Directors as a whole and the performance of the Chairman, considering the views of Executive Directors and Non-Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that helps the Board to effectively and reasonably perform their duties.

CONFIRMATION ON THE FULFILLMENT OF THE CONDITIONS OF INDEPENDENCE:

Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that the Independent Directors fulfil the conditions specified in 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, IF ANY:

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

3.AUDIT COMMITTEE

The Audit Committee of the Company is duly constituted as per Regulation 18 of the Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and have expertise in Financial Management. Sri.P.Shanmugasundaram is the Chairman of the Audit Committee. The Statutory Auditors were invited to Audit Committee Meetings. The Committee Members may invite the Internal Auditor or any other concerned officer of the Company in the meetings, whenever required on case-to-case basis. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

THE ROLE / TERMS OF REFERENCE OF THE AUDIT COMMITTEE IS TO -

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

COMPOSITION & MEETINGS:-

The Audit Committee presently comprises of (4) four Members, out of which (3) three Members are Non-Executive Independent Directors and one is an Executive Director. The Chairperson of the Committee is an Independent Director. All the Members of the Audit Committee have accounting and financial Management expertise.

The Executive Directors, Chief Financial Officer, the Head of Internal Audit and the representatives of the Statutory Auditors and Internal Auditors are permanent Invitees to meetings of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee has held 4 (four) meetings during the Financial Year ended on March 31, 2023 on 30.04.2022, 30.07.2022, 31.10.2022 and 28.01.2023. The time gap between any 2 (two) consecutive meetings did not exceed the interval of 120 (one hundred twenty) days. The composition of the Audit Committee as at March 31, 2023 and details of the attendance of its Members are as under:

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

The Chairman of the Audit Committee has attended the Annual General Meeting ("AGM") of the Company held on August 25, 2022.

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 2022-23, before it was placed before the Board of Directors.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is responsible for devising criteria for determining qualifications, attributes and independence of the Directors. It is also responsible for identifying persons to be appointed at Senior Management levels as well as devising remuneration policy for the Directors, Key Managerial Personnel and Senior Management Personnel. The composition of the Committee meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

TERMS OF REFERENCE:

The role, powers and functions of the nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPOSITION AND ATTENDANCE AT THE MEETING

The composition of NRC as on March 31, 2023 are given in the following table.

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

The Committee met on 31.10.2022 & 21.01.2023 and all the Members were present at the meeting(s).

Remuneration payable, in whatever form, to the Key Managerial Personnel and Senior Management of the Company is being considered/ discussed/ finalized and recommended after considering various factors such as financial position of the Company, trend in industry, and past remuneration etc., which is onward submitted to Audit Committee (if required) and 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 the Board/ Committee.

The Company Secretary acts as the Secretary to the Committee. The Chairman of the NRC has attended the Annual General Meeting of the Company held on August 25, 2022.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 read with the SEBI Listing Regulations, 2015, a Board Evaluation Framework has been approved by the Nomination and Remuneration Committee (NRC) and the Board. The Board has carried out an annual performance evaluation of its own performance, every individual Directors including Independent Directors on the Board and the Committee(s) of the Board. The performance evaluation of the Non-Independent Directors, including Chairman and Board of Directors as a whole was carried out by the Independent Directors. The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow best practices in Board Governance in order to fulfil its fiduciary obligation to the Company. The Board believes that the evaluation will lead to a closer working relationship among the Board Members, greater efficiency in the use of the Board's time and increased effectiveness of the Board as a governing body. The Directors express their satisfaction with the evaluation process.

The performance of Non-Independent Directors including Chairman of the Company and the Board as a whole, after taking views of the Executive and Non-Executive Directors were evaluated by the Independent Directors at their Meeting held on 25.02.2023.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Non Independent and Independent Directors individually as well as the evaluation of the working of various Committees at their Meetings held on 25.02.2023.

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

5. REMUNERATION POLICY

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employee is available on the website of your Company <https://www.lgb.co.in/wp-content/uploads/2022/07/Nomination-Remuneration-Policy.pdf>. The Remuneration Policy is in consonance with the statutory requirements and existing industry practice.

Remuneration of Directors

Remuneration paid to the Executive Directors for the Financial Year ended March 31, 2023 is given as under:

Name of Directors	Service Contract	Salary & Allowances	Commission	Employees Stock Option Plan	Total
Sri.B.Vijayakumar Executive Chairman	01.01.2020 to 31.12.2024	124.13	604.61	-	728.74
Sri.P.Prabakaran Managing Director	01.06.2019 to 31.05.2024	94.88	181.84	-	276.72
Sri. Rajiv Parthasarathy Executive Director	01.08.2021 to 31.07.2024	36.06	21.92	-	57.98

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

All elements of remuneration package has been summarized under major groups viz., Salary & Allowances/ Perquisites and Commission and there is no other benefits, Bonuses, Stock Options, Pension etc. other than the details disclosed in the above table.3

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

Remuneration paid to the Non-Executive Directors for the Financial Year ended March 31, 2023 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	0.90	-	-	0.90
Sri.S.Sivakumar	1.20	-	-	1.20
Sri.V.Govindarajulu	2.40	-	-	2.40
Sri.P.Shanmugasundaram	2.40	-	-	2.40
Sri.G.D.Rajkumar	1.20	-	-	1.20

Name of Directors	Sitting Fees	Commission	Employees Stock Option Plan	Total
Sri.R.Vidhya Shankar	1.20	-	-	1.20
Smt.Kanchana Manavalan	2.40	-	-	2.40
Dr.Vinay Balaji Naidu	1.20	-	-	1.20
Total	12.90	-	-	12.90

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

The Nomination and Remuneration policy of the Company along with the criteria of making payments to Non-Executive Directors can be accessed on the Company's website

<https://www.lgb.co.in/wp-content/uploads/2022/07/Nomination-Remuneration-Policy.pdf>

The Company does not have any Employee Stock Option Scheme and hence, the disclosure of the details of stock option, if any and whether issued at a discount as well as the period over which accrued and over which exercisable does not arise.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013, read with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

TERMS OF REFERENCE:

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. The role of the Stakeholders' Relationship Committee covers all the areas specified in Section 178 and Part D of the Schedule II of the Listing Regulations.

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

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

During the year under review, the Committee met 16 times to deliberate on various matters referred above and for review and redressal of investors complaints, if any. The minutes of the Stakeholders Relationship Committee were placed before the Board Meeting for ratification and approval.

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

The Chairman of the Stakeholders Relationship Committee had attended the last Annual General Meeting held on August 25, 2022.

The Committee ensures that the shareholders' / investors' grievances and correspondence are attended and resolved expeditiously within the time frames laid down by SEBI. During the year under review, there was no investor complaint received. Hence, no complaint/query is remaining unresolved and pending as on March 31, 2023.

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

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

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

DISCLOSURES WITH RESPECT TO THE DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

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

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	224	47,417
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	2	208
Number of shareholders to whom shares were transferred from suspense account during the year	2	208
Aggregate number of shareholders and outstanding shares in the suspense account lying as on March 31, 2023.	222	47,209

The voting rights on the outstanding unclaimed shares as on March 31, 2023 shall remain frozen till the rightful owners of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

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

7. RISK MANAGEMENT COMMITTEE

The Company has a duly constituted Risk Management Committee in accordance with the requirements of Regulation 21 of the Listing Regulations. The terms of reference of the Risk Management Committee includes the matters specified under Regulation 21 and Part D of Schedule II of the Listing Regulations, as amended from time to time, and other matters referred by the Board. The Company has a well-defined risk Management framework to identify, recognize, monitor and mitigate risks and also identify business opportunities. Business risk evaluation and its Management is a continuous process within the organization. The Company has framed a Risk Management Policy which includes the terms of reference, is available on the website of the Company at <https://www.lgb.co.in/wp-content/uploads/2021/08/risk-management-policy.pdf>

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

The composition of risk management committee are as given below:

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

The Committee has met twice during the year on 23.09.2022 & 18.03.2023 and all the Members were present in the said meetings. The gap between two consecutive meetings did not exceed the interval of 180 days.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The Corporate Social Responsibility (CSR) Committee has been constituted as per the requirements of Section 135 of the Companies Act, 2013.

TERMS OF REFERENCE

The role and terms of CSR Committee covers the areas of Section 135 of the Companies Act, 2013 read with its relevant Rules made thereunder besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the CSR Committee meetings are being taken note of by the Board of Directors.

The composition of CSR Committee are as given below:

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

MEETINGS

During the year under review, five meetings of the CSR Committee were held on 23.04.2022, 12.05.2022, 23.07.2022, 15.10.2022 & 23.01.2023. The meetings were attended by all the Members of the Committee.

The Annual Report on CSR activities for the Financial Year 2022-23 forms a part of the Board’s Report.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

10. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue	Special Resolution passed, if any
2019-2020	20.08.2020	3:30 pm (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), Deemed Venue: 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore-641006, Tamil Nadu	NIL

Financial Year	Date	Time	Venue	Special Resolution passed, if any
2020-2021	09.09.2021	2.00 PM (IST)	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), Deemed Venue: 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore-641006, Tamil Nadu	1. Appointment of Dr. Vinay Balaji Naidu (DIN : 09232643) as Independent Director for a period of 5 years w.e.f. 04.08.2021. 2. Appointment of Sri.Rajiv Parthasarathy (DIN : 02495329) as a Whole-time Director, (designated as Senior Vice President - Operations) for a period of 3 years w.e.f. 01st August, 2021. 3. Approval of the Members of the Company be and is hereby accorded to continue the payment of remuneration to Sri. B. Vijayakumar, (DIN : 00015583) Chairman and Managing Director for the remaining period of his current tenure as Chairman and Managing Director.
2021-2022	25.08.2022	10.30 AM (IST)	Held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) Deemed Venue: 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore-641006, Tamil Nadu	NIL

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

No Extra-ordinary General Meeting of the Members of the Company was convened and held during FY 2022-2023.

Postal Ballot:

During the year under review, the Company has conducted a Postal Ballot through remote e-voting process vide Notice dated October 31, 2022 for obtaining the approval of the members for the special business item(s) set out in the said notice. The details of resolutions passed through postal ballot (remote e-voting) process on December 20, 2022 are as follows:

Particulars of Resolution	Type of resolution	Total No. of remote e-votes	Votes cast in favour		Votes cast against		Invalid votes cast
			No. of Votes	% of Votes	No. of Votes	% of Votes	
Approved to re-designate Sri. B. Vijayakumar (DIN: 00015583), who is presently the Chairman and Managing Director, as “Executive Chairman” and approval of the variation in the terms of payment of remuneration to him for the remaining period of his tenure as “Executive Chairman” effective from January 01, 2023	Special Resolution	1,72,49,629	1,72,47,921	99.99	1,708	0.01	--

Particulars of Resolution	Type of resolution	Total No. of remote e-votes	Votes cast in favour		Votes cast against		Invalid votes cast
			No. of Votes	% of Votes	No. of Votes	% of Votes	
Approved for the variation in the terms of payment of remuneration to Sri. P. Prabakaran (DIN: 01709564), Managing Director of the Company for the remaining period of his current tenure effective from January 01, 2023	Ordinary Resolution	1,72,49,629	1,72,31,621	99.90	18,008	0.10	--
Approved to re-designate Sri. Rajiv Parthasarathy (DIN: 02495329), who is presently the Whole-time Director (Senior Vice President - Operations), as "Executive Director" and approval of the variation in the terms of payment of remuneration to him for the remaining period of his tenure as "Executive Director" effective from January 01, 2023	Special Resolution	1,72,49,629	1,72,31,621	99.90	18,008	0.10	--

The Board of Directors had appointed Sri. M. D. Selvaraj, FCS (Membership No. FCS 960 / CP No. 411 of M/s. MDS & Associates, Company Secretaries, Coimbatore, as Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

PROCEDURE FOR POSTAL BALLOT:

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant MCA and SEBI Circulars, the special resolution as specified in the Notice of the Postal Ballot dated October 31, 2022 (as specified above) was transacted through remote e-voting process.

The Company had engaged the services of Central Depository Services Limited (CDSL) for providing e-voting facility to the members.

The members holding shares (either in physical form or dematerialised form) as on the cut-off date of Friday, November 11, 2022, were provided the option of exercising their right to vote on the said resolution through remote e-voting process only during the period commencing from Saturday, November 19, 2022 at 09:00 AM (IST) to Sunday, December 18, 2022 at 05:00 PM (IST) (both days inclusive). Upon completion of the voting period, the scrutinizer completed the scrutiny of postal ballot (remote e-voting) process and submitted his report to the Director, duly authorized by the Chairman & Managing Director of the Company, on December 19, 2022 and the results of the remote e-voting were declared on December 20, 2022. The voting results along with the report of the scrutinizer were submitted to BSE Ltd and National Stock Exchange of India Limited (NSE) and placed the same on the website of the Company and CDSL (e-voting agency) within the stipulated time.

Postal Ballot proposed to be conducted:

As on date of this report, the Company does not foresee the need for conducting postal ballot to pass any resolution in the current financial year.

11. MEANS OF COMMUNICATION

Financial Results	The Quarterly, Half yearly and Annual Results of the Company are available on the website of the Company www.lgb.co.in. The copies are also sent to concerned Stock Exchanges immediately after they are approved by the Board so as to enable them to display them on their notice board/ website and also published in one widely circulated English Newspaper (Financial Express) and a Vernacular (Tamil) Newspaper (Malaimalar). The Company has a dedicated help desk with email ID: secretarial@lgb.co.in in the Secretarial Department for providing necessary information to the investors.
Official News Releases:	Official news releases are made whenever it is considered necessary
The presentation made to institutional investors or to the analysts	There was no specific presentation made to the Investors or Analysts during the year under review.

12. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting (date, time and venue)	Annual General Meeting is proposed to be held on Monday, 25th September, 2023 At 10.00 AM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose, the Registered Office of the Company situated at 6/16/13 Krishnarayapuram road, Ganapathy Post, Coimbatore - 641 006 shall be deemed as the venue for the Meeting.	
Financial Calendar	April 1 to March 31 For the quarter and year ended March 31st, 2023, the financial results were announced on April 29, 2023.	
Financial Year 2023 - 2024 * Tentative	Quarter ending June 30, 2023	End of July 2023*
	Quarter ending September 30, 2023	End of October 2023*
	Quarter ending December 31, 2023	End of January 2024*
	Year ended March 31st 2024	End of April 2024*
Date of Book Closure	The dates of Book Closure are from 19.09.2023 to 25.09.2023 (both days inclusive)	
Dividend payment date	Dividend, if declared shall be remitted electronically i.e. through NACH/NEFT etc., wherever bank details of shareholders are available and in other cases, through demand drafts on or before 20.10.2023.	
a) Listing on Stock Exchanges:	BSE Ltd. National Stock Exchange of India Ltd.	
b) Securities Code	BSE Ltd Equity 500250 The National Stock Exchange of India Ltd - LGBBROSLTD	
The International Security Identification Number (ISIN)	INE337A01034	

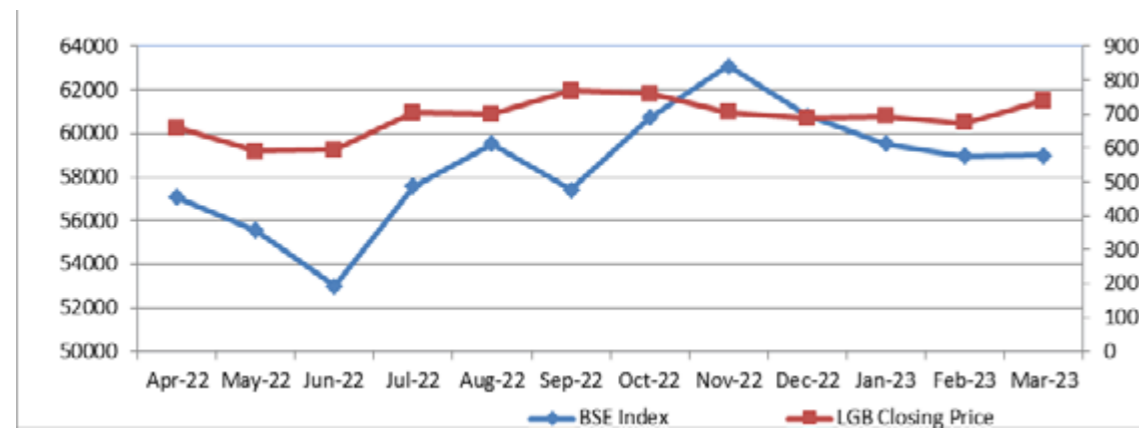
The Company has paid the Listing Fees for the year 2023 - 2024 to the above Stock Exchanges

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 2022-2023

	NSE		BSE	
	Month's High (Rs)	Month's Low (Rs)	Month's High (₹)	Month's Low (₹)
April - 2022	669.95	539.75	670.70	539.05
May	652.60	532.00	650.75	530.85
June	610.00	507.05	608.75	508.90
July	709.90	582.55	709.35	583.00
August	748.95	627.00	748.00	627.50
September	805.00	655.55	805.15	668.60
October	775.70	690.30	773.40	690.25
November	767.65	680.60	766.60	680.75
December	720.00	666.00	735.30	666.00
January - 2023	742.40	606.85	741.70	665.50
February	689.60	645.10	688.50	647.65
March	771.90	672.80	771.95	673.00

(Source: BSE and NSE website)

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


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

REGISTRAR & TRANSFER AGENTS

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

SHARE TRANSFER SYSTEM AND DEMATERIALIZATION OF SHARES AND LIQUIDITY

Share Transfer System of the Company is computerized and Cameo Corporate Services Limited (Cameo) is the Company's Registrar and Share Transfer Agent (RTA) for Equity Shares (kept in physical as well as electronic mode). The requests, if any, for share transfer, transmission, sub-division, consolidation, renewal, re-mat, duplicate etc. are processed only through the depository system (dematerialized form) within the prescribed time period, subject to documents being valid and complete in all respects. In compliance with the Regulation 7(3) of the Listing Regulations, the Company submits a Compliance Certificate duly signed by the Compliance Officer of the

Company and the authorised representative of the Share Transfer Agent, within one month of each half of the Financial Year, stating that all activities in relation to both physical and electronic share transfer facilities are maintained by the Company's Registrar and Share Transfer Agent (RTA) Cameo Corporate Services Limited. Further, an Yearly Certificate of Compliance, issued by it, with regard to the issuance of Share Certificates within 30 days of lodgement for transfer, sub-division, consolidation, renewal etc., is submitted to the Stock Exchanges pursuant to Regulation 40(9) & (10) of the Listing Regulations.

DISTRIBUTION OF SHAREHOLDING:

The shareholding distribution of the Equity Shares as on March 31, 2023 is given below:-

Range	No. of Holders	No. of Shares [Face Value of ₹ 10/-]	% of Shares
1-100	25,814	7,69,958	2.45
101-500	7,235	18,15,206	5.78
501-1000	1,438	10,90,814	3.48
1000-2000	835	12,34,988	3.93
2001-3000	270	6,84,700	2.18
3001-4000	157	5,53,424	1.76
4001-5000	95	4,35,371	1.39
5001-10000	223	15,99,315	5.10
10001-and above	212	2,32,08,640	73.93
Total	36,279	3,13,92,416	100.00

PATTERN OF SHAREHOLDING AS ON MARCH 31ST, 2023

Sl. No	Category	No of Holders	No. of Shares held	% to paid-up capital
1.	Promoters and promoter group	14	1,07,40,912	34.21
2.	Mutual Funds/UTI	2	34,47,915	10.98
3.	Financial Institutions/Banks	1	8	0
4.	FII/NRI/OCB	946	4,84,939	1.55
5.	Bodies Corporate / Clearing Member	256	9,17,397	2.92
6.	Investor Education & Protection Fund	531	55,668	0.18
7.	Public	34,529	1,57,45,577	50.16
	Total	36,279	3,13,92,416	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	2,71,26,006	86.41
Central Depository Services (India) Limited	37,22,324	11.86
Physical	5,44,086	1.73
Total	3,13,92,416	100.00

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

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

COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING

The Company did not engage in hedging activities.

PLANT LOCATION & ADDRESSES

TAMILNADU & PONDICHERY

- 1 LGB Corporate Office: 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore Pincode - 641 006
- 2 Special Machines Division: S.F.NO. 402 (Part), G V Garden, Indira Garden Road, Uppilipalayam Post, Coimbatore - 641015.
- 3 Trichy Road Plant: 1238, Trichy Road, Coimbatore - 641018
- 4 Saravanampatti Plant : SF No.17/4-B, Saravanampatti Village, Coimbatore North Taluk, Coimbatore - 641 035
- 5 Chinnavedampatti Plant: Sf No 62/1,Athipalayam Road, Samburayar Thottam, Chinnavedampatti Post, Coimbatore-641049
- 6 Ganapathy Plant: D.No.H/767, Kunnathur, Ganesapuram, Annur Taluk, Coimbatore - 641107
- 7 Chain Assembly Plant: SF No 394/1,Sathy Main Road, Ganesapuram,Kattampatti Village, Annur Tk, Coimbatore-641107
- 8 Ganesapuram Plant: D.No.H/767, Kunnathur, Ganesapuram, Annur Taluk, Coimbatore - 641107
- 9 Kunnathur Plant: SF No.417/2, Kunnathur Post, S.S.Kulam (Via), Coimbatore-641107
- 10 P.G.Pudur Plant: SF NO 719 / 2A, Ponnegoundanpudur, Masakavundanchettipalayam Village, Coimbatore-641107
- 11 Annur Plant: 269/A, Ganeshapuram, Kattampatti (Post), Coimbatore- 641107
- 12 Kadathur Plant: SF.No.288, Kadathur Village, Coimbatore- 641107
- 13 K. Palayam Plant: SF No. 195, Pillaiyar Kovil Street, Near Power House, Kottaipalayam Post Coimbatore Pincode - 641 110.
- 14 Vaiympalayam Plant: SF. No. 47 & 50, Kondayampalayam Village, Vaiympalayam PO, Coimbatore Pincode - 641 110.
- 15 FPD - II Plant: Fine Products Division I, Kumarapalayam Road, Coimbatore-641653
- 16 PMD - II - Plant: 3/145, Kovai Road, Ottrapalayam Village, Annur, Coimbatore Pincode - 641 653
- 17 Pillaiyappan Palayam Plant: S.F NO.225-227, 123-C, Pillaiyappam Palayam, Annur Road, Coimbatore-641653
- 18 Annur - II Plant, Sf No.49, Ellappalayam, Kariyampalayam Village, Coimbatore- 641697
- 19 Pongalur Plant : S.F.NO.1/175, Sathy Road, Pongalur Post, Puliampatti, Coimbatore-638459
- 20 Forged Roller Division : Mochakottampalayam, Vishwanathapuri, Karur Pincode - 639 002.
- 21 Rubber Belt Division : Mochakottampalayam, Vishwanathapuri, Karur Pincode - 639 002.
- 22 Gudalur Plant : D.Gudalur (PO), Vedasanthur (Tk), Dindigul (Dist), D.Gudalur- 624620
- 23 Ambattur Plant: No. 49, Sidco Industrial Estate, Ambattur Chennai Pincode 600098
- 24 Vallam Vadugal Plant: Plot No G-109, Sipcot Industrial Park, Vallam Vadagal , Oragadam, Sriperumpudur, Kancheepuram- 602105
- 25 Pondicherry Plant: 139/1, Ramanathapuram Village, Pathukamu, Koodapakkam Post, Pondicherry - 605502

KARNATAKA

- 26 Bangalore Plant: No.4-A, Bommasandra Industrial Area, Anekal Taluk, Bangalore Pincode - 560 009.
- 27 Mysore Plant: No. 24, industrial Suburb Mysore Pincode - 570 008.

MAHARASTRA

- 28 Chakan Plant: 343/4 Industrial Shed, Chakan Talegaon Road, Behind Hotel Marriot, Mahalunge, Khed, Pune - 410501
- 29 Ahmed Nagar Plant: MIDC, Supa Area, Supa Parner Industrial Area, Ahmed Nagar, Maharashtra Pincode - 414 301
- 30 Jalna Plant: Plot No. A -7, Jalna Phase III, Industrial Area (MIDC) Maharashtra - 431 213

RAJASTHAN

- 31 Khushkhera Plant, G-1, 356 RIICO Industrial Area, Alwar District Pincode - 301707, RAJASTHAN
- 32 Neemrana Plant : Plot No E 1 Industrial Area, Epip (Riico), Neemrana (Behror)-301705

UTTARAKHAND

- 33 Rudrapur Plant: Village - Danpur, Kashi Pur Road, Khasra No. 390, Near Nri Lake City, Rudrapur-263153
- 34 Pant Nagar Plant: Sector -9,Plot No.16, IIE-Pant Nagar, Sidcul,Udham Singh Nagar, Rudrapur, -263153

HARYANA

- 35 Manesar Plant: Plot No 17, Sector 3 IMT Manes, Gurgaon-122050

Address for Correspondence

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

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 long term rating of (ICRA) AA assigned for fixed deposit Programme.

12. DISCLOSURES

- a) The Board has received disclosures from the Senior Management relating to material, financial and commercial transactions, where they and/ or their Relatives have personal interest. There are no materially significant Related Party Transactions of the Company, which may have potential conflict with the interest of the Company at large; however, all the transactions with Related Parties are disclosed under the relevant notes to accounts as per requirements of applicable Indian Accounting Standard.
- b) All transactions with Related Party, as defined under the Companies Act, 2013, the Listing Regulations, during the year were in ordinary course of business and at arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. The Board has approved a policy on dealing with related party transactions, and the same has been uploaded on the Company's website at <https://www.lgb.co.in/wp-content/uploads/2023/08/Policy-on-Materiality-of-Related-Party-Transaction-and-Dealing-with-Related-Party-Transaction.pdf>
- c) The Company has established Vigil Mechanism to provide for safeguarding against victimisation of Directors and employees who follow such mechanism. The Board has approved Whistle- Blower Policy/establishment of Vigil Mechanism pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations and is available at <https://www.lgb.co.in/wp-content/uploads/2021/08/whistle-blower-policy.pdf>

As per the Policy, no personnel are denied access to the Audit Committee.

- d) There have been no instances of non-compliance and no penalties or strictures have been imposed on the Company on any matter relating to the Capital Markets, either by Stock Exchanges, the Securities and Exchange Board of India or any other statutory authority during the last three years.
- e) The Company has adopted and complied with mandatory requirements as per provisions of the Listing Regulations. Some of the non-mandatory requirements have also been adopted and complied with.
- f) To determine 'Material Subsidiary', the Company has adopted a 'Policy on Determination of 'Material' Subsidiary and the same has been hosted on the website of the Company on the following web link <https://www.lgb.co.in/wp-content/uploads/2021/08/policy-for-determining-material-subsidiaries.pdf>
- g) The Company has formulated the Dividend Distribution Policy as required under Regulation 43A of the Listing Regulations and also available on the website of the Company at <https://www.lgb.co.in/wp-content/uploads/2021/09/LGB-Dividend-Distribution-Policy.pdf>
- h) Disclosures required under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 have been included in the Directors' Report which forms part of the Annual Report. Further, the Company has constituted an Internal Complaints Committee. During the year 2022-23, no complaint was received by the Committee. As such, there are no Complaints pending as at the end of the Financial Year.
- i) During the year under review, there were no instances wherein recommendation of any Committee of the Board, which is mandatorily required for approval of the Board, were not accepted by the Board.
- j) Details of total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part have been included in the notes to Financial Statements which forms integral part of the Annual Report.
- k) A Certificate required from a Practising Company Secretary with regards to debarment / disqualification of any of the Directors on the Board of the Company from being appointed or continuing as Directors of the Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority is annexed in this report.
- l) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulation: Not Applicable
- m) Details of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount: Not Applicable
- n) Details of material subsidiaries of the listed entity (based on the financials for the year ended March 31, 2023), including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not Applicable
- o) Apart from the above, the Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations.

MATERIAL UNLISTED SUBSIDIARY

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

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

During the Financial Year ended March 31st, 2023, the Company has not engaged in commodity hedging activities.

DISCLOSURE OF ACCOUNTING TREATMENT

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

RISK MANAGEMENT

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

13. THERE HAS BEEN NO INSTANCE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.

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

CERTIFICATE FROM CEO/CFO

The CEO/CFO certification of the Financial Statements for the year has been submitted to the Board of Directors, in its meeting held on April 29, 2023 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors / Officers / Designated Employees. The code ensures the prevention of dealing in shares by persons having accessed to unpublished price sensitive information. The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted structured data base system to monitor and control the Prohibition of Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

CODE OF CONDUCT

The Board of Directors have laid down a code of conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code of conduct for the year under review.

14. DECLARATION - CODE OF CONDUCT

I, B.Vijayakumar (DIN: 00015583), Executive Chairman 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, 2023 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3)&(5) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Coimbatore

Date : 29.04.2023

B. VIJAYAKUMAR

Executive Chairman

DIN: 00015583

CERTIFICATE ON CORPORATE GOVERNANCE

To
 The Members of **L G Balakrishnan & Bros Limited**

We 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, 2023 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our 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 our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2023.

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

Place : Coimbatore
 Date : 29.04.2023

For **MDS & Associates LLP**
 Company Secretaries
M D SELVARAJ
 Managing Partner
 FCS No.: 960 / C P No.: 411
 Peer Review No. 3030/2023
 UDIN: F000960E000225580



EV TRANSMISSION CAPABILITY



Continuously Variable Transmission



Gear Transmission / Gear Box



Chain Transmission

PLASTIC INJECTION MOULDING M/C
@ PILLAIAPPAMPALAYAM



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

We 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 us 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 our opinion and to the best of 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ending on 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl.No.	Name of the Director	DIN	Date of Appointment in Company
1.	Mr. Balakrishnan Vijayakumar Executive Chairman*	00015583	25-11-1986
2.	Mr. Palanisamy Prabakaran Managing Director	01709564	30-05-2008
3.	Mr. Rajiv Parthasarathy Executive Director*	02495329	10-06-2021
4.	Mrs. Rajsri Vijayakumar	00018244	30-10-2006
5.	Mr. Sitharaman Sivakumar	00016040	28-06-1996
6.	Mr. Palanisamy Shanmugasundaram	00119411	24.05.2001
7.	Mr. Venkatesalu Govindarajulu	00016108	29.06.1998
8.	Mr. Ramani Vidhya Shankar	00002498	30.05.2008
9.	Mrs. Kanchana Manavalan	07497403	31-01-2019
10.	Mr. Rajkumar Doraisamy Gopalsamy	00197696	29-04-2019
11.	Mr. Vinay Balaji Naidu	09232643	04-08-2021

*Change in designation effective from 1st January, 2023

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

Place : Coimbatore
Date : 29.04.2023

For MDS & Associates LLP
Company Secretaries
M D SELVARAJ
Managing Partner
FCS No.: 960 / C P No.: 411
UDIN: F000960E000225602
Peer Review No. 3030/2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES

I Details

1. Corporate Identity Number (CIN) of the Listed Entity	L29191TZ1956PLC000257
2. Name of the Listed Entity	L.G. BALAKRISHNAN & BROS LIMITED
3. Year of incorporation	1956
4. Registered office address	6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore - 641 006.
5. Corporate address	6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore - 641 006.
6. E-mail	info@lgb.co.in
7. Telephone	0422 2532325
8. Website	https://www.lgb.co.in
9. Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. The National Stock Exchange of India Ltd
11. Paid-up Capital	₹ 31,39,24,160
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Sri.P.Prabakaran Managing Director p.prabakaran@lgb.co.in 0422 2532325
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated Financial Statements, taken together).	Disclosures made in this report are on a standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Transmission	Manufacture of Transmission Chains for Automotive and Industrial application	83.03%
2.	Metal Forming	Manufacture of Fine Blanking Products for Automotive Sector	16.97%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Transmission	2814	83.03%
2.	Metal Forming	2592	16.97%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	35	29	64
International	1	1	2

17. Markets served by the entity:

(a) Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	30

(b) What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute around 11.69% of the total turnover of the entity

(c) A brief on types of customers.

L.G.Balakrishnan & Bros Limited is one of India's leading manufacturer of Automotive & Industrial Chains, Sprockets, Tensioners, Fine Blanking, Forging, Precision Machined Parts, Rubber Parts, Engine assembly and Sub-Assemblies and the Company serves a diversified customer base including Indian and global OEMs. In addition to supply to OEMs, the Company also sells products in the aftermarket.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2476	2401	97%	75	3%
2.	Other than Permanent (E)	1391	1296	93%	95	7%
3.	Total employees (D + E)	3867	3697	96%	170	4%
WORKERS						
4.	Permanent (F)	492	487	99%	5	1%
5.	Other than Permanent (G)	6284	4685	75%	1599	25%
6.	Total workers (F + G)	6776	5172	76%	1604	24%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	2	2	-	-	-

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18.18 %
Key Management Personnel	5	Nil	Nil

20. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4%	5%	4%	16%	12%	15%	12%	5%	12%
Permanent Workers	1%	0%	1%	3%	59%	4%	14%	13%	14%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	LGB USA INC	Subsidiary	96.00 %	No
2	GFM Acquisition LLC	Step down Subsidiary	98.47 %	No
3	GFM LLC	Step down Subsidiary	100.00 %	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013. If yes, indicate the Turnover and Networth details: Yes

(ii) Turnover (₹ In lakhs) : 1,91,744.95

(iii) Net worth (₹ In lakhs) : 1,34,426.18

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Re-dressal Mech-anism in Place (Yes/No)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
	Communities	No, the business of the Company is such that it does not affect the community. However, the Plant head and HR head at the Company's manufacturing facilities engage with the communities located in the vicinity on an on-going basis	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	NA	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	https://www.lgb.co.in/investor-relations/shareholder-grievance-redressal/	0	-	No Complaints Pending	5	-	No Complaints Pending
Employees and workers	https://www.lgb.co.in/wp-content/uploads/2021/08/whistle-blower-policy.pdf	Nil	Nil	Nil	Nil	Nil	Nil

Stakeholder group from whom complaint is received	Grievance Re-dressal Mech-anism in Place (Yes/No)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	https://www.lgb.co.in/about-us/quality/	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	https://www.lgb.co.in/wp-content/uploads/2021/08/whistle-blower-policy.pdf	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Not Applicable						

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive or negative implications)
1.	Energy Management	Opportunity	Processes and Systems are in place to ensure maximum energy efficiency	The company has installed solar panels for power generation and extensively uses LED lighting for efficient energy Management	Positive Implication The company believes that the cost incurred during this process will help us in the future to reduce the day to day energy costs
2.	Workplace health and Safety	Opportunity	Prevention of work-related Injuries, Health of the employees has a great deal of importance	Provision of safety shoes, goggles and PPE kits to applicable employees. Availability of medical assistance at all times	Positive Implication Employee safety helps in improving performance of employees Providing a safe environment to minimize any accidents and compensation pays.

S. No	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (indicate positive or negative implications)
3.	Quality & Service Delivery	Risk	Minimising any risk associated with reputation, assurance and timely delivery is of utmost importance to the Company. The Company strives to develop long-lasting relationship with its customers	The Company has Implemented ISO 9001:2015 across all verticals and IATF 16949:2016.	Negative Losing customers' confidence may impact on the flow of new orders leading to lower financial performance.
4.	Water-Positive Approach	Opportunity	The Company's operations require a considerable amount of water. Thus, it is even more critical for the Company to strive to reduce water usage and increase reuse in its operations.	NA	Positive Water conservation through efficient usage, treatment of wastewater, reuse/recycle of water result in cost savings
5.	Corporate Governance	Opportunity	For sustainable long-term value creation and to protect the reputation & brand image, it is essential to conduct the business in an ethical, transparent, and accountable manner.	NA	Positive Conducting business in an ethical, transparent, and accountable manner builds trust with various stakeholders such as investors, customers, suppliers etc., which leads to sustainable financial performance.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

S.No	Principal Description
P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment

P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.lgb.co.in/investor-relations/policy/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949:2016, ISO 9001:2015, EMS / ISO 14001:2015, OHS / ISO 45001:2018, 9K IQNET, 14K IQNET, 45K IQNET & Star Export House								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in the process of defining an overall ESG strategy with goals and targets.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company systematically monitor important parameters and document them for the purpose of learning and development, aiming to continuously improve its policies.								
Governance, leadership and oversight									
7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Company is committed to integrating Environmental, Social and Governance (ESG) principles into its businesses which is central to improving the quality of life of the communities it serves. It adheres to the principles of product stewardship by enhancing health, safety and environmental impacts of products and services across their lifecycles. We have devised our ESG goals and targets along with timelines and purpose.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Sri.P.Prabakaran, Managing Director DIN: 01709564								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Periodical review is being conducted by Board of Directors. Responsibility for the day-to-day decision making on ESG & wider sustainability related issues is with respective Department/ Functional heads								

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against Above policies and follow up action	All the policies of the company are approved and reviewed periodically by the board on need basis. During the review process effectiveness is evaluated and the new trends in markets are considered based on which amendments are made as may be necessary.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is placed before the Board of Directors on a quarterly basis.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	No, currently the policies are periodically evaluated for their efficacy through internal audit mechanism								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any or all the principles in the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	During quarterly Board / Committee Meetings, all Board / Committee Members and KMPs were updated on a regular basis, by way of presentations which covered, inter-alia, information on business performance, operations, regulatory updates and compliances, risk Management, health, safety and environment performance, HR and CSR initiatives and such other areas as may arise from time to time.	100.00%
Key Managerial Personnel	4		100.00%
Employees other than BoD and KMPs	895	Training is imparted to employees on various subjects around ESG, Sustainability, well-being, QHSE, ethical/cultural, human rights, skill upgradation, policy, compliance and technical.	100.00%
Workers	133	Workers undergo training on topics such as technical, human rights, QHSE, soft skills, Health & Hygiene etc.	100.00%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

The Company had no monetary and non-monetary fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year FY2022-23 based on materiality thresholds.

Monetary					
Particular	NGRBC Principle	Name of the regulatory / Enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NA	NIL	NA	NO
Settlement	NIL	NA	NIL	NA	NO
Compounding Fee	NIL	NA	NIL	NA	NO

Non-Monetary					
Particular	NGRBC Principle	Name of the regulatory / Enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NA	NIL	NA	NO
Punishment	NIL	NA	NIL	NA	NO

3. Of the instances given in table 3, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been impugned:

Case Details	Name of the regulatory/ enforcement agencies / judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

LGB have a detailed anti-corruption or anti-bribery policy, the code of conduct policy compels the employees to be ethical transparent and accountable, the whistle-blower policy enables the employees and external Stakeholders to eliminate malpractices such as bribery and Corruption these policies are applicable to all Directors, KMPs, employees, workers.

<https://lgb.co.in/wp-content/uploads/2023/08/ANTI-BRIBERY-AND-CORRUPTION-POLICY.pdf>

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2022-2023 (Current Financial Year)	FY 2021- 2022 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL

	FY 2022-2023 (Current Financial Year)	FY 2021- 2022 (Previous Financial Year)
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY22-23 (Current Financial Year)		FY21-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:
Not Applicable

LEADERSHIP INDICATORS

- Awareness programmes conducted for value chain partners on any of the principles during the financial year:
All direct material suppliers covered business ethics and sustainability programmes and sessions.
- Does the entity have processes in place to avoid / manage conflicts of interest involving members of the Board? (Yes / No) If Yes, provide details of the same.

Yes, the Company's Code of Conduct requires the members of board, and employees to avoid circumstances where their personal interests could conflict with the interests of the Company. The Directors of the Company are required to disclose to the Board, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the company, respectively.

Type	FY2022-2023 Current Financial Year In lakhs	FY2021-2022 Previous Financial Year In lakhs	Details of improvements in environmental and social impacts
Research & Development (R&D)	0.36	0.38	Development of new technologies and products
Capital Expenditure (CAPEX)	3.66	2.33	Setting up of manufacturing capacity for Industrial Chains and also includes R&D capex for development of such products

2a. Does the company have procedures in place for sustainable sourcing? (Yes / No)

Yes. The Company has a sustainable procurement policy. All key supply partners sign the Code of Conduct based on sustainable procurement policy at the time of onboarding. The Company has assessed all its key suppliers in terms of the environment, health, safety and sustainability parameters in current financial year

2b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely collect, reuse, recycle and dispose after sale and at the end of life for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Since the product, is directly supplied to the OEMs, the Company has limited scope for reclaiming it at the end of its life cycle. The Company, however, has environmental Management system, and have operational control procedures to generate, handle, store and disposal of wastes like, E waste, hazardous wastes and other wastes in a safe manner.

4. Whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producer Responsibility is currently applicable to LGB's activities. However, waste Management plan of the Company considers the evolving regulations both from a waste minimization and recycling/reuse perspective. LGB also engages its communities to propagate plastic reuse through its energy and resource conservation programs.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web link
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The Company has not conducted any life cycle assessment for the products till date. However, it is planning to carry out the LCA for products in the coming future. However, this process is done by various OEMs.

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product/Service	Description of the risk/concern	Action Taken
Transmission	Nil	Nil
Metal Forming	Nil	Nil

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Steel, Aluminium	Nil	Nil

4. Of the products and packaging collected at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 FY 2021-22		
	Re-Used	Re-cycled	Safely Disposed	Re-Used	Re-cycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Transmission	Since the product is directly supplied to the OEMs, the Company has limited scope for reclaiming it at the end of its life cycle.
Metal Forming	

PRINCIPLE 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains

ESSENTIAL INDICATORS

1.a Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total(A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number(B)	%(B/A)	Number(C)	%(C/A)	Number(D)	%(D/A)	Number(E)	%(E/A)	Number(F)	%(F/A)
Permanent Employees											
Male	2401	2401	100%	2401	100%	-	-	-	-	-	-
Female	75	75	100%	75	100%	75	100%	-	-	-	-
Total	2476	2476	100%	2476	100%	-	-	-	-	-	-
Other Than Permanent Employees											
Male	1296	-	-	1296	100%	-	-	-	-	-	-
Female	95	-	-	95	100%	95	100%	-	-	-	-
Total	1391	-	-	1391	100%	-	-	-	-	-	-

1.b Details of measures for the well-being of workers.

Category	% of employees covered by										
	Total(A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number(B)	%(B/A)	Number(C)	%(C/A)	Number(D)	%(D/A)	Number(E)	%(E/A)	Number(F)	%(F/A)
Permanent Workers											
Male	487	487	100%	487	100%	-	-	-	-	-	-
Female	5	5	100%	5	100%	5	100%	-	-	-	-
Total	492	492	100%	492	100%	-	-	-	-	-	-
Other Than Permanent Workers											
Male	4685	-	-	4685	100%	-	-	-	-	-	-
Female	1599	-	-	1599	100%	1599	100%	-	-	-	-
Total	6284	-	-	6284	100%	-	-	-	-	-	-

2. Details of retirement benefits, for current and previous financial years.

Benefits	FY2022-23 (Current Financial year)			FY 2021-22 (Previous Financial Year)		
	No. of Employees Covered As a % Of Total Employees.	No. of Workers Covered As a % Of Total Workers.	Deducted and Deposited with the Authority	No. of Employees Covered As a % Of Total Employees.	No. of Workers Covered As a % Of Total Workers.	Deducted and Deposited with the Authority
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y

Note :- As per the Act it will be applicable 100%.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, LGB has made access friendly environment for differently abled employees / workers and visitors.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. We are committed to providing equal opportunities in employment and creating an inclusive workplace and work culture in which all employees are treated with respect and dignity. Workforce diversity is a business imperative, and we will strive to ensure that our workforce is representative of all sections of the society. The policy is available on the Company's intranet.

5. Return to work and retention rates of employees that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Permanent Workers	Yes All employees and workers of the Company have access to grievance redressal mechanism. As part of periodic team/department meetings, an opportunity is provided for employees/ workers to voice any concerns and issues. Each factory has its own HR department, which plays a crucial role in addressing grievances for both employees and workers, ensuring a fair and effective grievance redressal process.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or unions recognized by the listed entity:

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total employees/ worker in respective category (A)	No. of employees/ Workers in respective category, who are part of association(s) or Union (B)	%(B / A)	Total Employee/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union (D)	%(D/C)
Total Permanent Employees	-	-	-	-	-	-
-Male	-	-	-	-	-	-
-Female	-	-	-	-	-	-
Total Permanent Workers	492	492	100%	512	512	100%
-Male	487	487	100%	507	507	100%
-Female	5	5	100%	5	5	100%

8. Details of training of employees and worker (% to total no. of employees / workers in the category):

Category	FY 2022-23 Current Financial Year				FY 2021-22 Previous Financial Year					
	Total (A)	On Health and Safety Measures		On skill upgradation		Total (D)	On Health and Safety Measures		On skill upgradation	
		No (B)	%(B/A)	No (C)	%(C/A)		No(E)	%(E/D)	No(F)	%(F/D)
EMPLOYEES										
Male	2401	2401	100%	2401	100%	2198	2198	100%	2198	100%
Female	75	75	100%	75	100%	76	76	100%	76	100%
Total	2476	2476	100%	2476	100%	2274	2274	100%	2274	100%
WORKERS										
Male	487	487	100%	487	100%	507	507	100%	507	100%
Female	5	5	100%	5	100%	5	5	100%	5	100%
Total	492	492	100%	492	100%	512	512	100%	512	100%

9. Details of performance and career development reviews of employees and workers

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No (B)	%(B/A)	Total (C)	No(D)	%(D/C)
EMPLOYEES						
Male	2401	2401	100%	2198	2198	100%
Female	75	75	100%	76	76	100%
Total	2476	2476	100%	2274	2274	100%
WORKERS						
Male	487	NA	NA	507	NA	NA
Female	5	NA	NA	5	NA	NA
Total	492	NA	NA	NA	NA	NA

10. Health and Safety Management System

- Whether an occupational health and safety Management system has been implemented by the entity? (Yes / No). If yes, the coverage of such system?
 - Yes. Occupational Health and Safety Management System has been implemented. Our entire manufacturing operations are covered under EOHS standards and certified for ISO 45001 and ISO 14001 Standards.
 - We have taken initiatives to prevent natural resources and employee health through continuous improving Environmental Occupational Health and Safety performance.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
 - The Company has implemented Hazard Identification and Risk Assessment (HIRA) framework for identifying potential hazard/risk reduction program are taken up based on the manufacturing activity and risk assessment for elimination/minimizing risk.
 - SHE committee meetings are conducted on regular basis with equal participation from workers, Management and contractors for addressing the safety hazard and risks.
 - Work permit system in place to ensure safety during hazardous and non-routing activities.
 - Annual safety audit through internally and external experts on periodic basis.
 - Safety critical points such as Interlock, Limit switch, Sensor etc checked are covered under PM check list and their working conditions are ensured.

- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y / N)
 - Yes, various mechanism have been implemented to report work related hazard as per ISO 45001: Near Miss report. b) Risk assessment c) Safety Patrol d) Safety suggestion box.
 - Safety Interaction program is available to enable workers to share work related hazard/ risks including unsafe working conditions and unsafe acts.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
 - Yes. the employees/works have access to non-occupational medical and health care services such as occupational health centre, ambulance, Doctor and nursing staff being available at plant premises.

11. Details of safety-related incidents during the current financial year.

Safety Incident / Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Zero Lost Time Injury	Zero Lost Time Injury
	Workers		
Total recordable work-related injuries	Employees	Zero	Zero
	Workers		
No. of fatalities	Employees	Zero	Zero
	Workers		
High consequence work-related injury or ill health (excluding fatalities)	Employees	Zero	Zero
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

- LGB has adopted a Management Policy on Environment, Occupational Health and Safety (EOHS) which depicts its commitment to prevent work injury or any health hazard for all its stakeholders.
- When performing work on specified machines, LOTO (Lockout Tagout) procedure have been reinforced for all maintenance staff to avoid unforeseen events and increase the workforce productivity.
- Training and awareness sessions conducted such as fire safety, Road safety, DOJO, 5S, Specific Process Operations Module on Heat Treatment, Quality Inspection, Material Handling, Packing etc.
- Fire Drill and mock drill for emergency preparedness and handling.
- Safety committee members review along with other stakeholders on monthly/quarterly basis to act and confirm with local safety regulations, identify gasps, implement corrective actions, and evaluate the key performance lagging and leading indicators.
- Encouraging timely and effectively reporting and investigation of all incidents and implementing corrective and preventive actions, within a stipulated period.
- Leadership dashboard update on Safety performance.

13. Number of Complaints on the Working Conditions and Health & Safety made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the financial year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

LGB, acknowledge that timely identification of aps and appropriate corrective action implementation of core for building a responsible and sustainable business. Following are few initiatives and actions taken to bridge the identified gaps during health and safety assessments:

- Improvement of additional engineering control/safety poka yokes based on Risk Management.
- Strengthening the safety training, standards and Work Instruction to ensure adequate risk awareness.
- Leak Detection system with alarm arrangement for chemical storage premises.
- Roof lifeline system installed in entire roof coverage area.
- Dust Extraction system in applicable areas.
- Acoustic enclosure for applicable equipment of high noise generation.
- Anti-slippery mats in applicable working tables and floor area.
- Moving alarm and Reverse movement indication lights in forklifts.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) employee (Y / N) (B) worker (Y / N)

Company Covers under GPA (AS per applicability) for all employees / workers in the event of accidental death. LGB extends compensatory package to employees/workers in the event of death as per policy.

2. Provide the measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company monitors remittance of statutory dues are paid by relevant value chain partners. Evidence regarding actual transfer of dues is collected and timely payment of dues is ensured. Our internal audits also check on this aspect on a sample basis and if any concern is identified, the same is addressed immediately.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
			No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the Management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety practices	100% of direct material suppliers
Working conditions	100% of direct material suppliers

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Nil

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company firmly believes that for achieving its sustainability goal of all-round growth and development, stakeholders play a key role. At LGB, we want to create long term value for all our stakeholders by building a better, sustainable tomorrow.

The Stakeholder groups are identified based on the nature of their engagement with the Company. The main stakeholders are those who directly and indirectly benefit from the business operations and activities as well as those with whom we regularly communicate for the purpose of reporting, establishing relationships, conducting business, etc. There are both internal and external groups of stakeholders

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group. (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, Notice boards, Intranet	Regular	Employee satisfaction Talent retention Remuneration and other employee benefits Grievance resolution Diversity and equal opportunity Safety, health and well-being
Vendors/contractors	No	Supplier meets Emails Plant visits Discussion meetings	Regular	Cost, Timely delivery Ethical behaviour, Product quality Health & safety
Regulatory bodies and government agency	No	Emails, meetings	Periodically	Legal / regulatory/ statutory updated & compliances
Customers	No	Website, Email, one-on-one meetings, video conference and forums	Regular	product quality and time delivery Customer satisfaction and opportunities for improvements. Customer complaints (if any)
Shareholders	No	Email, Website, Newspaper	Regular	Dividend Updates and performance progress of the entity
Communities	No	Email, Website, Newspaper	Periodically	CSR Community engagement

LEADERSHIP INDICATORS

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Feedback/grievances, if any received from various stakeholders are updated to the Board based on relevance by respective functional heads.

- Whether stakeholder consultation is used to support the identification and Management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Materiality assessment and stakeholder inputs are taken forward to identify material topics of concern on ESG topics. Based on the significance of these concerns, strategy development, policy formulation and monitoring mechanisms are developed and implemented

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company recognizes the importance of addressing the concerns of vulnerable and marginalized stakeholder groups, and we have implemented various programs and initiatives through our Corporate Social Responsibility (CSR) efforts to support these communities.

Our CSR initiatives are strategically designed to address the specific needs of these groups and other community members.

For more information, please refer the Corporate Social Responsibility (CSR) Section of this Annual Report.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

- Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees/workers covered (B)	%(B/A)	Total (C)	No. of employees/workers covered (D)	%(D/C)
EMPLOYEES						
Permanent	2476	2476	100%	2274	2274	100%
Other than permanent	1391	1391	100%	1429	1429	100%
Total Employees	3867	3867	100%	3703	3703	100%
WORKERS						
Permanent	492	492	100%	512	512	100%
Other than permanent	6284	6284	100%	7719	7719	100%
Total Workers	6776	6776	100%	8231	8231	100%

2. Details of employees and workers in terms of minimum wages paid:

Category	FY 2022-23 Current Financial Year				FY 2021-22 Previous Financial Year					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	%(C/A)		No. (E)	% (E/ D)	No. (F)	%(F/D)
Employees										
Permanent										
Male	2401	-	-	2401	100%	2198	-	-	2198	100%
Female	75	-	-	75	100%	76	-	-	76	100%
Other than permanent										
Male	1296	1296	100%	-	-	1332	1332	100%	-	-
Female	95	95	100%	-	-	97	97	100%	-	-
Workers										
Permanent										
Male	487	-	-	487	100%	507	-	-	507	100%
Female	5	-	-	5	100%	5	-	-	5	100%
Other than permanent										
Male	4685	4685	100%	-	-	6095	6095	100%	-	-
Female	1599	1599	100%	-	-	1624	1624	100%	-	-

3. Details of remuneration / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (in ₹)	Number	Median remuneration / salary / wages of respective category (in ₹)
Board of Directors (BoD)	6	1,20,000	2	1,65,000
Key Managerial Personnel	5	57,98,000	NIL	NA
Employees other than BoD and KMP	3,695	2,64,816	170	2,09,376
Workers	5,172	1,99,140	1,604	1,99,140

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Internal Complaints Committee and the human resources departments are responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All employees and workers of the Company have access to grievance redressal mechanism. As part of periodic team/department meetings, an opportunity is provided for employees/ workers to voice any concerns and issues. Each factory has its own HR department, which plays a crucial role in addressing grievances for both employees and workers, ensuring a fair and effective grievance redressal process.

6. Number of Complaints made by employees and workers on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues.

Particulars	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour/ involuntary Labour Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other Human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has implemented mechanisms to prevent adverse consequences to complainants in discrimination and harassment cases. The Company's Human Rights Policy ensures a work environment free from discrimination and harassment. The Whistle Blower policy allows the employees to report incidents which are unethical or discriminatory. The Company also has an Internal Complaints Committee for the protection of women at workplace.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements form a part of the Company's business agreements and contracts as and where relevant.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100% of our plants are inspected regularly by respective statutory authorities
Forced / involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:

LGB has no such significant risks/concerns arising from the assessment.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Nil.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

NIL

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, Accessible Provisions Available.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labor	The Company has Internal Monitoring Mechanism compliance for all relevant local laws and policies pertaining to these issues at 100%. There have been no observation by local statutory authorities/external parties during the year.
Forced / involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above. - Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Units in Giga Joules

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) from EB	300672	293886
Total fuel consumption (B) from DG Set	4946	4594
Energy consumption through other sources (C) from Wind +Solar - Units in Lacs	47052	45000
Total energy consumption (A+B+C)	352670	343480
Energy intensity per rupee of turnover (Total energy consumption/turnover in INR Rupees) MWh/INR Rupees	46.47 MWh/ Rs 1 Cr Turnover	47.29 MWh/ Rs 1 Cr Turnover
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y / N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Water withdrawal by source(in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	150754	143027
(iii) Third-party water	48705	52160
(iv) Seawater / desalinated water	0	0
(v) Others (rainwater)	0	0
Total volume of water withdrawal (i + ii + iii + iv + v)	199459	195187
Total volume of water consumption	199459	195187
Water intensity per rupee of turnover (Water consumed in litres / turnover)	0.956 KL/ Lakhs of Turn Over	0.972 KL/ Lakhs of Turn Over
Water intensity (optional) - the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency		
No independent assessment/evaluation/assurance has been carried out by any external agencies.		

4. Has the entity implemented Zero Liquid Discharge policy? If yes, provide details of its coverage and implementation

Yes. LGB manufacturing facilities implemented Zero Liquid Discharge (ZLD) system, since all the effluent water generated due to industrial process are treated onsite. This is ensured through ZLD which are advanced wastewater treatment methods that are installed. The entire treated water is recycled and reused for process.

The Company equipped with Sewage Treatment Plant (STP) advanced water treatment methods are installed and treated sewage is 100% used for Gardening and Green Belt Development within plant premises.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NO _x	mg/Nm ³	73.766	52.953
SO _x	mg/Nm ³	6.266	9.814
Particulate matter (PM)	mg/Nm ³	22.271	21.893
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others - please specify	NA	NA	NA
Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.			
No independent assessment/evaluation/assurance has been carried out by any external agencies.			

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	7,767.24	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	46,214.66	-
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ eq/ Lakh	0.26	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agencies.

7. Does the entity have any project related to reducing greenhouse gas emission? If yes, provide details.

LGB acknowledges its commitment towards reducing environmental footprint, especially reducing GHG emission and the company has taken several initiatives on clean technology, energy efficient, renewable energy and sustainability development such as generation of electrical through Solar in the manufacturing plants & facilities. The company has 22 windmills and solar with total capacity of 10.51 MW and the generated units were used for captive production. Total renewable energy consumption increased for production activity from 125 Lakhs units in 2021-2022 to 130.70 Lakhs units 2022-2023.

Energy efficiency measures:

- Installation of energy efficient machine with safety interlocking systems.
- Conventional lights replaced with LED lights and natural day light in most of our buildings.
- High Volume Low Speed (HVLS) fan installed in the shop floor area to reduced high power consumption.
- VFD system installed in higher capacity motors to conserve energy.
- Thyristor controls installed in furnace heater s to maintaining the desired temperature.
- Thermography study conducted through competent agency in electrical system t eliminating over heating of electrical equipments.
- Inverter type 3 Start/5 Star Split AC using in office area.
- Time switches installed at various places for automatic control of streetlights

8. Provide details related to waste Management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	63.83	70.61
E-waste (B)	0.61	12.61
Biomedical waste (C)	0.01	0.01
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) (G)	1809.71	1797.75
Other non-hazardous waste generated (Metal, wood, paper / cardboard, textile waste, kitchen oil, mixed waste, garden waste, glass waste, thermocol, rubber, STP sludge) (H)	19723.17	20026.09
Total (A+B + C + D + E + F + G + H)	21597.33	21907.07
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	19885.69	20196.95
(ii) Reused	0	0
(iii) Other recovery operations	0	0
Total	19885.69	20196.95
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of waste		
(i) Incineration	0.01	0.01
(ii) Landfilling	0	0
(iii) Other disposal operations	1711.64	1710.11
Total	1711.65	1710.12

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/evaluation/assurance has been carried out by any external agencies.

9. Briefly describe the waste Management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- LGB has adopted 3R principle (Reduce, Reuse and Recycle) to effectively manage and reduce its waste generation.
- Adequate training is provided to all employees for identifying and disposal of Bio- degradable, Non-biodegradable and hazardous waste.
- Colour code waste collection bin system in place.
- All waste is segregated safety and stored in the dedicated storage premises without spillage. The waste is disposed to authorised waste handler for recycling and co processing. The quantity of waste generated and disposed of is monitored and record are maintained. This data is reviewed periodically, and waste reduction activities initiated are monitored.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones) where environmental approvals are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations If no, the reasons thereof and corrective action taken, if any.	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)
	None of L. G. Balakrishnan & Bros Ltd manufacturing facility nor offices are in or around ecologically sensitive zone.		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable since EIA not attracted for our Industry categorization.					

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y / N). If not, provide details of all such non-compliances in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	LGB adheres to all applicable environmental laws and regulations and no case of non-compliance was registered during the reporting period.			

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format: (units in (Gigajoules))

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) from Windmill	31259	29776
Total fuel consumption (B)	0	0
Energy consumption through other sources (C) from Solar	15793	15224
Total energy consumed from renewable sources (A+B+C)	47052	45000
From non-renewable sources		
Total electricity consumption (D) from EB	300672	293886
Total fuel consumption (E)	0	0
Energy consumption through other sources (F) from DG Set	4946	4594
Total energy consumed from non-renewable sources (D+E+F)	305618	298480

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency : No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Nil	Nil
No treatment	-	-
With treatment - please specify level of treatment	-	-
(ii) To Groundwater	Nil	Nil
No treatment	-	-
With treatment - please specify level of treatment	-	-
(iii) To Seawater	Nil	Nil
No treatment	-	-
With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties	Nil	Nil
No treatment	-	-
With treatment - please specify level of treatment	-	-
(v) Others	Nil	Nil
With treatment - please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

Note: Indicate if any independent assessment / evaluation /assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area Not Applicable

(ii) Nature of operations Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format: Not Applicable

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) - the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(v) Others		
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA
Note: Indicate if any independent assessment / evaluation /assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency. No independent assessment/evaluation/assurance has been carried out by any external agencies.		

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	6977.32	-
Total Scope 3 emissions per rupee of turnover	tCO ₂ eq/ Lakh	0.03	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agencies.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as none of the company's facility is in ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives?

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary) Outcome of the initiative	Outcome of the initiative
1.	Recycling treated effluent	Recycling of treated process effluent from ETP through followed by Ultra Filtration (UF) & Reverse Osmosis.	Water Conservation
2.	Water Conservation	Reduction of raw water consumption in canteen through process improvements.	Reduction in freshwater withdrawal and increased of recycled water in the plant operation.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary) Outcome of the initiative	Outcome of the initiative
3.	Recovery/ Reclamation	Reclamation of coolant oil through oil filtration process.	Oil waste reduction.
4.	Waste Management	Non-recycle wastes are diverted to co-processing in cement kilns. Recycle wastes like, Steel, E-Waste, Packing material and plastic are sold for recycling.	In total 1711.635 MT of non-recyclable waste were diverted from landfill and sent to co-processing units. In total 19885.687 MT of waste like cardboard and plastic were sold to PCB Authorised Rcycler.
5.	Renewable energy	Offsite wind captive generation	Reduction of climate change by having 13.34% of energy through renewable power. Though this we have reduced around 12,285 tons of CO2 Eq. in the current year.

7. Does the entity have a business continuity and disaster Management plan?

LGB has an emergency procedure integrated into its Management system for dealing with emergency situations, minimizing hazard to environment and human health. A list of potential emergency situations has been identified and the roles and responsibilities of all concerned personnel are also defined to handle the emergencies effectively. The safety officer is responsible for mock drills which are conducted at 6 months intervals whereas fire drills are conducted at 2 months intervals or as per plan to evaluate emergency preparedness. Training and awareness sessions are conducted for the employees and emergency handling teams to prepare them for actual emergency situations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Nil.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We are, at present, looking into formulating a supply chain program to assess social and environmental practices of our supplier. Our supplier audit questionnaire comprises of Health, Safety and Environmental section, wherein requirements pertaining to environmental Management systems are also being verified.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

LGB has affiliations with 10 trade and industry associations.

b. List of trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1.	Confederation of Indian Industry	National
2.	Federation of Indian Chamber of Commerce and Industry.	National
3.	Federation of Indian Export Organisation	National
4.	Indian Chamber of Commerce and Industry	National
5.	Indian Machine Tools Manufactures Association	National
6.	Indian Wind power Associations	State
7.	International Auto Manufacture Federation	National
8.	Indo America Chamber of Commerce	National
9.	Indo German Chamber of Commerce	National
10.	Indo Srilanka Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
Not applicable as there were no issues related to anti-competitive conduct by LGB or adverse orders from regulatory authorities		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

Sr. No.	Public Policy advocated	Method restored for such advocacy	Whether information in public Domain (Yes / No)	Frequency of review by Board (Annually / Half yearly / Quarterly /Others-Please Specify)	Web Link if available
	NIL	NIL	NIL	NIL	NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief detail of the project	SIA Notification- Number	Date of Notification	Whether conducted by Independent external agency (Yes/No)	Results commu-nicated in public domain (Yes/No)	Relevant weblink
None of the projects undertaken by the Company in FY 2022-23 required Social Impact Assessments (SIA).					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Sr. No	Name of the project fo which R&R is going	State	District	No. of Projects Affected families (PAFs)	% of PA Fs covered by R&R	Amount paid to PA Fs in the FY (in INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Our communities are integral to our growth and thus there are forums and mediums to receive their feedback. The Company has regular interactions with community members to discuss the aspirations and concerns of the local communities, not just relating to the impact of the Company's operations but also related to their overall well-being. Initiatives are then designed to address these aspirations and concerns as a part of our social commitment. Committee consisting of members from various departments viz. administration, CSR, operations etc. is formed which receives the concerns (if any, and in written/verbal) and works towards its redressal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-2022 Current Financial Year	FY 2021-2022 Previous Financial Year
Directly sourced from MSMEs / small producers	12.06%	11.52%
Sourced directly from within the district and neighboring districts	Yes, sourced directly from within the district and neighbouring districts.	

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S. No.	State	Aspirational District	Amount spent (In INR lakhs)
1	Tamilnadu	Multiple District	209.72
2	Meghalaya	Meghalaya	5.00
3	Maharashtra	Jalna	18.41
4	Karnataka	Bangalore	2.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? : No

(b) From which marginalized /vulnerable groups do you procure? : Not Applicable

(c) What percentage of total procurement (by value) does it constitute? : Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based upon traditional knowledge	Owned/ Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR project	No. of persons benefitted from CSR projects (1)	% of beneficiaries from vulnerable and marginalized groups (2)
1.	Promoting Education	738	100%
	Government school building - Renovation	1000	
	Preventive Health Care	50	
	Promoting Sports	25	
	Rural Development	1500	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

LGB has well established customer complaint handling standard operating procedures. Given the B2B focus, all customer complaints & feedback are initially received by the sales teams. Depending on the nature of the complaints/feedback, they are escalated to the relevant functional teams. The Company strives to resolve customer complaints within the time bound manner as per the defined technical and quality procedures.

All complaints are recorded and proactive efforts are made to ensure any issues identified as part of the customer complaints/ feedback are addressed to avoid similar issues arising in the future.

2. Turnover of products / services as a percentage of turnover from all products / services that carry information about Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and / or safe disposal.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices, unfair trade practices

	FY22-23* (Current Financial Year)		Remarks	FY21-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cybersecurity	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	0	NIL
Forced recalls	0	NIL

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If yes, provide web-link of the policy.

Yes, the Company has an Information Security Policy in place which ensures that all employees within the organisation's domain abide by the provisions of the policy regarding the security of data stored digitally within its boundaries. It is also the commitment of the organisation to ensure information is kept confidential and secured. The policy is available on the Company's intranet.

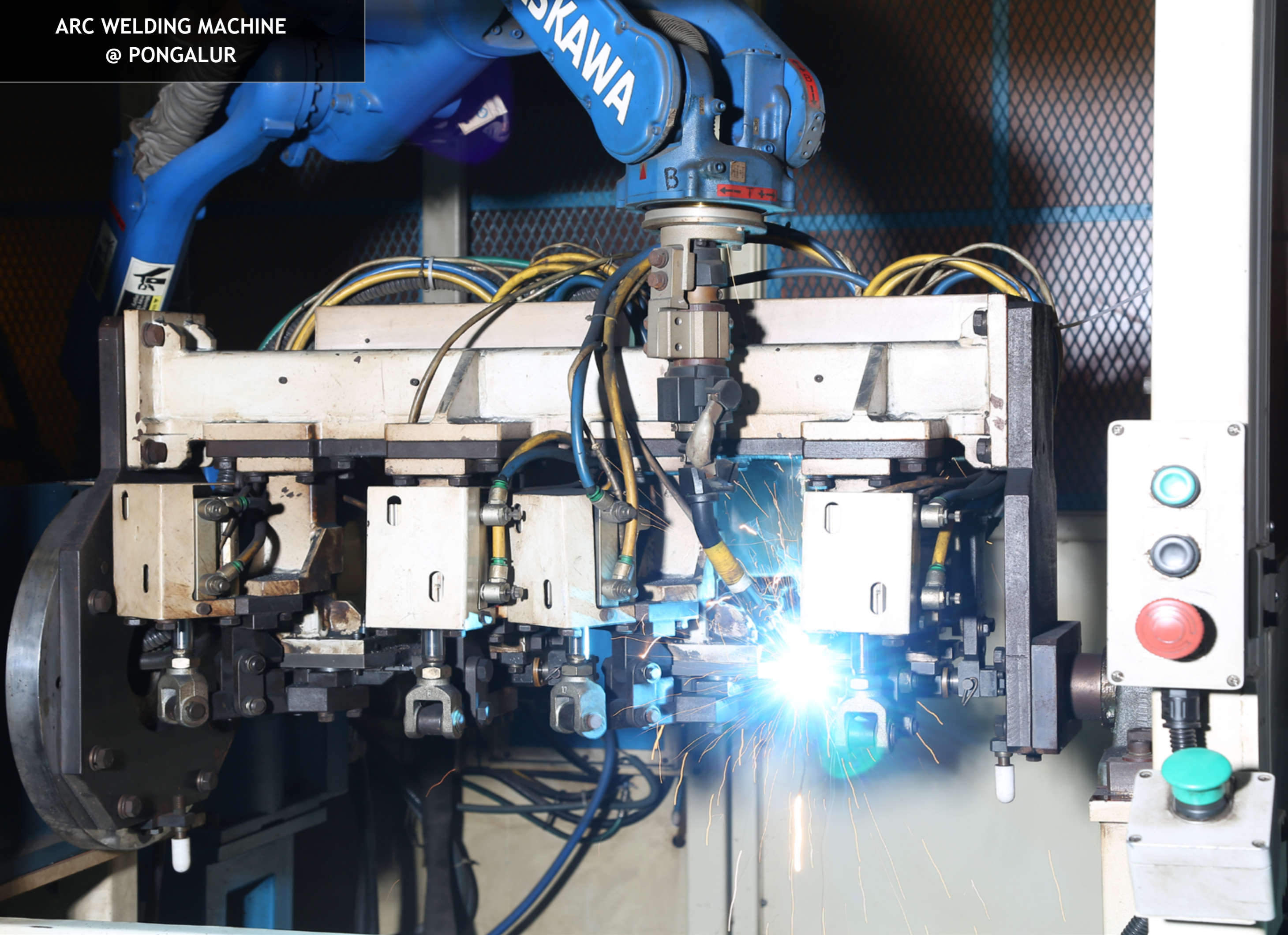
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers, re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not applicable.

LEADERSHIP INDICATORS

1.	Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).	LGB website having all the information related to the products and business and can be accessed at https://www.lgb.co.in/products/
2.	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	All specifications on safe and responsible usage of our products is made available in the packaging or information label attached to each products. Since the products of the Company are directly supplied to the OEMs the Company has limited scope for informing and educating the end user about the safe and responsible usage of its products.
3.	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.	Not applicable
4.	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	The Company displays all relevant information on the product, as required under Legal Metrology Act, 2011
5.	Provide the following information relating to data breaches:	
	a. Number of instances of data breaches along-with impact	NIL
	b. Percentage of data breaches involving personally identifiable information of customers	NIL

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements: Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of L.G.BALAKRISHNAN & BROS LIMITED, Coimbatore ("the Company"), which comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, notes to the Financial Statements, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31st March 2023, the profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone IND AS

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

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

Key audit matters

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

S.No	Key Audit Matters	Auditor's Response
1	Evaluation of uncertain tax positions	Our audit procedures included: We obtained details of completed tax assessments and demands for the year ended March 31, 2023 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, 2023 to evaluate whether any change was required to Management's position on these uncertainties.

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

Information other than the standalone Financial Statements and the auditor's report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone Ind AS Financial Statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of Internal Financial Controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a

material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in "ANNEXURE A", a statement on the matters specified in Paragraphs 3 and 4 of the Order.

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts.
- In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- On the basis of the written representations received from the Directors as on 31st March 2023 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE B".

- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

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

- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note No. 29 to the Standalone Financial Statements
- The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with

the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v.

(a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of

the Companies Act 2013 to the extent it applies to payment of dividend.

(b) As stated in Note No. 10(iv)(b) to the Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The Dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of Dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial Year ended 31st March 2023.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 23211916BGWKFO3843

Place: Coimbatore
Date: 29.04.2023

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

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

- i. (a)
 - i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Right of use assets, Investment Property and Capital Work in progress.
 - ii) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Property, Plant and Equipment were physically verified during the year by the Management at reasonable intervals in a phased manner and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us, and the books and records verified by us and based on the examination of the registered sale deeds/transfer deed/conveyance deed/scheme of arrangements approved by Hon'ble High Courts & appropriate authorities and property tax receipts provided to us, we report that, the title deeds of immovable properties of Land and Buildings which are freehold, are held in the name of the Company as at Balance sheet date except for the following:

In respect of immovable properties of Land that have been taken on lease and disclosed as fixed assets in the Financial Statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for credit facilities taken from the banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement based on the confirmation directly received by us from banks.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - (a) According to information and explanations furnished to us, the inventories have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of such verification is reasonable and the coverage and procedure for such verification is appropriate. The discrepancies noticed on such verification were not material.
 - (b) The Company has been sanctioned working capital in excess of ₹ 5 Crores in aggregate from banks on the basis of security of Current Assets during the year. According to information and explanations furnished to us, the quarterly statements filed by the Company with banks are in agreement with the books of accounts of the Company.
 - iii. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or any other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year and hence reporting under Clause (iii) of the Order is not applicable to the company.
 - iv. The Company has not provided any loans, guarantees or security as specified in Sec 185 or 186 of the Act. In respect of investments made by the Company, we are of the opinion that the provisions of Section 185 and 186 of the Act have been complied with.
 - v. According to the explanation and information provided to us, the Company has complied with the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance

of Deposits) Rules, 2014. We have been informed that no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal in this regard.

vi. The maintenance of cost records has been specified by the Central Government u/s 148(1) of the Companies Act, 2013 for automotive components. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section 1 of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed Cost Records have been made and maintained. We have, however, not made a detailed examination of the Cost Records with a view to determine whether they are accurate or complete.

vii. (a) The Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable as at the balance sheet date.

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

Name of the Statute	Nature of Due	Amount Disputed (₹ In Lakhs)	Amount Unpaid (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	ED- Transfer of Division	100.00	92.50	2009-10	CESTAT Chennai
Central Excise Act	Excess Credit availed	62.72	13.68	2016-17	CESTAT New Delhi
Tamil Nadu Value Added Tax Act	Input Tax Credit/ Sales return	355.98	172.47	2007-08, 2008-09, 2010-11, 2011-12	Sales Tax Appellate Tribunal, Coimbatore (Department Appeal)
Tamil Nadu Value Added Tax Act	Differential rate and Inter State Sale	4.86	4.86	2006-07, 2010-11	Sales Tax Appellate Tribunal, Coimbatore
Entry Tax	Entry Tax	408.36	408.36	2007-08	Hon'ble High Court of Madras (stayed by the High Court)
Tamil Nadu Value Added Tax Act	Disputed on tax charged for Canteen sales	14.02	14.02	2006-07 to 2011-12	Sales Tax Appellate Tribunal, Chennai
Goods and Service Tax	Excess claim on Input tax credit	9.68	9.15	2017-18	Writ filed at West Bengal High Court.
Income Tax Act	Excess claim u/s 80IC	213.02	213.02	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act	Excess claim u/s 80IC	214.23	214.23	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act	Excess claim u/s 80IC	150.99	150.99	2012-13	Commissioner of Income Tax (Appeals)

Name of the Statute	Nature of Due	Amount Disputed (₹ In Lakhs)	Amount Unpaid (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Excess claim u/s 80IC & 14A	428.39	428.39	2013-14	Income Tax Appellate Tribunal, Chennai
Income Tax Act	Disallowance claim u/s 14 A	12.92	12.92	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act	Disallowance claim u/s 14 A	16.29	16.29	2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act	Addition u/s. 69C	2168.17	2168.17	2020-21	Hon'ble High Court of Madras (stayed by the High Court as on the date of this report)

viii. According to the information and explanation provided to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

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

- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable
- On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x.

- The Company has not raised any money by way of initial public offer or further public offer during the year and hence reporting under this clause is not applicable.
- The Company has not made any preferential allotment or private placement of shares or convertible debt instruments and hence reporting under this clause is not applicable.

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

- 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.
- No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- No whistle blower complaints has been received by the Company during the year (and upto the date of this report).

- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the order is not applicable.
- xiii. In our opinion based on the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details thereof have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards and the Act.
- xiv.
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into any non-cash transactions with Directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The Company has not incurred cash losses during the Financial Year covered by our audit and the immediately preceding Financial Year.
- xviii. There has been no resignation of the Statutory Auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) at the end of the previous Financial Year and at the end of the current Financial Year on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (6) of Section 135 of the said Act.
- xxi. The Company does not have any Indian Subsidiary and hence reporting under this clause is not applicable to the Company.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 23211916BGWKFO3843

Place: Coimbatore
Date: 29.04.2023

“Annexure - B” to the Independent Auditor’s Report to the Members of L.G.BALAKRISHNAN & BROS LIMITED Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013:

We have audited the Internal Financial Controls with reference to Financial Statements of L.G.BALAKRISHNAN & BROS LIMITED (“the Company”), as of 31 March 2023 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 financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility:

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

internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements:

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

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

use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial controls with reference to Financial Statement:

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

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31 March 2023, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 23211916BGWKFO3843

Place: Coimbatore
Date: 29.04.2023

BALANCE SHEET AS AT 31.03.2023

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments and Intangible assets			
(i) Property, Plant and Equipments	1	43,414.627	44,320.57
(ii) Capital work-in-progress	1	2,788.13	1,424.06
(iii) Investment Property	1	50.90	963.49
(iv) Intangible assets	1	134.30	95.59
(v) Right of use Asset	1	829.42	840.05
(b) Financial assets			
(i) Investments	2	16,624.25	13,687.46
(ii) Other financial assets	3	14,348.83	1,539.85
(c) Other non-current assets	4	1,425.62	1,142.71
Total Non-Current Asset		79,616.07	64,013.78
2 Current assets			
(a) Inventories	5	37,707.16	41,353.66
(b) Financial assets			
(i) Trade receivables	6	25,345.31	27,678.72
(ii) Cash and cash equivalents	7A	1,251.15	6,069.58
(iii) Bank balances other than (ii) above	7B	33,387.59	22,852.41
(iv) Other financial assets	8	1,132.85	245.42
(c) Other current assets	9	2,300.03	3,400.52
Total Current Assets		1,01,124.09	1,01,600.31
3 Asset held for Sale	1	814.37	8.55
Total Assets		1,81,554.53	1,65,622.64
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	3,139.24
(b) Other Equity	11	1,31,286.94	1,08,443.22
Total Equity		1,34,426.18	1,11,582.46

BALANCE SHEET AS AT 31.03.2023 (CONTD..)

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	685.38	1,291.09
(ii) Lease Liabilities		1,034.32	1,042.94
(b) Provisions	13	1,491.76	1,437.96
(c) Deferred tax liabilities (net)		1,683.53	1,340.38
Total Non Current Liabilities		4,894.99	5,112.37
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7,593.57	7,099.73
(ii) Trade payables			
- total out anding dues of micro & small enterprises	15	2,182.66	1,786.73
- total outstanding dues other than micro & small enterprises	15	16,652.13	23,140.49
(iii) Other financial liabilities	16	13,226.10	14,214.11
(b) Other current liabilities	17	2,449.14	2,551.85
(c) Provision	18	40.45	31.42
(d) Current tax Liabilities(Net)		89.31	103.48
Total Current Liabilities		42,233.36	48,927.81
Total Equity & Liabilities		1,81,554.53	1,65,622.64

See accompanying notes forming part of the Financial Statements

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

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

 Place : Coimbatore
 Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
 Executive Chairman
 DIN: 00015583
N. RENGARAJ
 Chief Financial Officer

P. PRABAKARAN
 Managing Director
 DIN : 01709564
M. LAKSHMI KANTH JOSHI
 Senior General Manager
 (Legal) and
 Company Secretary
 ACS NO. A14273

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2023	For the year ended 31.03.2022
A. CONTINUING OPERATIONS			
1 Revenue from operations(net)	19	2,08,565.31	2,00,797.60
2 Other income	20	2,257.05	973.93
3 Total Income (1 + 2)		2,10,822.36	2,01,771.53
4 Expenses:			
(a) Cost of materials consumed	21 a	95,672.01	97,339.06
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21 b	213.46	(7,178.38)
(c) Employee benefits expense	22	29,522.64	27,714.42
(d) Finance costs	23	602.60	788.13
(e) Depreciation and amortisation expense		7,355.42	7,734.22
(f) Other expenses	24	45,939.10	45,143.24
Total Expenses		1,79,305.23	1,71,540.69
5 Profit before exceptional items and tax (3-4)		31,517.13	30,230.84
6 Exceptional items		2,029.48	2,273.75
7 Profit / (Loss) before tax for the period(5+6)		33,546.61	32,504.59
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	25	8,684.91	8,741.88
(b) Current-tax expense relating to prior year		-	307.46
(c) Deferred tax	26	92.12	(455.79)
Net tax expense		8,777.03	8,593.55
9 Profit / (Loss) for the period (7 - 8)		24,769.58	23,911.04
10 Other Comprehensive Income (Net of taxes)			
(A) (i) Items that will not be reclassified to Profit or Loss Account			
(1) Re-measurement of defined benefit plans		(140.92)	159.00
(2) On account of Investment Fair valuation		3,183.71	4,136.47
(ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		(259.79)	(383.90)
(B) Items that will be reclassified to Profit or Loss Account		-	-
11 Total Comprehensive income for the year		27,552.58	27,822.61
12 Earnings per share (Face value of ₹ 10/- each)			
(a) Basic		78.90	76.17
(b) Diluted		78.90	76.17

See accompanying notes forming part of the Financial Statements

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

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

 Place : Coimbatore
 Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
 Executive Chairman
 DIN: 00015583
N. RENGARAJ
 Chief Financial Officer

P. PRABAKARAN
 Managing Director
 DIN : 01709564
M. LAKSHMI KANTH JOSHI
 Senior General Manager
 (Legal) and
 Company Secretary
 ACS NO. A14273

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2023

₹ in Lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A Cash flow from operating activities		
Net Profit before Tax	33,546.61	32,504.59
Adjustments for:		
Depreciation	7,355.42	7,734.22
Provision for Doubtful Debts	184.82	109.30
Profit/Loss on sale of assets	(221.05)	(10.11)
Profit/Loss on Sale of Investment	-	-
Assets condemned/Written off	28.16	23.26
Provision for contingencies	-	300.00
Interest and Finance Charges	602.60	788.13
Interest Income	(2,081.92)	(772.09)
Dividend Income	(29.16)	(33.12)
	5,838.87	8,139.59
Operating profit before working capital changes	39,385.48	40,644.18
Changes in Working Capital		
Provisions - Non Current	(87.11)	211.42
Other Financial Assets - Non Current		(83.12)
	(12,808.97)	
Other Non Current Assets	(152.74)	(326.38)
Inventories	3,646.49	(12,526.25)
Trade Receivables	2,148.59	(4,871.09)
Other Financial Assets - Current	(887.43)	(111.45)
Other Current Assets	970.31	(351.36)
Trade Payables	(6,092.40)	1,504.35
Other financial liabilities	(1,007.19)	2,374.53
Current Liabilities	(102.72)	1,678.30
Provisions - Current	9.03	(7.38)
Cash generated from operations	25,021.34	28,135.75
Income tax paid, net of refunds received	(8,707.85)	(8,221.03)
Net Cash generated from operating activities (A)	16,313.49	19,914.72
B. Cash flow from Investing activities		
Capital expenditure, including capital advances	(7,717.74)	(4,705.97)
Investment in Foreign subsidiary	-	-
Investment in Others	-	-
Proceeds from sale of fixed assets	529.64	11.82
Proceeds from sale of Investments	246.92	-
Bank Balances not considered as cash and cash equivalents	(10,535.18)	(14,211.10)
Dividend income	29.16	33.12
Interest Income	2,081.92	772.09
Net cash used in Investing activities (B)	(15,365.28)	(18,100.04)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2023

₹ in Lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
C. Cash flow from financing activities		
Interest and Finance Charges	(489.25)	(680.45)
Dividend Paid including Tax	(4,689.68)	(3,128.14)
Lease Payments	(475.84)	(331.64)
Borrowings - Current and Non-current (Net)	(111.87)	2,605.04
Net cash used in financing activities (C)	(5,766.64)	(1,535.19)
Net (decrease)/increase in cash and - cash equivalents (A) + (B) + (C)	(4,818.43)	279.49
Cash and Cash Equivalents at the beginning of the year	6,069.58	5,790.09
Cash and Cash Equivalents at the end of the year	1,251.15	6,069.58

See accompanying notes forming part of the Financial Statements

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

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

 Place : Coimbatore
 Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
 Executive Chairman
 DIN: 00015583
N. RENGARAJ
 Chief Financial Officer

P. PRABAKARAN
 Managing Director
 DIN : 01709564

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(₹ in Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Balance as at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital during the year	-	-
Balance as at end of the year	3,139.24	3,139.24

B. Other Equity

(₹ in Lakhs)

For the Year ended 31 March, 2023

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Surplus		
Balance as at 01.04.2022	1,530.99	90,000.00	10,722.99	6,189.24	1,08,443.22
Changes in accounting policies and prior period errors	-	-	-	-	-
Restated Balance as at 01.04.2022	1,530.99	90,000.00	10,722.99	6,189.24	1,08,443.22
Profit for the year	-	-	24,769.58	-	24,769.58
Other Comprehensive Income / (losses)	-	-	(105.44)	2,888.44	2,783.00
Dividends	-	-	(4,708.86)	-	(4,708.86)
Gain on Sale of Shares transferred to Surplus	-	-	173.20	(173.20)	-
Transfer to Reserves	-	20,000.00	(20,000.00)	-	-
Balance as at 31.03.2023	1,530.99	1,10,000.00	10,851.47	8,904.48	1,31,286.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

For the Year ended 31 March, 2022

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

See accompanying notes forming part of the Financial Statements

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

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

Place : Coimbatore
Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583
N. RENGARAJ
Chief Financial Officer

P. PRABAKARAN
Managing Director
DIN : 01709564
M. LAKSHMI KANTH JOSHI
Senior General Manager
(Legal) and Company
Secretary
ACS NO. A14273

ENGINE ASSEMBLY LINE
@ VALLAM VADAKAL



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation and presentation

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

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

Current and Non-Current Classification

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

- (a) An asset is treated as Current when it is -
- Expected to be realised or intended to be sold

- or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- (b) A liability is current when:
 - It is expected to be settled in normal operating cycle;
 - It is held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

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

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

Use of estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires Management to make judgments, estimates and assumptions that affect

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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, 2023.

2A PROPERTY, PLANT AND EQUIPMENT (PPE), INTANGIBLE ASSETS AND INVESTMENT PROPERTIES

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

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and Management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the

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

Impairment of Trade Receivables

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

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

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

Defined Benefit Plans and Other long term employee benefits

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Provisions and contingencies

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

3 SIGNIFICANT ACCOUNTING POLICIES

a) Revenue

Sale of goods

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue towards satisfaction of performance obligation is measured by the amount of transaction price [net of variable consideration] allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration of account of various discount and schemes offered by the Company as a part of Contract. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped based on the INCO terms.

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 recognised on time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) method.

Dividend income

Dividend income is recognized when the Company's right to receive dividend is established

on the reporting date, which is generally when shareholders approve the dividend.

Rental income

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

RODTEP and other export incentives

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

the useful life of components are considered for calculation of depreciation.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on property, plant and equipment

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

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

Assets Category	Estimated useful life (in years)
Tools and dies	5
Leasehold land	Over the lease period
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

f) Inventories

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

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

g) Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Trade Receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement,

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

Financial assets are classified into the following categories:

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

Financial Assets at amortised cost

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

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

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

Financial Assets at FVTOCI

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

- a) The objective of the business model is

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

achieved both by collecting contractual cash flows and selling the financial assets, and

- b) The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI Financial Assets is reported as interest income using the EIR method.

Financial Assets at FVTPL

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

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

Investment in Subsidiaries, Associates and Joint Ventures

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

All Other Equity investments

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

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

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

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

Derecognition

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

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

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss

allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

Financial liabilities**Initial recognition and measurement**

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

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

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

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

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

Financial liabilities at FVTPL

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

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

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Loans and borrowings

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

Financial guarantee contracts

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

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

Derivative financial instruments

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

(a) Derivatives fair valued through profit or loss

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

hedges.

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

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

Derecognition of financial liabilities

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

h) Foreign currency transactions and translations Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

the deferred tax asset to be recovered.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

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.

m) Leases

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

The Company’s lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

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

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

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

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

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

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

n) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s

recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

o) Provisions, contingent liabilities and contingent asset**Provisions**

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

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Contingent assets

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

Contingent assets are disclosed but not recognised in the Financial Statements.

p) Cash and cash equivalents

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

q) Cash Flow Statement

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

Bank borrowings are generally considered to be financing activities.

r) Earnings per share

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ In Lakh)

Particulars	Property, plant and equipment							Intangible Assets		Total	Right of use Asset	Investment Property	Asset held for sale	
	Land	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment	Lab Equipments, Pipe Fittings, etc.	Total					Technical know how
Cost as at March 31, 2022	7,981.80	13,830.68	50,873.18	300.32	2,526.54	653.55	258.01	1,989.75	78,413.83	299.87	281.45	1,614.97	1,116.97	123.21
Additions	1,095.00	372.89	4,265.47	48.66	164.32	78.21	29.17	200.58	6,254.30	-	99.39	353.87	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(938.42)	938.42
Disposals / Transfers	(223.50)	(6.18)	(430.82)	(2.95)	(14.17)	(7.66)	(8.90)	(91.18)	(785.36)	-	(145.53)	-	-	-
Cost as at March 31, 2023	8,853.30	14,197.39	54,707.83	346.03	2,676.69	724.10	278.28	2,099.15	83,882.77	299.87	235.31	1,968.84	178.55	1,061.63
Depreciation as at March 31, 2022	93.38	4,048.74	27,191.75	176.54	990.06	231.90	140.36	1,220.54	34,093.27	260.98	224.75	774.92	153.48	114.66
Charge for the year	28.00	825.62	5,305.88	36.18	245.88	82.87	39.00	260.87	6,824.30	22.67	37.19	364.50	106.77	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(132.60)	132.60
Disposals / Transfers	-	(5.23)	(323.35)	(2.91)	(13.35)	(7.27)	(8.29)	(89.02)	(449.42)	-	(144.70)	-	-	-
Depreciation as at March 31, 2023	121.38	4,869.13	2,174.28	209.81	1,222.59	307.50	171.07	1,392.39	40,468.15	283.65	117.24	400.88	127.65	247.26
Net Block	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	7,888.42	9,781.94	23,681.44	123.78	1,536.48	421.65	117.65	769.21	44,320.57	38.89	56.71	840.05	963.49	8.55
As at March 31, 2023	8,731.92	9,328.26	22,533.55	136.22	1,454.10	416.60	107.21	706.76	43,414.62	16.22	118.07	134.30	879.42	814.37

REVALUATION DURING THE YEAR - NIL (PREVIOUS YEAR - NIL)

CWIP

Particulars	31.03.2023	31.03.2022
Capital Work in Progress	2,788.13	1,424.04

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in Progress	2,788.13	-	-	-	2,788.13
Project temporarily suspended	(1,424.06)	-	-	-	(1,424.06)
	-	-	-	-	-

Figures in negative represents previous year figures

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
2 INVESTMENTS

(₹ In Lakhs)

Particulars	Number of Shares	Face Value in ₹	As at 31 March, 2023			Number of Shares	Face Value in ₹	As at 31 March, 2022		
			Quoted	Unquoted	Total			Quoted	Unquoted	Total
(a) Investment in Equity instruments										
(Fully paid up) (Unquoted) At Cost										
(i) Subsidiaries:										
LGB U.S.A.	871.97	1.00		3,257.13	3,257.13	871.97	1.00		3,257.13	3,257.13
(b) Investment in Equity instruments										
(Fully paid up) (Quoted)										
At Fair value through Other Comprehensive Income										
(i) Others:										
Elgi Equipments Limited	24,34,412	1.00	10,666.38		10,666.38	24,59,412	1.00	6,875.29		6,875.29
LGB Forge Limited	2,90,00,000	1.00	2,392.50		2,392.50	2,90,00,000	1.00	3,132.00		3,132.00
Super Spinning Mills Limited	-	-	-		-	10,000	1.00	1.15		1.15
Tube Investments of India Limited	-	-	-		-	1,100	1.00	17.87		17.87
Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited)	-	-	-		-	1,100	1.00	6.80		6.80
Union Bank of India (Formerly known as Corporation Bank)	-	-	-		-	3,960	2.00	1.53		1.53
(c) Investment in Equity instruments:										
(Fully paid up) (Unquoted) At Cost										
(i) Others:										
TRL Krosaki Refractories Limited (Formerly known as Tata Refractory Limited)	5,000	10.00		14.02	14.02	5,000	10.00		11.90	11.90
Silent Chain India (P) Limited	770	10.00		2.00	2.00	770	10.00		1.92	1.92
LG Farm Products (P) Limited	10,000	10.00		8.10	8.10	10,000	10.00		7.57	7.57
South West Engineering India Limited	207	1000.00		73.60	73.60	427	1,000.00		148.27	148.27
Super Speeds (P) Limited	1,30,500	10.00		210.52	210.52	1,30,500	10.00		226.03	226.03
			13,058.88	3,565.37	16,624.25			10,034.64	3,652.82	13,687.46

NOTE:

- i. Derecognition of Investments is on account of sale/buy-back of the investments. The sale of the investments was taken up as a strategic decision of the Management.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
3 FINANCIALS ASSETS (NON-CURRENT)		
(a) Security and other deposits	1,512.34	1,539.85
(b) Bank Deposits with more than 12 months maturity	12,836.49	-
Total	14,348.83	1,539.85
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	889.60	689.57
(b) Rent and other advances	219.60	185.76
(c) Advance recoverable	278.59	229.55
(d) Income and claims receivable	37.83	37.83
Total	1,425.62	1,142.71
5 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	8,572.12	12,105.49
(b) Work-in-progress	11,822.12	12,521.69
(c) Finished products	12,632.35	12,146.25
(d) Others		
(i) Packing materials	448.46	509.15
(ii) Stores & spares	2,107.03	1,908.28
(iii) Loose tools	2,125.08	2,162.80
Total	37,707.16	41,353.66
6 TRADE RECEIVABLE		
(i) Unsecured, considered good	25,345.31	27,678.72
(ii) Having significant increase in credit risk	-	-
(ii) Credit Impairment	342.09	157.27
Less: Allowance for expected credit losses	342.09	157.27
Total	25,345.31	27,678.72
Note:		
(a) Debts due by Directors or other Officers of the Company	-	-
(b) Debts due by Companies in which a Director is a Director/Member	999.59	785.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
TRADE RECEIVABLES SCHEDULE
For the year ended March 31, 2023

PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	24,759.30	767.14	65.03	17.80	-	25,609.27
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed - credit impaired	-	13.27	0.40	-	-	13.67
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	64.46	64.46
Sub-Total	24,759.30	780.41	65.43	17.80	64.46	25,687.40
Less: Provision for Credit Impairment						(342.09)
Trade Receivables						25,345.31

For the year ended March 31, 2022

PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	27,269.23	393.69	0.16	-	-	27,663.08
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	23.82	60.11	-	8.16	92.09
Disputed - credit impaired	-	13.31	1.29	1.76	64.46	80.82
Sub-Total	27,269.23	430.82	61.56	1.76	72.62	27,835.99
Less: Provision for Credit Impairment						(157.27)
Trade Receivables						27,678.72

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
7 CASH AND CASH EQUIVALENTS		
A Cash and cash equivalents (as per IND AS 7 Cash Flow Statements)		
(a) Cash- on- Hand	6.72	4.74
(b) Balances with Banks		
(i) In Current Account and debit balances in Cash Credit Accounts	1,040.78	425.56
(ii) In Collection Account	203.65	139.28
(iii) In Deposit Account with less than 3 months maturity	-	5,500.00
Total	(A) 1,251.15	6,069.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
B Other Bank Balances		
(a) In Margin money with Banks	87.00	271.00
(b) In Deposit Account with more than 3 months maturity but less than 12 months	33,200.00	22,500.00
(c) In Earmarked Accounts		
Unpaid Dividend Account	100.59	81.41
Total	(B) 33,387.59	22,852.41
Total Cash and cash equivalents (A+B)	34,638.74	28,921.99

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	40.13	37.12
(b) Interest accrued on Deposits	1,092.72	208.30
Total	1,132.85	245.42
9 OTHER CURRENT ASSETS		
(a) Prepaid expenses	493.40	554.27
(b) Balance with govt authorities	77.72	77.72
(c) Advance recoverable	110.91	110.83
(d) Income and claims receivable	192.75	239.69
(e) Rent Advance	113.80	130.17
(f) Supplier Advance	1,311.45	2,287.84
Total	2,300.03	3,400.52

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(A) AUTHORISED	4,70,00,000	4,700.00	4,70,00,000	4,700.00
Total	4,70,00,000	4,700.00	4,70,00,000	4,700.00
(B) ISSUED	3,13,92,416	3,139.24	3,13,92,416	3,139.24
Total	3,13,92,416	3,139.24	3,13,92,416	3,139.24
(C) SUBSCRIBED AND FULLY PAID-UP	3,13,92,416	3,139.24	3,13,92,416	3,139.24
Total	3,13,92,416	3,139.24	3,13,92,416	3,139.24

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Notes:

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

Particulars	Opening balance	Fresh Issue	Bonus/ESOP	Conversion / Buyback	Closing balance
Equity shares with voting rights					
Year ended 31 st March, 2023					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3,139.24	-	-	-	3,139.24
Year ended 31 st March, 2022					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3,139.24	-	-	-	3,139.24

10 (ii) Details of shares held by Promoter

Name of the shareholder	As at 31 March 2023		As at 31 March, 2022		% Change during the year
	Number of shares held	% of holding	Number of shares held	% of holding	
Equity shares with voting rights					
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00	-
Rajsri Vijayakumar	21,79,156	6.94	21,79,152	6.94	-
LGB Auto Products Private Limited	17,89,506	5.71	17,50,000	5.57	0.14
Jeshta Family Private Trust	15,60,000	4.97	15,60,000	4.97	-
LG Farm Products Private Limited	8,00,000	2.55	8,00,000	2.55	-
L G Sports Private Limited	4,29,000	1.37	4,00,000	1.27	0.10
Super Transports Private Limited	1,40,000	0.45	1,40,000	0.45	-
K Arjun	1,16,845	0.37	1,16,845	0.37	-
K Nithin	1,00,000	0.32	2,00,000	0.64	(0.32)
Elgi Automotive Service Pvt Ltd	80,000	0.25	80,000	0.25	-
Super Speeds Private Limited	50,000	0.16	50,000	0.16	-
Vijayshree Vijayakumar	24,500	0.08	24,500	0.08	-
Tribe Holdings Pvt Ltd (erstwhile known as Tribe Investment & Services Pvt Ltd)	10,705	0.03	10,705	0.03	-
Silent Chain India Pvt Ltd	7,200	0.02	7,200	0.02	-
Rajiv Parthasarathy	-	-	4	-	-
Total	1,07,40,912	34.22	1,07,72,406	34.30	(0.08)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Name of the shareholder	As at 31 March 2023		As at 31 March, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00
HDFC Small Cap Fund	25,56,997	8.15	24,75,303	7.89
Rajsri Vijayakumar	21,79,156	6.94	21,79,152	6.94
L.G.B.Auto Products (P) Ltd	17,89,506	5.71	17,50,000	5.57

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

- (a) The Company has only one class of Equity Shares having a par value of ₹ 10/- each. The Equity Shares of the Company ranks pari passu in all aspects including rights and entitlement to dividend. The Equity shareholders are entitled to one vote per share. Repayment of Capital will be in proportion to the number of equity shares held by the shareholders.
- (b) Dividend proposed by Board of Directors (₹ 16/- per Equity Share) for the Financial Year 2022-2023 for Face Value ₹ 10/- is subject to approval of Shareholders in ensuing Annual General Meeting.

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

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

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
11 OTHER EQUITY		
(a) Securities premium account:		
Opening balance	1,530.99	1,530.99
Less:Capitalisation of Bonus shares	-	-
Closing balance	1,530.99	1,530.99
(b) General reserve		
Opening balance	90,000.00	70,000.00
Add:Transfer from surplus in Statement of Profit and Loss	20,000.00	20,000.00
Closing balance	1,10,000.00	90,000.00
(c) Other Comprehensive Income		
Opening Balance	6,189.24	2,396.66
Add:OCI for the year	2,888.45	3,792.58
Less:Gain on Sale of Shares transferred to Retained earning	173.21	-
Closing balance	8,904.48	6,189.24
(d) Retained Earnings		
Opening balance	10,722.99	9,832.20
Add : Profit/(Loss) for the year	24,769.58	23,911.04
Less/ Add : Remeasurement of defined employee benefit plans	(105.45)	118.99
Add : Gain on Sale of Shares transferred from OCI	173.21	-
Less :Final Dividend	4,708.86	3,139.24
Less :Transferred to General reserve	20,000.00	20,000.00
Closing balance	10,851.47	10,722.99
Total	1,31,286.94	1,08,443.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
12 BORROWINGS		
(a) Term loans :		
From banks		
Secured	-	-
(b) Fixed deposits:		
From Public		
Unsecured	135.38	150.29
From Directors		
Unsecured	540.00	1,068.80
From related parties		
Unsecured	10.00	72.00
Total	685.38	1,291.09

12 (i)

- (a) There was no default in the repayment of loans, borrowing and interest during the year.
 (b) Interest rate relating to fixed deposits is in the range of 5.50% to 6.50% during the year.

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
13 PROVISIONS		
(i) Provision for Employee Benefits		
- Provision for Leave Salary	378.89	330.45
(ii) Others		
- Provision for contingencies	1,000.00	1,000.00
- Decommissioning Liability	112.87	107.51
	1,491.76	1,437.96
14 BORROWINGS		
(a) Loan repayable on demand		
From Banks		
Secured (Refer 14(i) (c) below)	5,819.80	5,500.00
(b) Loans from Related Parties		
- Loan from Directors, Unsecured	200.00	380.00
- Loan from Other related parties, Unsecured	863.00	905.00
(c) Current maturities of long-term debt (Refer Note (iii) below)	710.77	314.73
	7,593.57	7,099.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
Notes:
14 (i) Details of Security for Borrowings:

- (a) Working Capital loans from Banks are primarily secured by hypothecation of Inventories and Book Debts of the Company
 (b) Interest rate relating to Short Term Loans from Banks is in the range of 7.20% to 10.35%
 (c) Break-up of Loan repayable on demand and financial institutions.

Particulars	As at 31 March 2023		As at 31 March, 2022	
	Secured ₹ in Lakhs	Unsecured ₹ in Lakhs	Secured ₹ in Lakhs	Unsecured ₹ in Lakhs
Loan repayable on Demand				
From Banks				
HDFC Bank Ltd	1,819.80	-	2,500.00	-
ICICI Bank Ltd	2,000.00	-	-	-
IDBI Bank Ltd	2,000.00	-	500.00	-
Hongkong and Shanghai Banking Corporation Ltd	-	-	2,500.00	-
Total - Loan from banks	5,819.80	-	5,500.00	-

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

14 (iii) Current maturities of Long-term debt:

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Fixed Deposits:		
Directors	558.80	88.00
Other Related Parties	64.00	54.00
Public	87.97	172.73
Total - Current maturities of Long-term debt	710.77	314.73
15 TRADE PAYABLE		
Trade payables		
- total outstanding dues of micro & small enterprises	2,182.66	1,786.73
- total outstanding dues other than micro & small enterprises	16,652.13	23,140.49
	18,834.79	24,927.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

TRADE PAYABLE AGEING SCHEDULE					
For The Year Ended 31 March, 2023					
PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - years	More than 3 years	Total
MSME	2,169.67	-	-	-	2,169.67
Others	16,636.05	-	-	-	16,636.05
Disputed dues - MSME	-	12.55	0.44	-	12.99
Disputed dues - Others	-	4.47	10.44	1.17	16.08
Total	18,805.72	17.02	10.88	1.17	18,834.79

For The Year Ended 31 March, 2022					
PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - years	More than 3 years	Total
MSME	1,786.29	-	-	-	1,786.29
Others	23,122.50	-	-	-	23,122.50
Disputed dues - MSME	-	0.44	-	-	0.44
Disputed dues - Others	-	13.65	4.34	-	17.99
Total	24,908.79	14.09	4.34	-	24,927.22

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
16 OTHER FINANCIAL LIABILITIES		
(a) Interest accrued		
- but not due on secured loans	7.02	17.81
- but not due on Unsecured loans	13.48	29.02
- on deposits from customers	76.15	69.90
(b) Unclaimed dividends (Refer Note (i) below)	100.59	81.41
(c) Others		
Payable on purchase of fixed assets	190.83	469.28
Expenses Payable	12,838.03	13,546.69
Total	13,226.10	14,214.11
16 (i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
17 OTHER CURRENT LIABILITIES		
Other Advances:		
(a) Statutory remittances	1,445.25	1,275.61
(b) Advance and deposits from customers etc.,	1,003.89	1,276.24
Total	2,449.14	2,551.85
18 PROVISIONS		
(a) Provision for Leave Salary	40.45	31.42
Total	40.45	31.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
19 REVENUE FROM OPERATIONS		
a) Sale of products	1,91,744.95	1,83,563.38
b) Other operating revenue		
(i) Scrap sales	16,174.55	16,516.83
(ii) Duty drawback and other export incentives	645.81	717.39
Revenue from operations (Gross)	2,08,565.31	2,00,797.60
20 OTHER INCOME		
a) Interest income		
(i) Interest on fixed deposit with banks	2,030.96	729.26
(ii) Interest on deposit with TNEB	42.86	36.43
(iii) Others	8.10	6.40
Total Interest Income	2,081.92	772.09
b) Dividend income:	29.16	33.12
c) Other non-operating income		
(i) Rental and lease income	76.56	77.03
(ii) Agricultural income	6.72	3.23
(iii) Profit on sale of assets	33.86	10.11
(iv) Miscellaneous receipts	28.83	78.35
Total	2,257.05	973.93
21(A) COST OF MATERIALS CONSUMED		
Opening Stock:	12,614.68	7,804.34
Add:Purchases	92,077.94	1,02,149.37
Less:Closing Stock	9,020.58	12,614.65
Cost of material consumed	95,672.01	97,339.06
(B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	12,632.35	12,146.25
Work-in-progress	11,822.12	12,521.69
	24,454.47	24,667.94
Inventories at the beginning of the year		
Finished goods	12,146.25	8,382.16
Work-in-progress	12,521.68	9,107.40
	24,667.93	17,489.56
Net decrease / (increase)	213.46	(7,178.38)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
22 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	26,706.29	25,059.95
(b) Contribution to provident and other funds	1,548.67	1,475.47
(c) Staff welfare expenses	1,267.68	1,179.00
Total	29,522.64	27,714.42
23 FINANCE COSTS		
(a) Interest expenses:		
(i) On borrowings:	489.25	680.45
(ii) On Lease Liability	113.35	107.68
Total	602.60	788.13
24 OTHER EXPENSES		
(a) Consumption of stores and spare parts	13,844.12	12,965.17
(b) Processing charges	8,757.82	9,194.48
(c) Power and Fuel	8,990.44	8,122.09
(d) Rent including lease rentals	480.25	520.22
(e) Repairs & maintenance of		
(i) Buildings	373.63	278.88
(ii) Machinery	2,279.36	2,118.63
(iii) Other assets	2,003.44	2,032.55
(f) Insurance	277.18	173.01
(g) Rates and taxes	281.96	214.94
(h) Travelling and conveyance	653.28	297.33
(i) Printing and stationery	29.76	30.85
(j) Postage, telegram and telephones	103.64	93.00
(k) Freight, packing & forwarding	5,874.04	6,814.75
(l) Advertisement, publicity and selling expenses	213.70	117.89
(m) Bank charges	99.60	75.17
(n) Legal and professional charges	359.87	344.53
(o) Payments to auditors (Refer note (i) below)	22.35	20.50
(p) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	416.13	286.29
(q) Bad debts written off	-	-
(r) Assets condemned & written off	28.16	23.26
(s) Provision for doubtful debts/advances	184.82	109.30
(t) Loss on sale of Assets	0.03	-
(u) Provision for contingencies	-	300.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
(v) Loss on foreign currency transactions and translation	(334.58)	37.30
(w) Sitting fees	12.90	12.90
(x) Watch and Ward	898.50	883.91
(y) Agricultural expenses	7.25	24.64
(z) Miscellaneous expenses	81.45	51.65
	45,939.10	45,143.24
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of GST input credit wherever applicable)		
(a) To Statutory Auditors:		
For statutory audit	16.40	15.00
For certification and other services	-	-
(b) To Tax Auditors:		
For taxation matters	3.75	3.50
(c) To cost auditors for cost audit	2.20	2.00
Total	22.35	20.50
(ii) Details of CSR Expenditure:		
(i) Contribution to		
Educational Aids to Students	108.04	110.64
Deposit with Bank account	181.00	101.04
Covid-19 Vaccination camp and Mask expenses	-	26.89
Chief Minister's Relief Fund	-	25.00
Water Tank Project	28.00	-
Red Cross Society	26.00	-
Jim Facility at Jalna	15.93	-
Amrit Centre for Special Needs	15.00	10.00
Coimbatore Cancer Foundation	10.00	-
VOC Higher Secondary School, D.Gudalur	5.73	-
Sarswathy Educational Trust, Megalaya	5.00	-
Bright Future Organisation for Blind (Notebooks)	3.66	-
Govt. Elementary School, Pongalur	3.05	-
Lift irrigation Project	-	6.00
(ii) Contribution to others	14.72	6.72
	416.13	286.29

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
25 INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	8,684.91	8,741.88
Adjustments for current tax of prior periods	-	307.46
Total current tax expense	8,684.91	9,049.34
26 DEFERRED TAX:		
Origination and reversal of temporary differences	92.12	(455.79)
Total deferred tax expense/ (benefit)	92.12	(455.79)
Income tax expense	8,777.03	8,593.55
The Income-tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	33,546.61	32,504.59
Income-tax expense calculated at 25.168%	8,443.01	8,180.76
Add: Tax effect on earlier year disallowances	-	307.46
Less: Tax effect on non-deductible expense	108.65	118.14
Less: Net tax effect on additional deduction	225.37	(12.81)
Total tax expense	8,777.03	8,593.55

27 FAIR VALUE MEASUREMENT

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2023					March 31, 2022				
	FVTPL	FVOCI	Amor-tised Cost	Total Car-rying Value	Total Fair Value	FVTPL	FVOCI	Amor-tised Cost	Total Car-rying Value	Total Fair Value
Financial Assets										
Investments										
- Equity instruments (other than subsidiary and associates)	-	13,367.12	-	13,367.12	13,367.12	-	10,430.33	-	10,430.33	10,430.33
Trade Receivables	-	-	25,345.31	25,345.31	25,345.31	-	-	27,678.72	27,678.72	22,916.93
Cash and bank balances	-	-	34,638.74	34,638.74	34,638.74	-	-	28,921.99	28,921.99	14,431.40
Other Financial assets	-	-	15,481.68	15,481.68	15,481.68	-	-	1,785.27	1,785.27	1,590.71
Total Financial Assets	-	13,367.12	75,465.73	88,832.85	88,832.85	-	10,430.33	58,385.98	68,816.31	49,369.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	March 31, 2023					March 31, 2022				
	FVTPL	FVOCI	Amor-tised Cost	Total Car-rying Value	Total Fair Value	FVTPL	FVOCI	Amor-tised Cost	Total Car-rying Value	Total Fair Value
Financial Liabilities										
Borrowings	-	-	8,278.95	8,278.95	8,278.95	-	-	8,390.82	8,390.82	8,390.82
Trade Payables	-	-	18,834.79	18,834.79	18,834.79	-	-	24,927.22	24,927.22	24,927.22
Lease Liabilities	-	-	1,034.32	1,034.32	1,034.32	-	-	1,042.94	1,042.94	1,042.94
Other Financial liabilities	-	-	13,226.10	13,226.10	13,226.10	-	-	14,214.11	14,214.11	14,214.11
Total Financial Liabilities	-	-	41,374.16	41,374.16	41,374.16	-	-	48,575.09	48,575.09	48,575.09

(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, 2023				March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	13,058.88	-	-	13,058.88	10,034.64	-	-	10,034.64
Unlisted Equity instruments	-	-	308.24	308.24	-	-	395.69	395.69
Total Financial Assets	13,058.88	-	308.24	13,367.12	10,034.64	-	395.69	10,430.33
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

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

Particulars	March 31, 2023				March 31, 2022			
	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 THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 based on the valuation report of a certified engineer.

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Fair Market Value of Investment Properties		
a) Land	25.87	538.99
b) Building	25.03	424.50
Total	50.90	963.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

28 FINANCIAL INSTRUMENTS

Capital Management

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

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

The capital structure of the Company consists only of equity.

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Gearing Ratio:		
Debt	685.38	1,291.09
Less: Cash and bank balances	34,638.74	28,921.99
Net debt	(33,953.36)	(27,630.90)
Total equity	1,34,426.18	1,11,582.46
Net debt to equity ratio (%)	-25.26%	-24.76%
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Loans Given	-	-
Other non-current financial assets	14,348.83	1,539.85
Trade receivables	25,345.31	27,678.72
Cash and cash equivalents	1,251.15	6,069.58
Bank balances other than above	33,387.59	22,852.41
Other financial assets	1,132.85	245.42
b. Mandatorily measured at fair value through OCI (FVOCI)		
- Equity instruments (other than subsidiary and associates)	13,367.12	10,430.33
Financial liabilities		
a. Measured at amortised cost		
Borrowings	8,278.95	8,390.82
Trade payables	18,834.79	24,927.22
Other financial liabilities	13,226.10	14,214.11
Lease Liabilities	1,034.32	1,042.94

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

Market risk

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

Foreign currency risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of Management.

Foreign currency exposure not hedged by Derivative Instruments as on 31.03.2023

Currency	Receivable/ (Payable)	Receivable Exchange Rate	Payable Exchange Rate	Rs. in lakhs
USD	59,33,702.41	82.12	-	4,872.76
	(93,589.09)	-	82.12	(76.86)
EUR	25,91,968.86	89.53	-	2,320.59
	(50,502.72)	-	89.53	(45.22)
GBP	52,914.82	101.78	-	53.86
	-	-	101.78	-
JPY	8,080.00	0.6179	-	-
	(31,50,000.00)	-	0.6179	(19.47)
Total Receivable (A)				7,247.21
Total Payable (B)				(141.54)
Net Foreign currency Exposure (C= A-B)				7,105.67
Less : Hedged (D) against Receivable				4,965.52
Unhedged Foreign Currency Exposure (E= C-D)				2,140.15

The carrying amounts of the Company’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
As on March 31, 2023							
USD	94,389.09	-	94,389.09	59,33,702.41	17,00,000.00	42,33,702.41	41,39,313.32
EUR	50,502.72	-	50,502.72	25,91,968.86	40,00,000.00	(14,08,031.14)	(14,08,031.14)
GBP	-	-	-	52,914.82	-	52,914.82	52,914.82
JPY	31,50,000.00	-	31,50,000.00	8,080.00	-	8,080.00	(31,41,920.00)
As on March 31, 2022							
USD	14,58,329.10	-	14,58,329.10	63,30,999.38	-	63,30,999.38	48,72,670.28
EUR	11,316.00	-	11,316.00	28,16,262.44	-	28,16,262.44	28,04,946.44
GBP	-	-	-	2,74,084.06	-	2,74,084.06	2,74,084.06
JPY	4,55,90,500.00	-	4,55,90,500.00	-	-	-	(4,55,90,500.00)

Foreign currency sensitivity analysis

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

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

Interest rate risk Management

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

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key Management personnel and represents Management’s assessment of the reasonably possible change in interest rates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 multiple banking arrangement is available only to the respective bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk Management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk Management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit . The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

₹ in Lakhs				
	Due in 1 st year	Due in 2 nd to 5 th year	Due after 5 th year	Carrying amount
March 31, 2023				
Trade payables	18,834.79	-	-	18,834.79
Other financial liabilities	13,226.10	-	-	13,226.10
Borrowings	7,593.57	-	-	7,593.57
	39,654.46	-	-	39,654.46
March 31, 2022				
Trade payables	24,927.22	-	-	24,927.22
Other financial liabilities	14,214.11	-	-	14,214.11
Borrowings	7,099.73	-	-	7,099.73
	46,241.06	-	-	46,241.06

	March 31, 2023	March 31, 2022
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
29 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debts		
- disputed tax liabilities		
(i) Central Excise	162.72	162.72
(ii) Entry Tax	408.36	408.36
(iii) VAT/CST	374.86	374.86
(iv) GST	9.68	-
(v) Income Tax	3,765.20	1,304.34
TOTAL	4,720.82	2,250.28
(b) Guarantee given by Bankers and outstanding	381.04	276.63
(c) Corporate guarantee given for others	-	-
(d) Estimated customs duty obligation on Imports, if corresponding export obligation is not satisfied	4,591.32	512.99

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	11,471.76	6,106.33

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

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

Other disclosures are as under:

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
(i) Principal amount remaining unpaid to any supplier as at end of the accounting year	2,182.66	1,786.73
(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

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

31a) Remuneration to Executive Chairman (EC), Managing Director (MD) and Executive Director (ED) is included in Salary, Wages & Bonus: (₹ in Lakhs)

Particulars	For the year ended 31 March, 2023			For the year ended 31 March, 2022		
	EC	MD	ED	CMD	MD	WTD
Salaries & Allowances	111.96	86.00	33.00	113.01	77.00	16.00
Commission	604.61	181.84	21.92	674.27	168.57	-
Contribution to Provident Fund	12.17	8.88	3.06	13.56	9.24	1.92
Total	728.74	276.72	57.98	800.84	254.81	17.92

b) Computation of Net Profit under Section 198 of the Companies Act, 2013 and commission payable to the Chairman and Managing Director and Managing Director and Whole Time Director:

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Profit before tax	33,546.61	32,504.59
Add: Managerial remuneration (Refer Note)	1,063.44	1,073.56
Sitting fees to Directors	12.90	12.90
Provision for doubtful debts/advances	184.82	109.30
Loss on Sales of Assets	0.03	0.00
Assets condemned and written off	28.16	23.26
Less: Profit on Sale of Assets/Investments	221.07	10.11
Net profit	34,614.89	33,713.50
Maximum remuneration payable to Executive Chairman and Managing Director - 10% of the net profit	3,461.49	3,371.35
Commission payable @ 2% on Net Profit from 01.04.2022 to 31.12.2022 and 1% on Net Profit from 01.01.2023 to 31.03.2023 to EC	604.61	674.27
Commission payable @ 0.50% on Net Profit from 01.04.2022 to 31.12.2022 and 0.60% on Net Profit from 01.01.2023 to 31.03.2023 to MD	181.84	168.57
Commission payable @ 0.25% on Net Profit from 01.01.2023 to 31.03.2023 to ED	21.92	-

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

32 DETAILS OF GOVERNMENT GRANTS		
Government grants received by the Company during the year towards		
Duty drawback and other export incentives	645.80	717.39
Subsidy received	1,842.27	2,273.75
Total	2,488.07	2,991.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

33 EMPLOYEE BENEFIT PLANS

Defined Contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 1,129.66 Lakhs (Year ended 31 March, 2022 ₹ 1,073.45 Lakhs) for Provident Fund contributions and ₹ 18.02 Lakhs (Year ended 31 March, 2022 ₹ 21.89 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 ₹ 213.61 Lakhs (Year ended 31 March, 2022 ₹ 217.71 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Defined Benefit Plan - Gratuity:

The Company provides gratuity benefit (included as part of employees contribution to funds in Note 22 Employee benefits expense) to all eligible employees, which is funded with Life Insurance Corporation of India.

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

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Components of employer expenses		
Current service cost	230.27	190.46
Interest cost	208.15	197.98
Expected return on Plan Assets	(251.85)	(226.02)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	186.57	162.42
Actual contribution and the benefit payments for the year		
Actual benefit payments	(123.90)	(134.56)
Actual contribution	214.82	358.59
Other Comprehensive Income		
Opening OCI	129.38	213.65
Actuarial Loss / (Gain) on DBO	101.34	(123.84)
Actuarial Loss / (Gain) on Assets	39.57	39.57
Total recognized in Other Comprehensive Income	140.91	(84.27)
Closing Recognised in OCI	270.29	129.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	3,249.42	2,833.56
Fair value of plan assets	3,611.28	3,308.08
Funded Status [Surplus/(Deficit)] *	361.86	474.52
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	361.86	474.52
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	2,833.56	2,703.52
Current service cost	230.27	190.46
Interest cost	208.15	197.98
Actuarial (gain) / loss on obligation	101.34	(123.84)
Benefits paid	(123.90)	(134.56)
Present value of DBO at the end of the year	3,249.42	2,833.56
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	3,308.08	2,897.60
Acquisition adjustment		
Expected return on Plan Assets	251.85	226.02
Contributions by the employer	214.82	358.59
Actuarial gain / (loss)	(39.57)	(39.57)
Benefits paid	(123.90)	(134.56)
Plan Assets at the end of the year	3,611.28	3,308.08
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	3,249.42	2,833.56
Closing FV of Plan Assets	3,611.28	3,308.08
Funded Status [Surplus/(Deficit)] *	361.86	474.52
* - Included under the head "Employee Benefits" in Schedule 22		
Composition of the Plan assets is as follows:		
Equity instruments	-	-
Debt instruments	-	-
Property	-	-
Insurer managed asset *	100%	100%
* - The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Actuarial assumptions		
Discount Rate (per annum)	7.52%	7.51%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	7.51%	7.51%
* - Included in "Contribution to Provident & Other Funds" in Note 22 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on Obligation	101.34	(123.84)
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	39.57	39.57
Total comprehensive Income for the year	140.91	(84.27)
Actuarial (Gains) and Losses Recognized in the year	140.91	(84.27)
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 ₹ 200.00 Lakhs to the Gratuity Fund next year.

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
(iv) Sensitivity Analysis:		
A. Discount Rate + 100 BP	-9.36%	-9.60%
Defined Benefit Obligation [PVO]	2,945.19	2,561.43
B. Discount Rate - 100 BP	11.02%	11.32%
Defined Benefit Obligation [PVO]	3,607.53	3,154.26
C. Salary Escalation Rate + 100 BP	9.72%	10.09%
Defined Benefit Obligation [PVO]	3,565.18	3,119.55
D. Salary Escalation Rate - 100 BP	-8.62%	-8.91%
Defined Benefit Obligation [PVO]	2,969.37	2,581.13
E. Attrition Rate + 100 BP	-2.69%	-2.79%
Defined Benefit Obligation [PVO]	3,161.93	2,754.39
F. Attrition Rate - 100 BP	3.11%	3.23%
Defined Benefit Obligation [PVO]	3,350.38	2,925.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
vii Risk exposure:

The Company's Gratuity fund is maintained by an approved trust (Life Insurance Corporation of India). A large portion of the investment made by the LIC is in government bonds and securities and other approved securities. Hence, the Company is not exposed to the risk of asset volatility as at the balance sheet date.

vii Defined benefit liability and employer contributions:

The weighted average duration of the defined benefit obligation is 14.69 years (2021-22 - 15.11 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Less than 1 year	138.44	115.39
Between 1 - 2 years	141.09	123.73
Between 2 - 3 years	187.72	148.12
Between 3 - 4 years	256.32	165.46
Between 4 - 5 years	237.31	229.81
Between 5 -10 years	1,564.86	1,327.18
Above 10 Years	6,111.33	5,559.94
34 DETAILS OF LEASING ARRANGEMENTS IND AS 116		
As Lessor		
a The Company has entered into operating lease arrangements for certain surplus facilities and equipments.		
Total rental and lease income recognized in the Statement of Profit and Loss	76.56	77.03
As Lessee		
b Interest expenses on lease liability	113.35	107.68
Expenses related to short term leases and lease of low value assets	590.16	517.10
Total cashflow for leases	1,066.00	848.74
35 EARNINGS PER SHARE		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In ₹ Lakhs	24,769.58	23,911.04
Profit attributable to Equity Shareholders - In ₹ Lakhs (A)	24,769.58	23,911.04
Total number of equity shares outstanding at balance sheet date.	3,13,92,416	3,13,92,416
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	3,13,92,416	3,13,92,416
Nominal value of Equity Shares - In ₹	10	10
Basic and Diluted Earnings Per Share-In ₹ (A/B) (Not annualized)	78.90	76.17

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
36 DEFERRED TAX LIABILITY		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	1,163.85	1281.64
On account of provision for right to use assets	208.75	211.42
On account of provision for lease liability	(260.32)	(262.49)
On account of provision for doubtful debts	(86.10)	(39.58)
On account of provision for contingencies	(251.68)	(251.68)
On account of provision for bonus	-	(264.29)
On account of provision for gratuity	91.07	119.43
On account of provision for leave salary	(105.54)	(91.08)
On account of provision for Investments in Shares	923.50	637.00
	1,683.53	1,340.38
37 DETAILS OF R&D EXPENSES		
1) Capital expenditure	86.40	80.36
2) Salaries & wages	457.44	362.40
3) Material costs	73.75	134.80
4) Maintenance expenses	50.18	77.49
5) Other expenses	91.01	121.70
	758.78	776.75

Note : While the accounts of R&D department are maintained separately, for the purpose of presentation, the administrative and other expenses are clubbed along with other functional head of expenses and presented in the Statement of Profit and Loss.

38 Details of Provision

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

Particulars	₹ in Lakhs			
	As at 1 st April, 2022	Additions	Utilisation	As at 31 March, 2023
Provision for other contingencies (Excise/ Customs / IT)	1,000.00	-	-	1,000.00
	(700.00)	(300.00)	-	(1,000.00)
Total	1,000.00	-	-	1,000.00
	(700.00)	(300.00)	-	(1,000.00)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Provision for Doubtful Debts:

Particulars	As at 1 st April, 2022	Additions	Utilisation	As at 31 March, 2023
Provision for Doubtful Debts	157.27	184.82	-	342.09
	(47.97)	(109.30)	-	(157.27)
Total	157.27	184.82	-	342.09
	(47.97)	(109.30)	-	(157.27)

Note: Figures in brackets relate to the previous year.

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

In respect of immovable properties of Land that have been taken on lease and disclosed as fixed assets in the Financial Statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for credit facilities taken from the banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement

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

41 Ratios:

Ratio	Numerator	Denominator	31.03.2023	31.03.2022	Inc. / Dec.
a) Current Ratio	Current assets	Current liabilities	2.39	2.08	15.31%
b) Debt-Equity Ratio	Total debt	Equity	0.06	0.08	-18.10%
c) Debt Service Coverage Ratio	Earnings available for debt service	Total debt service	18.31	22.63	-19.09%
d) Return of Equity Ratio	Net profits after taxes	Average shareholder equity	0.18	0.22	-15.21%
e) Inventory Turnover Ratio	Sales	Average inventory	5.28	5.72	-7.80%
f) Trade Receivables Turnover Ratio	Net sales	Average accounts receivables	7.87	7.94	-0.89%
g) Trade Payables Turnover Ratio	Net purchases	Average trade payables	4.21	4.23	-0.41%
h) Net Capital Turnover Ratio	Net sales	Working Capital	1.70	2.02	-16.20%
i) Net Profit Ratio	Net profit	Net sales	12%	12%	-0.03%
j) Return on Capital employed	Earning before interest and taxes	Capital employed	24%	27%	-3.71%
k) Return on investment	Income generated from investments	Time weighted average investments	4%	2%	1.61%

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Profit Before Tax as per Section 198 of the Act:	₹ in Lakhs
Financial Year - 2019 - 20	10,488.83
Financial Year - 2020 - 21	19,268.91
Financial Year - 2021 - 22	32,607.36
Total	62,365.10
Average Profit Before Tax as per Section 135(5) of the Act	20,788.37
a) 2% of Average Profit to be Spent for CSR Activities	415.77
b) CSR Expenditure Incurred	416.13
c) Shortfall at the end of the year	-
d) Total of previous years shortfall	-
e) Reason for shortfall	-
f) Nature of CSR activities	Education Promoting Health Care including Preventive Health Care Contribution to State Disaster Management Authority
g) Details of related party transactions	Nil
h) Movement in provision with respect to a liability incurred	Nil

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

45 The Company is not declared as a wilful defaulter by any Bank or Financial Institution.

46 The Company has no relationship with Struck-Off companies.

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- 50 The Company has no income which has been surrendered or disclosed as income during the year in any of the tax assessments under the Income Tax Act 1961.
- 51 The Company has not traded/invested in crypto currency/ virtual currency during the Financial Year.
- 52 Loans and Advances in the nature of loan granted to Promoter, KMP and related parties: Nil
- 53 There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the the statutory period.
- 54 The Company has not issued any Securities for a specific purpose.
- 55 The Company has utilised the borrowings from banks and financial institutions for the purpose for which it was availed
- 56 There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in “Material Changes and commitments affecting the financial position between the end of the fiscal and date of the report’ in the Board’s report
- 57 Since the Company prepares Consolidated Financial Statements, Segment Information as revised by IND AS 108 “Operating Segments” has been disclosed in consolidated Financial Statements.
- 58 Exceptional item represents subsidy received.
- 59 Recent Accounting pronouncements:
 - Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (indian Accounting Standards) Rules as issued from time to time
 - On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. Certain amendments are discussed below:
 - Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
 - Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
 - Ind AS 12 - Income-taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
- 60 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year’s classification/disclosure.
- 61 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- 62 In assessing the recoverability of Company’s Assets such as Property Plant and Equipment, Investments, Trade Receivables, Inventories etc in view of Covid 19 outbreak ,the Company has considered available information upto the date of approval of these financial results to arrive at its estimates. The Company has evaluated its liquidity position, recoverability of such assets and based on the current estimates expects that the carrying amount of these assets would be recovered.
- 63 The Committee of Creditors of RSAL Steel P Ltd Ltd (RSAL), through a Letter of Intent (LOI) have declared LG Balakrishnan & Bros Ltd as the successful bidder for RSAL, under the Insolvency & Bankruptcy code 2016.The implementation of the resolution plan is subject to the terms of the LOI and requisite approval from regulatory authorities.

64 Related party disclosure

a) List of parties having significant influence

Subsidiaries

LGB USA INC. - 96%

Fellow Subsidiaries

GFM ACQUISITION LLC. - Holding by LGB USA - 98.47%

GFM LLC - Holding by GFM Acquisition LLC - 100%

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

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

Key Management personnel

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Relatives of Key Management Personnel

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



TIMING SYSTEM



DRIVE CHAIN SYSTEM

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		1	Remuneration to Key Managerial Personnel	-	-	-	-	1,161.62	1,162.45	-	-
	Sri.B. Vijayakumar	-	-	-	-	728.74	800.84	-	-	728.74	800.84
	Sri.P. Prabakaran	-	-	-	-	276.72	254.81	-	-	276.72	254.81
	Sri.Rajiv Parthasarathy	-	-	-	-	57.98	17.92	-	-	57.98	17.92
	Sri.N.Rengaraj	-	-	-	-	57.05	51.61	-	-	57.05	51.61
	Sri.Lakshminanth Joshi	-	-	-	-	41.13	37.27	-	-	41.13	37.27
2	Loan Receipts (Borrowings)	493.00	765.00	-	-	470.00	870.00	200.00	140.00	1,163.00	1,775.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	L.G.Sports (P) Ltd	80.00	300.00	-	-	-	-	-	-	80.00	300.00
	LGB Auto Products (P) Limited	250.00	365.00	-	-	-	-	-	-	250.00	365.00
	LG Farm Products (P) Limited	90.00	20.00	-	-	-	-	-	-	90.00	20.00
	Super Speeds (P) Limited	23.00	35.00	-	-	-	-	-	-	23.00	35.00
	Silent Chain (P) Limited	50.00	45.00	-	-	-	-	-	-	50.00	45.00
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	470.00	870.00	-	-	470.00	870.00
	Relatives of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	200.00	140.00	200.00	140.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		3	Loan Repayment (Borrowing)	535.00	255.00	-	-	670.00	570.00	180.00	175.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	L.G.Sports (P) Ltd	200.00	220.00	-	-	-	-	-	-	200.00	220.00
	LGB Auto Products (P) Limited	300.00	-	-	-	-	-	-	-	300.00	-
	LG Farm Products (P) Limited	-	10.00	-	-	-	-	-	-	-	10.00
	Super Speeds (P) Limited	35.00	25.00	-	-	-	-	-	-	35.00	25.00
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	670.00	570.00	-	-	670.00	570.00
	Relatives of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	180.00	175.00	180.00	175.00
4	Fixed Deposits Receipts (Borrowings)	-	10.00	-	-	-	-	-	-	-	10.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Silent Chain (P) Limited	-	10.00	-	-	-	-	-	-	-	10.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		₹ in Lakhs									
5	Fixed Deposits Repayments (Borrowings)	133.00	45.00	-	-	-	-	7.00	10.00	140.00	55.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel	45.00	45.00	-	-	-	-	-	-	45.00	45.00
	Silent Chain (P) Limited										
	Key Managerial Personnel										
	Sri.P. Prabakaran	88.00	-	-	-	-	-	-	-	88.00	-
	Relatives of Key Managerial Personnel										
	Minor.Vidhur Narayanan	-	-	-	-	-	-	-	10.00	-	10.00
	Smt.D.Maheswari	-	-	-	-	-	-	7.00	-	7.00	-
6	Interest Expense	80.57	65.48	-	-	104.14	109.34	15.38	38.18	200.09	213.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial Personnel										
	L.G.Sports (P) Ltd	22.31	30.62	-	-	-	-	-	-	22.31	30.62
	LGB Auto Products (P) Limited	45.50	25.03	-	-	-	-	-	-	45.50	25.03
	L G Farm Products (P) Limited	3.86	0.46	-	-	-	-	-	-	3.86	0.46
	Others	8.90	9.37	-	-	-	-	-	-	8.90	9.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		₹ in Lakhs									
	Key Managerial Personnel										
	Sri.B.Vijayakumar	-	-	-	-	93.42	98.85	-	-	93.42	98.85
	Sri.P. Prabakaran	-	-	-	-	10.44	10.22	-	-	10.44	10.22
	Sri.N.Rengaraj	-	-	-	-	0.28	0.27	-	-	0.28	0.27
	Relatives of Key Managerial Personnel										
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	11.39	20.77	11.39	20.77
	Minor.Samreddhi Andal	-	-	-	-	-	-	1.75	7.80	1.75	7.80
	Minor.Vidhur Narayanan	-	-	-	-	-	-	1.75	8.49	1.75	8.49
	Smt.D.Maheswari	-	-	-	-	-	-	0.49	1.12	0.49	1.12
7	Equity Investment - LGB-USA	-	-	-	-	-	-	-	-	-	-
8	Dividend Receipts	0.03	13.08	-	-	-	-	-	-	0.03	13.08
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Super Speeds Private Limited	-	13.05	-	-	-	-	-	-	-	13.05
	Others	0.03	0.03	-	-	-	-	-	-	0.03	0.03
9	Dividend Payments	719.69	479.79	-	-	518.99	346.00	378.55	431.92	1,617.23	1,257.71
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	LGB Auto Products (P) Limited	262.50	175.00	-	-	-	-	-	-	262.50	175.00
	B Vijayakumar (Jeshta Family Pvt Trust)	234.00	156.00	-	-	-	-	-	-	234.00	156.00
	L G Farm Products (P) Limited	120.00	80.00	-	-	-	-	-	-	120.00	80.00
	L.G.Sports (P) Ltd	60.00	40.00	-	-	-	-	-	-	60.00	40.00
	Super Transports Private Limited	21.00	14.00	-	-	-	-	-	-	21.00	14.00
	Others	22.19	14.79	-	-	-	-	-	-	22.19	14.79
	Key Managerial Personnel										
	Sri.B. Vijayakumar	-	-	-	-	518.10	345.40	-	-	518.10	345.40
	Sri.P. Prabakaran	-	-	-	-	0.71	0.48	-	-	0.71	0.48
	Sri.N.Rengaraj	-	-	-	-	0.18	0.12	-	-	0.18	0.12
	Relatives of Key Managerial Personnel										
	Sri.V.Rajviridhan	-	-	-	-	-	-	-	170.00	-	170.00
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	326.87	217.92	326.87	217.92
	Others	-	-	-	-	-	-	51.68	44.00	51.68	44.00
10	Rent Income	78.80	78.57	-	-	-	-	-	-	78.80	78.57
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	56.70	56.39	-	-	-	-	-	-	56.70	56.39
	Super Transports Private Limited	11.85	11.62	-	-	-	-	-	-	11.85	11.62
	Others	10.25	10.56	-	-	-	-	-	-	10.25	10.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
11	Purchase of Materials, Spares & power	1,908.47	2,097.60	-	-	-	-	-	-	1,908.47	2,097.60
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	865.31	1,150.00	-	-	-	-	-	-	865.31	1,150.00
	Lakshmi Printers	860.13	708.24	-	-	-	-	-	-	860.13	708.24
	G-Plast P Ltd	97.03	124.46	-	-	-	-	-	-	97.03	124.46
	Others	86.00	114.90	-	-	-	-	-	-	86.00	114.90
12	Processing/ Conversion Charges	234.90	304.85	-	-	-	-	-	-	234.90	304.85
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Veena Coach Products	170.02	164.67	-	-	-	-	-	-	170.02	164.67
	Super Speeds Private Limited	45.75	115.23	-	-	-	-	-	-	45.75	115.23
	Others	19.13	24.95	-	-	-	-	-	-	19.13	24.95
13	Sale of Materials, Stores and Service Charges	3,484.81	1,084.53	-	-	-	-	-	-	3,484.81	1,084.53
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										

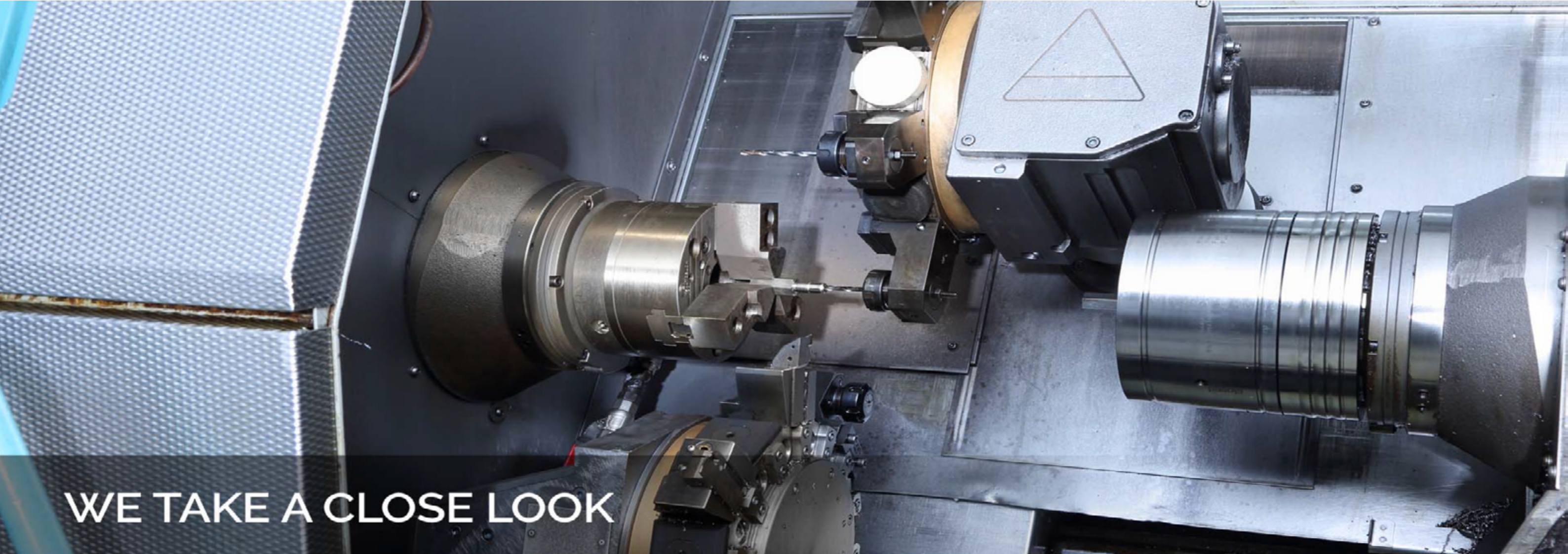
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Metal Forms (P) Limited	2,795.40	1,076.51	-	-	-	-	-	-	2,795.40	1,076.51
	LGB Forge Limited	597.44	0.00	-	-	-	-	-	-	597.44	-
	Others	91.97	8.02	-	-	-	-	-	-	91.97	8.02
14	Processing charges Receipts	152.22	289.62	-	-	-	-	-	-	152.22	289.62
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	LGB Forge Limited	145.65	278.36	-	-	-	-	-	-	145.65	278.36
	Others	6.57	11.26	-	-	-	-	-	-	6.57	11.26
15	Sale of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
16	Purchase of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel										
	Total	7,820.49	5,488.52	-	-	2,924.75	3,057.79	780.93	795.10	11,526.17	9,341.41

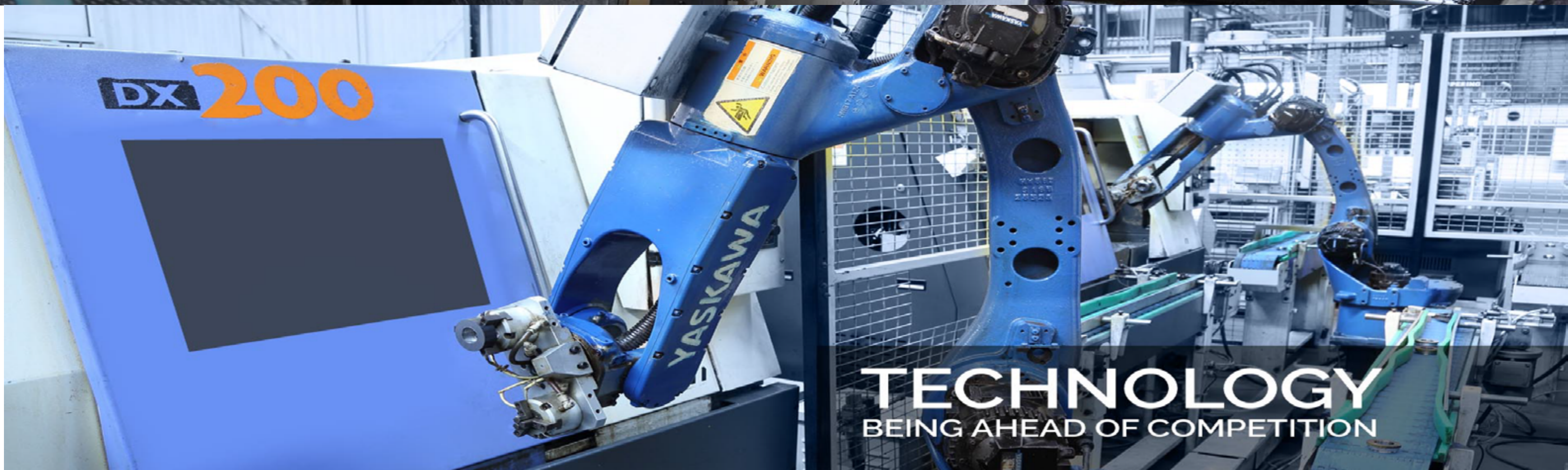
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Subsidiaries		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Receivable balance	1,361.95	814.37	-	-	-	-	-	-	1,361.95	814.37
	LGB Forge Limited	353.30	29.10	-	-	-	-	-	-	353.30	29.10
	Metal Forms (P) Limited	999.12	782.49	-	-	-	-	-	-	999.12	782.49
	Others	9.53	2.78	-	-	-	-	-	-	9.53	2.78
2	Payable balance	328.07	283.11	-	-	-	-	-	-	328.07	283.11
	LGB Forge Limited	242.22	189.70	-	-	-	-	-	-	242.22	189.70
	Others	85.85	93.41	-	-	-	-	-	-	85.85	93.41
3	Unsecured borrowings balance	863.00	905.00	-	-	100.00	300.00	100.00	80.00	963.00	985.00
	L G Sports (P) Limited	180.00	300.00	-	-	-	-	-	-	180.00	300.00
	LGB Auto Products (P) Limited	465.00	515.00	-	-	-	-	-	-	465.00	515.00
	Silent Chain (P) Limited	95.00	45.00	-	-	-	-	-	-	95.00	45.00
	Super Speeds Private Limited	23.00	35.00	-	-	-	-	-	-	23.00	35.00
	L G Farm Products (P) Limited	100.00	10.00	-	-	-	-	-	-	100.00	10.00
	Sri.B. Vijayakumar	-	-	-	-	100.00	300.00	-	-	-	-
	Smt.Rajsri Vijayakumar	-	-	-	-	-	-	100.00	80.00	100.00	80.00

b) Balance outstanding at the end of the year



WE TAKE A CLOSE LOOK



TECHNOLOGY
BEING AHEAD OF COMPETITION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Ind AS Financial Statements:

Opinion:

We have audited the accompanying Consolidated Ind AS Financial Statements of L. G. BALAKRISHNAN & BROS LIMITED, Coimbatore (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company, its subsidiaries together referred to as the "the Group") comprising the Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of the subsidiaries, referred to in Other Matters paragraph below, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated financial position of the Group as at 31 March 2023, and its consolidated profit and total comprehensive income, its consolidated cash flows and

consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion:

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

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

Key audit matters

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

S.No	Key Audit Matters	Auditor's Response
1	Evaluation of uncertain tax positions	Our audit procedures included: We obtained details of completed tax assessments and demands for the year ended March 31, 2023 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, 2023 to evaluate whether any change was required to Management's position on these uncertainties.

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

Information other than the consolidated Financial Statements and the auditor's report thereon:

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business responsibility report, Corporate Governance and Shareholder's information, but does not include the consolidated Ind AS Financial Statements and our auditor's report thereon.

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

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

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

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

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

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

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the Financial Statements/financial information of 3 subsidiaries whose Financial Statements/financial information reflect assets of ₹ 9014.95 lakhs as at 31st December 2022, total revenue of ₹ 11,732.49 lakhs, total profit after tax of ₹ 463.22 lakhs and net cash outflows of ₹ 17.66 lakhs for the year ended on that date, as considered in the consolidated Ind AS Financial Statements. These Financial Statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in the respect of these subsidiaries and associate and our report in terms of Section 143(3) & Section 143(11) of the Act in so far as it relates to the aforesaid subsidiaries is solely based on such unaudited Financial Statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these Financial Statements/ financial information are not material to the Group.

Our Opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory

Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the Financial Statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements:

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group are disqualified as on 31 March 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company incorporated in India and the operating effectiveness of such controls of the Holding Company incorporated in India, refer to our separate Report in “Annexure A”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Ind AS Financial Statements has disclosed the impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 29 to the Consolidated Financial Statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Companies.
- iv.
- a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity
- (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v.
- (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- (b) As stated in Note No. 10(iv)(b) to the Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 23211916BGWKFP6721

Place: Coimbatore
Date: 29.04.2023

“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 2023, We have audited the internal financial controls with reference to financial statements 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 with reference to financial statements, 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial

Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 with reference to financial statements 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statement:

A Company’s internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that:-

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

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

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

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company incorporated in India, have in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SURI & CO.**
Chartered Accountants
Firm Registration No.: 004283S
M. SIVARAM
Partner
Membership No.: 211916
UDIN: 23211916BGWKFP6721

Place: Coimbatore
Date: 29.04.2023

CONSOLIDATED BALANCE SHEET AS AT 31.03.2023

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments and Intangible assets			
(i) Property, Plant and Equipments	1	45,926.13	47,406.72
(ii) Capital work-in-progress	1	3,166.86	1,454.51
(iii) Investment Property	1	50.90	963.49
(iv) Goodwill on consolidation		1,718.53	1,542.30
(v) Intangible Assets	1	134.30	95.59
(vi) Right of use Asset	1	886.99	840.05
(b) Financial Assets			
(i) Investments	2	13,367.12	10,430.33
(ii) Other financial assets	3	14,348.83	1,539.86
(c) Other non-current assets	4	1,425.62	1,142.71
		81,025.28	65,415.56
2 Current assets			
(a) Inventories	5	40,005.67	43,577.84
(b) Financial assets			
(i) Trade receivables	6	27,234.65	29,377.66
(ii) Cash and cash equivalents	7A	1,369.86	6,205.94
(iii) Bank balance other than (ii) above	7B	33,387.59	22,852.41
(iv) Other financial assets	8	1,132.85	245.42
(c) Current tax Asset		-	-
(d) Other current assets	9	2,335.05	3,602.71
		1,05,465.67	1,05,861.98
3 Asset held for Sale	1	814.37	8.55
Total Assets		1,87,305.32	1,71,286.09
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	10	3,139.24	3,139.24
(b) Other Equity	11	1,33,393.80	1,10,107.18
Equity Attributable to Owners of the Company		1,36,533.04	1,13,246.42
Non-controlling interest		237.28	206.24
Total		1,36,770.32	1,13,452.66

CONSOLIDATED BALANCE SHEET AS AT 31.03.2023

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	1,684.04	2,132.78
(ii) Lease liabilities		1,076.41	1,042.94
(b) Provisions	13	1,491.76	1,437.96
(c) Deferred tax liabilities (net)		1,683.53	1,340.38
		5,935.74	5,954.06
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7,663.82	7,266.40
(ii) Trade payables			
- total outstanding dues of micro & small enterprises	15	2,182.66	1,786.73
- total outstanding dues other than micro & small enterprises	15	18,789.31	25,749.51
(iii) Other financial liabilities	16	13,370.79	14,389.98
(b) Other current liabilities	17	2,449.14	2,551.85
(c) Provision	18	40.45	31.42
(d) Current tax Liabilities		103.09	103.48
		44,599.26	51,879.37
Total Liabilities		1,87,305.32	1,71,286.09

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Executive Chairman

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

Senior General Manager

(Legal) and

Company Secretary

ACS NO. A14273

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2023	For the year ended 31.03.2022
A. CONTINUING OPERATIONS			
1 Revenue from Operations(net)	19	2,20,297.79	2,10,208.81
2 Other Income	20	2,257.05	1,204.09
3 Total Income (1 + 2)		2,22,554.84	2,11,412.90
4 Expenses:			
(a) Cost of materials consumed	21 a	1,02,590.26	1,02,361.89
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	21 b	(17.02)	(7,459.59)
(c) Employee benefits expense	22	31,982.39	29,687.71
(d) Finance costs	23	660.39	835.98
(e) Depreciation and amortisation expense		7,946.78	8,321.81
(f) Other expenses	24	47,390.85	46,771.13
Total Expenses		1,90,553.65	1,80,518.93
5 Profit before exceptional items and tax (3-4)		32,001.19	30,893.97
6 Exceptional items		2,029.48	2,273.75
7 Profit before tax (5+6)		34,030.67	33,167.72
8 Tax expense / (benefit):			
(a) Current tax / MAT tax expense	25	8,705.75	8,741.88
(b) Current-tax expense relating to prior year		-	307.46
(c) Deferred tax	26	92.12	(455.79)
Net tax expense		8,797.87	8,593.55
9 Profit for the period (7 - 8)		25,232.80	24,574.17
10 Share in Profit of associate		-	-
11 Profit after tax before share of profit of associate		25,232.80	24,574.17
12 Net profit attributable to:			
Owners		25,193.06	24,547.65
Non Controlling interest		39.74	26.52
13 Other Comprehensive Income (Net of taxes)			
(A) (i) Items that will not be reclassified to Profit or Loss Account			
(1) Re-measurement of defined benefit plans		(140.91)	159.01
(2) On account of Investment Fair valuation		3,183.71	4,136.47
(ii) (ii) Income-tax relating to Items that will not be reclassified to Profit and Loss Account		(259.79)	(383.90)
(B) Items that will be reclassified to Profit or Loss Account		-	-
14 Total Comprehensive income for the period		28,015.81	28,485.75
15 Earnings per share (Face value of ₹ 10/- each)			
(a) Basic		80.25	78.20
(b) Diluted		80.25	78.20

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Executive Chairman

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

Senior General Manager

(Legal) and Company

Secretary ACS NO. A14273

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31.03.2023

₹ in Lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A Cash flow from operating activities		
Net Profit before Tax	34,030.67	33,167.72
Adjustments for:		
Depreciation	7,946.79	8,321.81
Provision for Doubtful Debts	184.82	109.30
Profit/Loss on sale of assets	(221.05)	(1.03)
Profit/Loss on Sale of Investment	-	-
Assets condemned/Written off	28.16	23.25
Provision for contingencies	-	300.00
Interest and Finance Charges	660.39	835.98
Interest Income	(2,081.92)	(772.09)
Dividend Income	(29.16)	(33.12)
	6,488.03	8,784.10
Operating profit before working capital changes	40,518.70	41,951.82
Changes in Working Capital		
Provisions - Non Current	(87.10)	211.43
Other Financial Assets - Non Current	(12,808.97)	(83.13)
Other Non Current Assets	(152.74)	(326.38)
Inventories	3,572.17	(13,449.36)
Trade Receivables	1,958.19	(4,822.00)
Other Financial Assets - Current	(887.43)	(111.45)
Other Current Assets	1,137.50	(527.18)
Trade Payables	(6,833.30)	1,504.60
Other financial liabilities	(1,038.36)	2,447.46
Current Liabilities	(102.72)	1,678.30
Provisions - Current	9.03	(7.39)
Cash generated from operations	25,284.97	28,466.72
Income tax paid, net of refunds received	(8,611.41)	(8,221.03)
Net Cash generated from operating activities (A)	16,673.56	20,245.69
B Cash flow from Investing activities		
Capital expenditure, including capital advances	(8,082.75)	(4,769.18)
Investment in Others	-	-
Proceeds from sale of fixed assets	529.64	7.21
Proceeds from sale of investments	246.92	-
Bank Balances not considered as cash and cash equivalents	(10,535.18)	(14,211.10)
Dividend income	29.16	33.12
Interest Income	2,081.92	772.09
Net cash used in Investing activities (B)	(15,730.29)	(18,167.86)

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31.03.2023

₹ in Lakhs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
C Cash flow from financing activities		
Interest and Finance Charges	(547.04)	(728.30)
Dividend Paid including Tax	(4,689.68)	(3,128.14)
Lease payments	(491.31)	(331.64)
Borrowings - Current and Non-current (Net)	(51.32)	2,313.53
Net cash used in financing activities (C)	(5,779.35)	(1,874.55)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)	(4,836.08)	203.28
Cash and Cash Equivalents at the beginning of the year	6,205.94	6,002.66
Cash and Cash Equivalents at the end of the year	1,369.86	6,205.94

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 004283S

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 29.04.2023

B. VIJAYAKUMAR

Executive Chairman

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

Senior General Manager

(Legal) and

Company Secretary

ACS NO. A14273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
STATEMENT OF CHANGES IN EQUITY
A. Equity Share Capital

(₹ in Lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Balance as at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,139.24	3,139.24
Changes in equity share capital during the year	-	-
Balance as at end of the year	3,139.24	3,139.24

B. Other Equity

(₹ in Lakhs)

For the Year ended 31 March, 2023

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Foreign Currency Translation Reserve	General Reserve	Surplus		
Balance as at 01.04.2022	1,530.99	(217.76)	90,000.00	12,604.71	6,189.24	1,10,107.18
Changes in accounting policies and prior period errors	-	-	-	-	-	-
Restated Balance as at 01.04.2022	1,530.99	(217.76)	90,000.00	12,604.71	6,189.24	1,10,107.18
Profit for the year	-	-	-	25,193.06	-	25,193.06
Other Comprehensive Income / (losses)	-	19.40	-	(105.44)	2,888.45	2,802.41
Dividends	-	-	-	(4,708.86)	-	(4,708.86)
Gain on Sale of Shares transferred to Surplus	-	-	-	173.21	(173.21)	-
Transfer to Reserves	-	-	20,000.00	(20,000.00)	-	-
Balance as at 31.03.2023	1,530.99	(198.36)	1,10,000.00	13,156.69	8,904.48	1,33,393.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

For the Year ended 31 March, 2022

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Foreign Currency Translation Reserve	General Reserve	Surplus		
Balance as at 01.04.2021	1,530.99	(205.39)	70,000.00	11,077.32	2,396.66	84,799.58
Changes in accounting policies and prior period errors	-	-	-	-	-	-
Restated Balance as at 01.04.2021	1,530.99	(205.39)	70,000.00	11,077.32	2,396.66	84,799.58
Profit for the year	-	-	-	24,547.64	-	24,547.64
Other Comprehensive Income / (losses)	-	-	-	118.99	3,792.58	3,911.57
Dividends	-	-	-	(3,139.24)	-	(3,139.24)
Transfer to Reserves	-	(12.37)	20,000.00	(20,000.00)	-	(12.37)
Balance as at 31.03.2022	1,530.99	(217.76)	90,000.00	12,604.71	6,189.24	1,10,107.18

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

 For **SURI & CO.**

Chartered Accountants

Firm Registration No.: 0042835

M. SIVARAM

Partner

Membership No.211916

Place : Coimbatore

Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR

Executive Chairman

DIN: 00015583

N. RENGARAJ

Chief Financial Officer

P. PRABAKARAN

Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

Senior General Manager

(Legal) and

Company Secretary

ACS NO. A14273

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1 Corporate Information

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

2 Basis of preparation of Financial Statements

Basis of preparation and presentation

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

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

Current and Non-Current Classification

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

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

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

(b) A liability is current when:

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Principles of consolidation:

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

- (i) The Financial Statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2023, except for certain subsidiary companies as mentioned in (vi) below for which Financial Statements as on reporting date are not available. These have been consolidated based on latest available Financial Statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such Financial Statements and these consolidated Financial Statements.
- (ii) The Financial Statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and resultant unrealized profits or losses, unless cost cannot be recovered have been fully eliminated.
- (iii) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated Financial Statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as

on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated Financial Statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary Company and such amounts are not set off between different entities.

- (iv) In case of the foreign subsidiary, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rate of prevailing at the year end. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- (v) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of the Company.
- (vi) The following subsidiary companies have been considered in the preparation of consolidated Financial Statements:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Sl. No.	Name of Subsidiary Company	Relationship	Country of Incorporation	Ownership held by	Reporting date of the Financial Statements used in consolidation	% of holding directly or indirectly through subsidiary as at	
						31.03.2023	31.03.2022
1	LGB- USA INC	Subsidiary	USA	L.G.Balakrishnan & Bros Ltd	31.12.2022	96.00%	95.28%
2	GFM Acquisition LLC (Formerly known as GFM Corporation)	Step down Subsidiary	USA	LGB-USA, INC	31.12.2022	98.47%	98.00%
3	GFM LLC	Step down Subsidiary	USA	GFM Acquisition LLC	31.12.2022	100.00%	100.00%

Use of estimates

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

Functional and presentation currency

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

The Financial Statements are approved for issue by the Company’s Board of Directors on 29th April, 2023.

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

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the

estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the Management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, Management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and Management’s judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Fair value

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

Impairment of Trade Receivables

The impairment for trade receivables are done

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

Defined Benefit Plans and Other long term employee benefits

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

Provisions and contingencies

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

3 Significant Accounting Policies

a) Revenue Recognition

Sale of goods

Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue towards satisfaction of performance obligation is measured by the amount of transaction price [net of variable consideration] allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration of account of various discount and schemes offered by the Company as a part of Contract. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped based on the INCO terms.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

for increase in cost inflation index.

RODTEP and other export incentives

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

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

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

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

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

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

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

c) Depreciation on property, plant and equipment

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

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

Assets Category	Estimated useful life (in years)
Tools and dies	5
Leasehold land	Over the Lease Period
Windmill	25

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

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

d) Intangible assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

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. Trade Receivables that do not contain a significant financing component are measured at transaction price.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial assets are classified into the following categories:

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

Financial Assets at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise 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 statement of profit or loss.

Financial Asset at FVTOCI

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

- The objective of the business model is achieved both by collecting contractual cash

- flows and selling the financial assets, and
- The asset’s contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI Financial Asset is reported as interest income using the EIR method.

Financial Asset at FVTPL

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

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

All Other Equity investments

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

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

Financial assets are measured at FVTPL except for those financial assets whose contractual

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

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

Derecognition

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred

control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

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

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 statement of profit or loss.

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

Loans and borrowings

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

Financial guarantee contracts

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

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

Derivative financial instruments

The Company holds derivative financial instrument foreign exchange forward contracts

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Derivatives fair valued through profit or loss

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

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

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition

of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

h) Foreign currency transactions and translations**Transactions and balances**

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

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

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

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

A liability is recognised for short-term employee

benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

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

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Compensated absences

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

Other long term employee benefits

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

m) Leases

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

The Company’s lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- (i) the contract involves the use of an identified asset

- (ii) the Company has substantially all of the economic benefits from use of asset through the period of the lease and

- (iii) the Company has the right to direct the use of the asset.

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

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

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cashflows.

n) Impairment of non financial assets

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

o) Provisions, contingent liabilities and contingent asset**Provisions**

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

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent liabilities

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

Contingent assets

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

Contingent assets are disclosed but not recognised in the Financial Statements.

p) Cash and cash equivalents

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

q) Cash Flow Statement

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

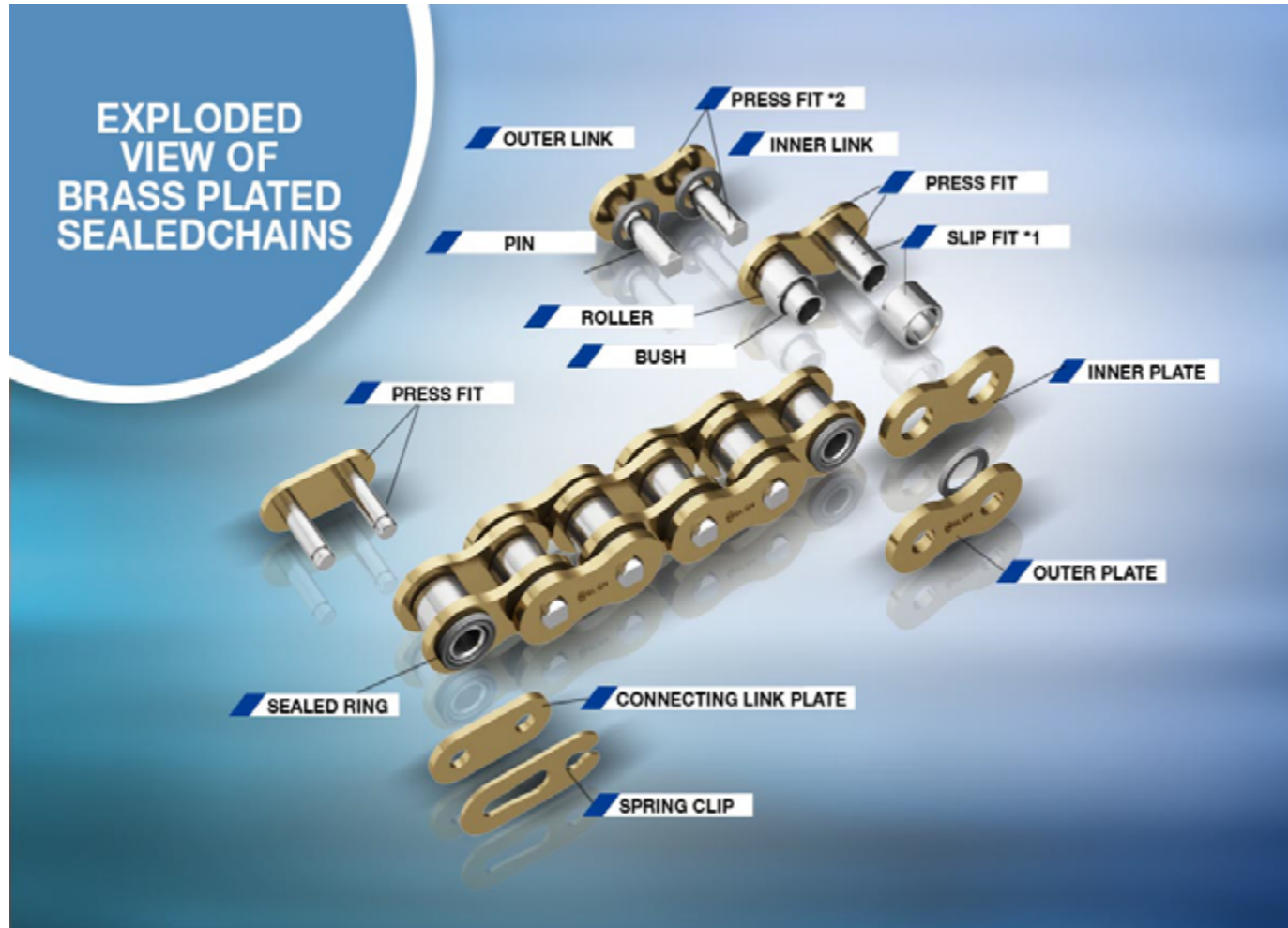
with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Bank borrowings are generally considered to be financing activities.

r) Earnings per share

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(₹ In Lakhs)

1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Property, plant and equipment										Intangible Assets		Right of use Asset	Investment Property	Asset held for sale
	Land	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment	Other Assets	Total	Technical know how	Computer Software	Total			
Cost as at March 31, 2022	7,990.35	15,582.65	54,471.47	320.45	2,542.08	654.56	364.86	2,345.80	84,272.22	299.87	282.84	582.71	1,614.97	1,116.97	123.21
Additions	1,095.00	383.90	4,268.97	50.83	164.32	78.21	29.17	200.58	6,270.99	-	99.39	99.39	411.44	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	(938.42)	938.42
Disposals	(223.50)	(6.18)	(430.82)	(2.95)	(14.17)	(7.66)	(8.90)	(91.18)	(785.35)	-	(145.53)	(145.53)	-	-	-
Cost as at March 31, 2023	8,861.85	15,960.37	8,309.62	368.33	2,692.23	725.11	385.13	2,455.20	89,757.86	299.87	236.70	536.57	2,026.41	178.55	1,061.63
Depreciation as at March 31, 2022	93.37	4,377.13	29,271.96	192.89	994.42	232.97	222.53	1,480.21	36,865.50	260.98	226.14	487.12	774.92	153.48	114.66
Charge for the year	28.00	882.34	5,726.35	39.76	245.88	82.87	52.67	357.79	7,415.66	22.67	37.19	59.85	364.50	106.77	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	(132.60)	132.60
Disposals	-	(5.23)	(323.35)	(2.91)	(13.35)	(7.27)	(8.29)	(89.02)	(449.43)	-	(144.70)	(144.70)	-	-	-
Depreciation as at March 31, 2023	121.37	5,254.24	34,674.96	229.74	1,226.95	308.57	266.91	1,748.98	43,831.73	283.65	118.63	402.27	1,139.42	127.65	247.26
Net Block	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	7,896.98	11,205.52	25,199.51	127.56	1,547.66	421.59	142.33	865.59	47,406.72	38.89	56.70	95.59	840.05	963.49	8.55
As at March 31, 2023	8,740.48	10,706.13	23,634.66	138.59	1,465.28	416.54	118.22	706.22	45,976.13	16.22	118.08	134.30	886.99	50.90	814.37

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

CWIP

Particulars	31.03.2023	31.03.2022
Capital Work in Progress	3,166.86	1,454.51

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Project in Progress	3,166.86	-	-	-	3,166.86
Project temporarily suspended	(1,454.51)	-	-	-	(1,454.51)

Figures in negative represents previous year figures

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
2 Investments

₹ in Lakhs

Particulars	Number of Shares	Face Value in ₹	As at 31 March, 2023			Number of Shares	Face Value in ₹	As at 31 March, 2022		
			Quoted	Unquoted	Total			Quoted	Unquoted	Total
(a) Investment in Equity instruments (Fully paid up) (Quoted)										
At Fair value through Other Comprehensive Income										
(i) Others:										
Elgi Equipments Limited	24,59,412	1.00	10,666.38		10,666.38	24,59,412	1.00	6,875.29		6,875.29
LGB Forge Limited	2,90,00,000	1.00	2,392.50		2,392.50	2,90,00,000	1.00	3,132.00		3,132.00
Super Spinning Mills Limited	-	-	-		-	10,000	1.00	1.15		1.15
Tube Investments of India Limited	-	-	-		-	1,100	1.00	17.87		17.87
Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited)	-	-	-		-	1,100	1.00	6.80		6.80
Union Bank of India (Formerly known as Corporation Bank)	-	-	-		-	3,960	2.00	1.53		1.53
(b) Investment in Equity instruments: (Fully paid up) (Unquoted) At Cost										
(i) Others:										
TRL Krosaki Refractories Limited (Formerly known as Tata Refractory Limited)	5,000	10.00		14.02	14.02	5,000	10.00		11.90	11.90
Silent Chain India (P) Limited	770	10.00		2.00	2.00	770	10.00		1.92	1.92
LG Farm Products (P) Limited	10,000	10.00		8.10	8.10	10,000	10.00		7.57	7.57
South West Engineering India (P) Limited	207	1,000.00		73.60	73.60	427	1,000.00		148.27	148.27
Super Speeds (P) Limited	1,30,500	10.00		210.52	210.52	1,30,500	10.00		226.03	226.03
			13,058.88	308.24	13,367.12			10,034.64	395.69	10,430.33

NOTE:

- i. Derecognition of Investments is on account of sale/buy-back of the investments. The sale of the investments was taken up as a strategic decision of the Management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
3 OTHER FINANCIALS ASSETS (NON-CURRENT)		
(a) Security and other deposits	1,512.34	1,539.86
(b) Bank Deposits with more than 12 months maturity	12,836.49	-
Total	14,348.83	1,539.86
4 OTHER NON CURRENT ASSETS		
(a) Capital advance	889.60	689.57
(b) Rent and other advances	219.60	185.76
(c) Advance recoverable	278.59	229.55
(d) Income and claims receivable	37.83	37.83
Total	1,425.62	1,142.71
5 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	9,409.78	13,197.69
(b) Work-in-progress	12,434.01	13,024.39
(c) Finished products	13,382.93	12,775.53
(d) Others		
(i) Packing materials	448.46	509.15
(ii) Stores & spares	2,205.41	1,908.28
(iii) Loose tools	2,125.08	2,162.80
Total	40,005.67	43,577.84
6 TRADE RECEIVABLE		
(i) Unsecured, considered good	27,234.65	29,377.66
(ii) Having significant increase in credit risk	-	-
(ii) Credit Impairment	342.09	157.27
Less: Allowance for expected credit losses	342.09	157.27
Total	27,234.65	29,377.66
Note:		
a) Debts due by Directors or other Officers of the Company	-	-
b) Debts due by Companies in which a Director is a Director/ Member	999.59	785.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
TRADE RECEIVABLES SCHEDULE
For the year ended March 31, 2023

PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	26,648.64	767.14	65.03	17.80	-	27,498.61
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed - credit impaired	-	13.27	0.40	-	-	13.67
Disputed - considered good	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	64.46	64.46
Sub-Total	26,648.64	780.41	65.43	17.80	64.46	27,576.74
Less: Provision	-	-	-	-	-	(342.09)
Trade Receivables	26,648.64	780.41	65.43	17.80	64.46	27,234.65

For the year ended March 31, 2022

PARTICULARS	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - considered good	28,968.17	393.69	0.16	-	-	29,362.02
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - considered good	-	23.82	60.11	-	8.16	92.09
Disputed - which have significant increase in credit risk	-	-	-	-	-	-
Disputed - credit impaired	-	13.31	1.29	1.76	64.46	80.82
Sub-Total	28,968.17	430.82	61.56	1.76	72.62	29,534.93
Less: Provision	-	-	-	-	-	(157.27)
Trade Receivables	28,968.17	430.82	61.56	1.76	72.62	29,377.66

7 CASH AND CASH EQUIVALENTS

A Cash and cash equivalents (as per IND AS 7 Cash Flow Statements)		
(a) Cash- on- Hand	7.80	141.10
(b) Balances with Banks		
(i) In Current Account and debit balances in Cash Credit Accounts	1,158.41	425.56
(ii) In Collection Account	203.65	139.28
(iii) In Deposit Account	-	5,500.00
Total	1,369.86	6,205.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
B Other Bank Balances		
(a) In Margin money with Banks	87.00	271.00
(i) In Deposit Account with more than 3 months maturity but less than 12 months	33,200.00	22,500.00
(b) In Earmarked Accounts		
(i) Unpaid Dividend Account	100.59	81.41
Total	33,387.59	22,852.41
Total Cash and cash equivalents (A+B)	34,757.45	29,058.35

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	40.13	37.12
(b) Interest accrued on Deposits	1,092.72	208.30
Total	1,132.85	245.42

9 OTHER CURRENT ASSETS

(a) Prepaid expenses	527.31	582.81
(b) Balance with govt authorities	77.72	77.72
(c) Advance recoverable	110.91	110.83
(d) Income and claims receivable	193.86	413.34
(e) Rent Advance	113.80	130.17
(e) Supplier Advance	1,311.45	2,287.84
Total	2,335.05	3,602.71

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(a) Authorised	4,70,00,000	4,700.00	4,70,00,000	4,700.00
Total	4,70,00,000	4,700.00	4,70,00,000	4,700.00
(b) Issued	3,13,92,416	3,139.24	3,13,92,416	3,139.24
Total	3,13,92,416	3,139.24	3,13,92,416	3,139.24
(c) Subscribed and fully paid-up	3,13,92,416	3,139.24	3,13,92,416	3,139.24
Total	3,13,92,416	3,139.24	3,13,92,416	3,139.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Notes:

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

Particulars	Opening balance	Fresh Issue	Bonus/ESOP	Conversion / Buyback	Closing balance
Equity shares with voting rights					
Year ended 31 st March, 2023					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3,139.24	-	-	-	3,139.24
Year ended 31 st March, 2022					
Number of shares	3,13,92,416	-	-	-	3,13,92,416
Amount (₹ in lakhs)	3139.24	-	-	-	3,139.24

10 (ii) Details of shares held by Promoter

Name of the shareholder	As at 31 March 2023		As at 31 March, 2022		% Change during the year
	Number of shares held	% of holding	Number of shares held	% of holding	
Equity shares with voting rights					
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00	-
Rajsri Vijayakumar	21,79,156	6.94	21,79,152	6.94	-
LGB Auto Products Private Limited	17,89,506	5.71	17,50,000	5.57	0.14
Jeshta Family Private Trust	15,60,000	4.97	15,60,000	4.97	-
LG Farm Products Private Limited	8,00,000	2.55	8,00,000	2.55	-
L G Sports Private Limited	4,29,000	1.37	4,00,000	1.27	0.10
Super Transports Private Limited	1,40,000	0.45	1,40,000	0.45	-
K Arjun	1,16,845	0.37	1,16,845	0.37	-
K Nithin	1,00,000	0.32	2,00,000	0.64	(0.32)
Elgi Automotive Service Pvt Ltd	80,000	0.25	80,000	0.25	-
Super Speeds Private Limited	50,000	0.16	50,000	0.16	-
Vijayshree Vijayakumar	24,500	0.08	24,500	0.08	-
Tribe Holdings Pvt Ltd (erstwhile known as Tribe Investment & Services Pvt Ltd)	10,705	0.03	10,705	0.03	-
Silent Chain India Pvt Ltd	7,200	0.02	7,200	0.02	-
Rajiv Parthasarathy	-	-	4	-	-
	1,07,40,912	34.22	1,07,72,406	34.30	0.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Name of the shareholder	As at 31 March 2023		As at 31 March, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
B.Vijayakumar	34,54,000	11.00	34,54,000	11.00
HDFC Small Cap Fund	25,56,157	8.15	24,75,303	7.89
Rajsri Vijayakumar	21,79,156	6.94	21,79,152	6.94
L.G.B.Auto Products (P) Ltd	17,89,506	5.71	17,50,000	5.57

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

- (a) The Company has only one class of Equity Shares having a par value of ₹ 10/- each. The Equity Shares of the Company ranks pari passu in all aspects including rights and entitlement to Dividend. The Equity Shareholders are entitled to one vote per share. Repayment of Capital will be in proportion to the number of Equity Shares held by the shareholders.
- (b) Dividend proposed by Board of Directors (₹ 16/- per Equity Share) for the Financial Year 2022-2023 for Face Value ₹ 10/- is subject to approval of Shareholders in ensuing Annual General Meeting.

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

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

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
11 OTHER EQUITY		
(a) Securities premium account:		
Opening balance	1,530.99	1,530.99
Less: Capitalisation of Bonus shares	-	-
Closing balance	1,530.99	1,530.99
(b) General reserve		
Opening balance	90,000.00	70,000.00
Add: Transfer from surplus in Statement of Profit and Loss	20,000.00	20,000.00
Closing balance	1,10,000.00	90,000.00
(c) Foreign Currency Translation Reserve		
Opening Balance	(217.76)	(205.39)
Add: Adjustment for translation of Non integral Foreign operations	19.40	(12.37)
Closing Balance	(198.36)	(217.76)
(d) Other Comprehensive Income		
Opening Balance	6,189.24	2,396.66
Add: Accounted during the period	2,888.45	3,792.58
Less: Gain on Sale of Shares trfd to Retained Earnings	173.21	-
Closing balance	8,904.48	6,189.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
(e) Retained Earnings		
Opening Balance	12,604.72	11,077.33
Add: Profit/ (Loss) for the year	25,193.06	24,547.64
Add: Remeasurement of Defined Employee Benefit Plans	(105.44)	118.99
Add: Gain on Sale of Shares trfd from OCI	173.21	
Less: Final Dividend	4,708.86	3,139.24
Less: Transferred to General reserve	20,000.00	20,000.00
Closing balance	13,156.69	12,604.72
Total	1,33,393.80	1,10,107.18
12 BORROWINGS:		
(a) Term loans : (Refer (i) below)		
From banks		
Secured	998.66	841.69
(b) Fixed deposits:		
From Public		
Unsecured	135.38	150.29
From Directors		
Unsecured	540.00	1,068.80
From related parties		
Unsecured	10.00	72.00
Total	1,684.04	2,132.78

12 (i) Details of Security for Borrowings:

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

12 (ii) Repayment schedule

Particulars	Term of repayment	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Term loan from banks:			
Secured:			
Citizen Bank	Repayable in 48 monthly instalments of \$8980 from Dec'13	998.66	841.69
Total - Term loans from banks		998.66	841.69

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 5.50% to 6.50% during the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
13 PROVISIONS		
(i) Provision for Employee Benefits		
- Provision for Leave Salary	378.89	330.45
(ii) Others		
- Provision for contingencies	1,000.00	1,000.00
- Decommissioning Liability	112.87	107.51
	1,491.76	1,437.96
14 BORROWINGS		
(a) Loan repayable on demand		
From banks		
Secured	5,819.80	5,500.00
(b) Loans from Related Parties		
- Loan from Directors, Unsecured	200.00	380.00
- Loan from Other related parties, Unsecured	863.00	905.00
(d) Current maturities of long-term debt (Refer Note (iii) below)	781.02	481.40
	7,663.82	7,266.40

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

(a) Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company

(b) Interest rate relating to Short term loans from banks is in the range of 8.30% to 10.95%

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

Particulars	As at 31 March 2023		As at 31 March, 2022	
	Secured	Unsecured	Secured	Unsecured
Loan repayable on Demand (₹ in Lakhs)				
From Banks				
HDFC Bank Ltd	1,819.80	-	2,500.00	-
ICICI Bank Ltd	2,000.00	-	-	-
IDBI Bank Ltd	2,000.00	-	500.00	-
Hongkong and Shanghai Banking Corporation Ltd	-	-	2,500.00	-
Total - Loan from banks	5,819.80	-	5,500.00	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
14 (iii) Current maturities of Long-term debt: Refer Note 12(i) for the details of Securities		
Term Loan		
From Banks		
Secured	70.25	166.67
Total - Current maturities of Long-term debt	70.25	166.67
Fixed Deposits:		
a) Directors	558.80	88.00
b) Other Related Parties	64.00	54.00
c) Public	87.97	172.73
	710.77	314.73
Total - Current maturities of Long-term debt	781.02	481.40
15 TRADE PAYABLE		
Trade payables		
- total outstanding dues of micro & small enterprises	2,182.66	1,786.73
- total outstanding dues other than micro & small enterprises	18,789.31	25,749.51
	20,971.97	27,536.24

TRADE PAYABLE AGEING SCHEDULE

For The Year Ended 31 March, 2023

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	2,169.67	-	-	-	2,169.67
Others	18,773.22	-	-	-	18,773.22
Disputed dues - MSME	-	12.55	0.44	-	12.99
Disputed dues - Others	-	4.47	10.44	1.17	16.08
Total	20,942.89	17.02	10.88	1.17	20,971.96

For The Year Ended 31 March, 2022

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	1,786.29	-	-	-	1,786.29
Others	25,731.52	-	-	-	25,731.52
Disputed dues - MSME	-	0.44	-	-	0.44
Disputed dues - Others	-	13.65	4.35	-	18.00
Total	27,517.81	14.09	4.35	-	27,536.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
16 OTHER FINANCIAL LIABILITIES:		
Interest Accrued:		
- but not due on secured loans	7.02	17.81
- but not due on Unsecured loans	13.48	29.02
- on deposits from customers	76.15	69.90
Unclaimed dividends (Refer Note (i) below)	100.59	81.41
Others:		
Payable on purchase of fixed assets	190.83	469.28
Expenses Payable	12,982.72	13,722.56
Total	13,370.79	14,389.98
16 (i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
17 OTHER CURRENT LIABILITIES:		
Other Advances:		
Statutory remittances	1,445.25	1,275.61
Advance and deposits from customers etc.,	1,003.89	1,276.24
Total	2,449.14	2,551.85
18 PROVISIONS		
Provision for Employee Benefits:		
Provision for Leave Salary	40.45	31.42
Total	40.45	31.42
19 REVENUE FROM OPERATIONS:		
a) Sale of products	2,03,477.44	1,92,974.59
b) Sale of services	-	-
c) Other operating revenue		
(i) Scrap sales	16,174.55	16,516.83
(ii) Duty drawback and other export incentives	645.80	717.39
Revenue from operations (Gross)	2,20,297.79	2,10,208.81
20 OTHER INCOME		
a) Interest income		
(i) Interest on fixed deposit with banks	2,030.96	729.26
(ii) Interest on deposit with TNEB	42.86	36.43
(iii) Others	8.10	6.40
Total Interest Income	2,081.92	772.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
b) Dividend income:	29.16	33.12
c) Other non-operating income		
(i) Rental and lease income	76.56	77.03
(ii) Agricultural income	6.72	3.23
(iii) Profit on sale of assets	33.86	10.11
(iv) Miscellaneous receipts	28.83	308.51
Total	2,257.05	1,204.09
21A COST OF MATERIALS CONSUMED		
Opening Stock:	13,706.85	8,237.43
Add:Purchases	98,741.65	1,07,831.31
Less:Closing Stock	9,858.24	13,706.85
Cost of material consumed	1,02,590.26	1,02,361.89
21B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	13,382.93	12,775.53
Work-in-progress	12,434.01	13,024.39
	25,816.94	25,799.92
Inventories at the beginning of the year		
Finished goods	12,775.53	8,715.06
Work-in-progress	13,024.39	9,625.27
	25,799.92	18,340.33
Net decrease / (increase)	(17.02)	(7,459.59)
22 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	28,727.53	26,972.53
(b) Contribution to provident and other funds	1,681.96	1,426.86
(c) Staff welfare expenses	1,572.90	1,288.32
Total	31,982.39	29,687.71
23 FINANCE COSTS		
(a) Interest expenses:		
(i) On borrowings:	547.04	728.30
(ii) On Lease Liability	113.35	107.68
Total	660.39	835.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
24 OTHER EXPENSES		
(a) Consumption of stores and spare parts	14,105.80	13,160.72
(b) Processing charges	8,757.82	9,194.48
(c) Power and Fuel	9,187.00	8,305.19
(d) Rent including lease rentals	480.25	520.22
(e) Repairs & maintenance of		
(i) Buildings	373.63	278.88
(ii) Machinery	2,279.36	2,118.63
(iii) Other assets	2,379.44	2,489.24
(f) Insurance	299.43	453.19
(g) Rates and taxes	328.86	271.80
(h) Travelling and conveyance	667.97	309.41
(i) Printing and stationery	29.76	30.85
(j) Postage, telegram and telephones	119.92	109.15
(k) Freight, packing & forwarding	5,935.27	6,864.99
(l) Advertisement, publicity and selling expenses	576.24	392.28
(m) Bank charges	111.71	86.26
(n) Legal and professional charges	417.26	406.97
(o) Payments to auditors (Refer note (i) below)	22.35	20.50
(p) Expenditure on Corporate Social Responsibility (Refer note (ii) below)	416.13	286.29
(q) Bad debts written off	-	-
(r) Assets condemned & written off	28.16	23.26
(s) Provision for doubtful debts/advances	184.82	109.30
(t) Loss on sale of Assets	0.03	9.08
(u) Provision for contingencies	-	300.00
(v) Loss on foreign currency transactions and translation	(334.58)	37.30
(w) Sitting fees	12.90	12.90
(x) Watch and Ward	898.51	883.91
(y) Agricultural expenses	7.25	24.64
(z) Miscellaneous expenses	105.56	71.69
	47,390.85	46,771.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of GST input credit wherever applicable)		
(a) To Statutory Auditors:		
For statutory audit	16.40	15.00
For certification and other services	-	-
(b) To Tax Auditors:		
For taxation matters	3.75	3.50
(c) To cost auditors for cost audit	2.20	2.00
Total	22.35	20.50
(ii) Details of CSR Expenditure:		
(i) Contribution to		
Educational Aids to Students	108.04	110.64
Deposit with Bank account	181.00	101.04
Covid-19 Vaccination camp and Mask expenses	-	26.89
Chief Minister's Relief Fund	-	25.00
Water Tank Project	28.00	-
Red Cross Society	26.00	-
Gym Facility at Jalna	15.93	-
Amrit Centre for Special Needs	15.00	10.00
Coimbatore Cancer Foundation	10.00	-
VOC Higher Secondary School, D.Gudalur	5.73	-
Sarswathy Educational Trust, Megalaya	5.00	-
Bright Future Organisation for Blind (Notebooks)	3.66	-
Govt. Elementary School, Pongalur	3.05	-
Lift irrigation Project	-	6.00
(ii) Contribution to others	14.72	6.72
Total	416.13	286.29
25 INCOME TAX EXPENSE		
Current Tax:		
Current tax on profits for the year	8,684.91	8,741.88
Adjustments for current tax of prior periods	-	307.46
Total current tax expense	8,684.91	9,049.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
26 DEFERRED TAX:		
Origination and reversal of temporary differences	92.12	(455.79)
Total deferred tax expense/ (benefit)	92.12	(455.79)
Income tax expenss	8,777.03	8,593.55
The Income-tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	33,546.61	32,504.59
Income-tax expense calculated at 25.168%	8,443.01	8,180.76
Add: Tax effect on earlier year disallowances	-	307.46
Less: Tax effect on non-deductible expense	108.65	118.14
Add:/(Less):Net tax effect on additional deduction	225.37	(12.81)
Total tax expense	8,777.03	8,593.55

27 FAIR VALUE MEASUREMENT

Financial instruments by category

₹ in Lakhs

Particulars	March 31, 2023					March 31, 2022				
	FVTPL	FVTOCI	Amor- tised Cost	Total Carrying Value	Total Fair Value	FVTPL	FVTOCI	Amor- tised Cost	Total Carrying Value	Total Fair Value
Financial Assets										
Investments										
- Equity instruments (other than subsidiary and associates)	-	13,367.12	-	13,367.12	13,367.12	-	10,430.33	-	10,430.33	10,430.33
Trade Receivables	-	-	27,234.65	27,234.65	27,234.65	-	-	29,377.66	29,377.66	29,377.66
Cash and bank balances	-	-	34,757.44	34,757.44	34,757.44	-	-	29,058.35	29,058.35	29,058.35
Other Financial assets	-	-	15,481.68	15,481.68	15,481.68	-	-	1,785.29	1,785.29	1,785.29
Total Financial Assets	-	13,367.12	77,473.79	90,840.91	90,840.91	-	10,430.33	60,221.29	70,651.62	70,651.62
Financial Liabilities										
Borrowings	-	-	9,347.86	9,347.86	9,347.86	-	-	9,399.18	9,399.18	9,399.18
Trade Payables	-	-	20,971.96	20,971.96	20,971.96	-	-	27,536.25	27,536.25	27,536.25
Other Financial liabilities	-	-	14,447.20	14,447.20	14,447.20	-	-	15,432.92	15,432.92	15,432.92
Total Financial Liabilities	-	-	44,767.02	44,767.02	44,767.02	-	-	52,368.35	52,368.35	52,368.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023				March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Investments at FVOCI								
Listed Equity instruments	13,058.88	-	-	13,058.88	10,034.64	-	-	10,034.64
Unlisted Equity instruments	-	-	308.24	308.24	-	-	395.69	395.69
Total Financial Assets	13,058.88	-	308.24	13,367.12	10,034.64	-	395.69	10,430.33
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

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

Particulars	March 31, 2023				March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financail Investments								
Equity instruments (unquoted)	-	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	-	-	-	-	-
Financial Liabilities								
Total Financial Liabilities	-	-	-	-	-	-	-	-

Level 1:

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

Level 2:

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

Level 3:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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 originary 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 based on the valuation report of a certified engineer.

Particulars	31.03.2023	31.03.2022
Fair Market Value of Investment Properties		
a) Land	25.87	538.99
b) Building	25.03	424.50
Total	50.90	963.49

28 FINANCIAL INSTRUMENTS

Capital Management

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

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

The capital structure of the Company consists only of equity.

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Gearing Ratio:		
Debt	1,684.04	2,132.78
Less: Cash and bank balances	34,757.44	29,058.35
Net debt	(33,073.40)	(26,925.56)
Total equity	1,36,533.03	1,13,246.42
Net debt to equity ratio (%)	-24.22%	-23.78%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Categories of Financial Instruments		
Financial assets		
a. Measured at amortised cost		
Loans Given	-	-
Other non-current financial assets	14,348.83	1,539.86
Trade receivables	27,234.65	29,377.66
Cash and cash equivalents	1,369.86	6,205.94
Bank balances other than above	33,387.59	22,852.41
Other financial assets	1,132.85	245.42
b. Mandatorily measured at fair value through OCI (FVOCI)		
- Equity instruments (other than subsidiary and associates)	13,367.12	10,430.33
Financial liabilities		
a. Measured at amortised cost		
Borrowings	9,347.86	9,399.18
Trade payables	20,971.96	27,536.25
Other financial liabilities	13,370.79	14,389.98
Lease Liabilities	1,076.41	1,042.94

Financial risk Management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

Market risk

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

Foreign currency risk Management

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

Foreign Currency Exposure not hedged by derivative instruments as on 31.03.2023

Currency	Receivable/ (Payable)	Receivable	Payable	Rs.in.Lakhs
		Exchange Rate	Exchange Rate	
USD	57,12,983.80	82.12	-	4,691.50
	(93,589.09)	-	82.12	(76.86)
EUR	25,96,156.26	89.53	-	2,324.34
	(50,502.72)	-	89.53	(45.22)
GBP	52,914.82	101.78	-	53.86
	-	-	101.78	-
JPY	8,080.00	0.6180	-	-
	(31,50,000.00)	-	0.6180	(19.47)
Total Receivable (A)				7,069.70
Total Payable (B)				(141.54)
Net Foreign currency Exposure (C= A-B)				6,928.16
Less : Hedged (D) against Receivable				4,965.52
Unhedged Foreign Currency Exposure (E= C-D)				1,962.64

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 expo- sure	Exposure hedged us- ing deriva- tives	Net liability exposure on the currency	Gross exposure	Exposure hedged using deriva- tives	Net asset exposure on the currency	
As on March 31, 2023							
USD	94,389.09	-	94,389.09	57,11,315.15	17,00,000.00	40,11,315.15	39,16,926.06
EUR	50,502.72	-	50,502.72	24,70,975.08	40,00,000.00	-15,29,024.92	-15,79,527.64
GBP	-	-	-	52,765.43	-	52,765.43	52,765.43
JPY	31,50,000.00	-	31,50,000.00	8,080.00	-	8,080.00	(31,41,920.00)
As on March 31, 2022							
USD	14,58,329.10	-	14,58,329.10	63,30,999.38	-	63,30,999.38	48,72,670.28
EUR	11,316.00	-	11,316.00	28,16,262.44	-	28,16,262.44	28,04,946.44
GBP	-	-	-	2,74,084.06	-	2,74,084.06	2,74,084.06
JPY	4,55,90,500.00	-	4,55,90,500.00	-	-	-	(4,55,90,500.00)

Foreign currency sensitivity analysis

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 ₹ in Lakhs

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

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

Interest rate risk Management

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

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key Management personnel and represents Management's assessment of the reasonably possible change in interest rates.

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 multiple banking arrangement is available only to the respective 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

liabilities based on the earliest date on which the Company can be required to pay.

₹ in Lakhs

	Due in 1 st year	Due in 2 nd to 5 th year	Due after 5 th year	Carrying amount
March 31, 2023				
Trade payables	20,971.96	-	-	20,971.96
Other financial liabilities	14,447.20	-	-	14,447.20
Borrowings (including interest accrued thereon upto the reporting date)	7,663.82	-	-	7,663.82
	43,082.98	-	-	43,082.98
March 31, 2022				
Trade payables	27,536.25	-	-	27,536.25
Other financial liabilities	15,432.92	-	-	15,432.92
Borrowings (including interest accrued thereon upto the reporting date)	7,266.40	-	-	7,266.40
	50,235.57	-	-	50,235.57

	March 31, 2023	March 31, 2022
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 31.03.2023	As at 31.03.2022
29 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debts - disputed tax liabilities		
(i) Central Excise	162.72	162.72
(ii) Entry Tax	408.36	408.36
(iii) VAT/CST	374.86	374.86
(iv) GST	9.68	-
(v) Income Tax	3,765.20	1,304.34
TOTAL	4,720.82	2,250.28
(b) Guarantee given by Bankers and outstanding	381.04	276.63
(c) Corporate guarantee given for others	-	-
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	4,591.32	512.99

Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023	As at 31.03.2022
(ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	11,471.76	6,106.33

30 EMPLOYEE BENEFIT PLANS

Defined Contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 1,129.66 Lakhs (Year ended 31 March, 2022 ₹ 1,073.45 Lakhs) for Provident Fund contributions and ₹ 18.02 Lakhs (Year ended 31 March, 2022 ₹ 21.89 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 ₹ 213.61 Lakhs (Year ended 31 March, 2022 ₹ 217.71 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Defined Benefit Plan - Gratuity:

The Company provides gratuity benefit (included as part of employees contribution to funds in Note 22 Employee benefits expense) to all eligible employees, which is funded with Life Insurance Corporation of India.

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

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Components of employer expenses		
Current service cost	230.27	190.46
Interest cost	208.15	197.98
Expected return on Plan Assets	(251.85)	(226.02)
Actuarial (gains) / losses		
Past service cost		
Total expense recognized in Statement of Profit and Loss*	186.57	162.42
Actual contribution and the benefit payments for the year		
Actual benefit payments	(123.90)	(134.56)
Actual contribution	214.82	358.59
Other Comprehensive Income		
Opening OCI	129.38	213.65
Actuarial Loss / (Gain) on DBO	101.34	(123.84)
Actuarial Loss / (Gain) on Assets	39.57	39.57
Total recognized in Other Comprehensive Income	140.91	(84.27)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Closing Recognised in OCI	270.29	129.38
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	3,249.42	2,833.56
Fair value of plan assets	3,611.28	3,308.08
Funded Status [Surplus/(Deficit)] *	361.86	474.52
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	361.86	474.52
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	2,833.56	2,703.52
Current service cost	230.27	190.46
Interest cost	208.15	197.98
Actuarial (gain) / loss on obligation	101.34	(123.84)
Benefits paid	(123.90)	(134.56)
Present value of DBO at the end of the year	3,249.42	2,833.56
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	3,308.08	2,897.60
Acquisition adjustment		
Expected return on Plan Assets	251.85	226.02
Contributions by the employer	214.82	358.59
Actuarial gain / (loss)	(39.57)	(39.57)
Benefits paid	(123.90)	(134.56)
Plan Assets at the end of the year	3,611.28	3,308.08
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	3,249.42	2,833.56
Closing FV of Plan Assets	3,611.28	3,308.08
Funded Status [Surplus/(Deficit)] *	361.86	474.52
* - Included under the head "Employee Benefits" in Schedule 22		
Composition of the Plan assets is as follows:		
Equity instruments	-	-
Debt instruments	-	-
Property	-	-
Insurer managed asset *	100%	100%
* - The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	₹ in Lakhs	
	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
Actuarial assumptions		
Discount Rate (per annum)	7.52%	7.51%
Rate of increase in compensation levels (per annum)	11.00%	11.00%
Expected return on plan assets (per annum)	7.51%	7.51%
* - Included in "Contribution to Provident & Other Funds" in Note 22 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on Obligation	101.34	(123.84)
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	39.57	39.57
Total comprehensive Income for the year	140.91	(84.27)
Actuarial (Gains) and Losses Recognized in the year	140.91	(84.27)
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 ₹ 200.00 Lakhs to the Gratuity Fund next year.

(iv) Sensitivity Analysis:

Particulars	As at	
	31.03.2023	31.03.2022
A. Discount Rate + 100 BP	-9.36%	-9.60%
Defined Benefit Obligation [PVO]	2,945.19	2,561.43
B. Discount Rate - 100 BP	11.02%	11.32%
Defined Benefit Obligation [PVO]	3,607.53	3,154.26
C. Salary Escalation Rate + 100 BP	9.72%	10.09%
Defined Benefit Obligation [PVO]	3,565.18	3,119.55
D. Salary Escalation Rate - 100 BP	-8.62%	-8.91%
Defined Benefit Obligation [PVO]	2,969.37	2,581.13
E. Attrition Rate + 100 BP	-2.69%	-2.79%
Defined Benefit Obligation [PVO]	3,161.93	2,754.39
F. Attrition Rate - 100 BP	3.11%	3.23%
Defined Benefit Obligation [PVO]	3,350.38	2,925.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

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 14.69 years (2021-22 15.11 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at	
	31.03.2023	31.03.2022
Less than 1 year	138.44	115.39
Between 1 - 2 years	141.09	123.73
Between 2 - 3 years	187.72	148.12
Between 3 - 4 years	256.32	165.46
Between 4 - 5 years	237.31	229.81
Between 5 -10 years	1,564.86	1,327.18
Above 10 years	6,111.33	5,559.94

Particulars	As at	
	31.03.2023	31.03.2022
31 SEGMENTAL REPORTING:		
Primary Segment information		
(Business Segments):		
A. Segment Revenue:		
Transmission	1,73,165.98	1,66,989.10
Metal Forming	47,131.81	43,219.71
Total	2,20,297.79	2,10,208.81
B. Segment Results:		
Transmission	28,632.12	27,055.74
Metal Forming	5,509.04	6,016.15
Total	34,141.16	33,071.89
Less: (i) Interest	660.39	835.98
(ii) Other unallocable expenditure net off unallocable income	(549.90)	(931.81)
Profit before Tax	34,030.67	33,167.72
Less: Provision for taxation	8,797.87	8,593.55
Profit after Tax	25,232.80	24,574.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

C. Other Information

Particulars	As at 31.03.2023				
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	1,14,771.97	26,588.58	3,824.61	5,275.12	81.66
	(1,13,630.21)	(33,372.34)	(3,055.14)	(5,746.19)	(46.23)
Metal Forming	39,074.73	12,171.40	2,603.33	2,671.67	131.36
	(39,791.24)	(13,784.74)	(892.76)	(2,575.62)	(122.66)
Unallocated	33,458.62	12,012.30	-	-	-
	(17,864.64)	(10,882.59)	(-)	(-)	(-)

Note : Components of business segments are as under:

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

Particulars	As at 31.03.2023	As at 31.03.2022
D. Secondary Segment Information (Geographical Segment)		
(1) Segment Revenue:		
Within India	1,84,193.43	1,75,147.51
Outside India	36,104.36	35,061.30
Total	2,20,297.79	2,10,208.81
(2) Segment Assets:		
Within India	1,74,495.48	1,57,937.27
Outside India	12,809.84	13,348.83
Total	1,87,305.32	1,71,286.10
(3) Capital Expenditure:		
Within India	99.39	3,699.84
Outside India	74.23	248.06
Total	173.62	3,947.90
32 DETAILS OF LEASING ARRANGEMENTS IND AS 116		
As Lessor		
a The Company has entered into operating lease arrangements for certain surplus facilities and equipments.		
Total rental and lease income recognized in the Statement of Profit and Loss	76.56	77.03
As Lessee		
b Interest expenses on lease liability	113.35	107.68
Expenses related to short term leases and lease of low value assets	590.16	517.10
Total cashflow for leases	1,066.00	848.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at 31.03.2023	As at 31.03.2022
33 EARNINGS PER SHARE		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - In ₹ Lakhs	25,193.06	24,547.65
Profit attributable to Equity Shareholders - In ₹ Lakhs (A)	25,193.06	24,547.65
Total number of equity shares outstanding at balance sheet date.	3,13,92,416	3,13,92,416
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	3,13,92,416	3,13,92,416
Nominal value of Equity Shares - In ₹	10	10
Basic and Diluted Earnings Per Share-In ₹ (A/B)(Not annualized)	80.25	78.20
34 DEFERRED TAX LIABILITY (NET):		
Tax effect of items constituting deferred tax Liability:		
On difference between book balance and tax balance of fixed assets	1,163.85	1,281.64
On account of provision for right to use assets	208.75	211.42
On account of provision for lease liability	(260.32)	(262.49)
On account of provision for doubtful debts	(86.10)	(39.58)
On account of provision for contingencies	(251.68)	(251.68)
On account of provision for bonus	-	(264.29)
On account of provision for gratuity	91.07	119.43
On account of provision for leave salary	(105.54)	(91.08)
On account of provision for Investments in Shares	923.50	637.00
	1,683.53	1,340.37

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

In respect of immovable properties of Land that have been taken on lease and disclosed as fixed assets in the Financial Statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for credit facilities taken from the banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- 39 The Group has no relationship with struck-off companies.
- 40 The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 41 The Group has not been received any funds from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- 42 The Group has no income which has been surrendered or disclosed as income during the year in any of the tax assessments under the Income Tax Act 1961.
- 43 The Group has not traded/invested in crypto currency/ virtual currency during the Financial Year.
- 44 Loans and Advances in the nature of loan granted to Promoter, KMP and related parties: Nil
- 45 There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the the statutory period.
- 46 The Group has not issued any securities for a specific purpose.
- 47 The Group has utilised the borrowings from banks and financial institutions for the purpose for which it was availed.
- 48 There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in “Material Changes and commitments affecting the financial position between the end of the fiscal and date of the report’ in the Board’s report
- 49 Recent Accounting pronouncements:
 Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (indian Accounting Standards) Rules as issued from time to time
 On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. Certain amendments are discussed below:
Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
Ind AS 12 - Income-taxes - This amendment has narrowed the scope of the initial recognition exemption sp that it does not apply tp transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
- 50 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year’s classification/disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- 51 Exceptional item represents subsidy received.
- 52 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.
- 53 In assessing the recoverability of Company’s assets such as Property Plant and Equipment, Investments, Trade Receivables, Inventories etc in view of Covid 19 outbreak ,the Group has considered available information up to the date of approval of these financial results to arrive at its estimates. The Group has evaluated its liquidity position, recoverability of such assets and based on the current estimates expects that the carrying amount of these assets would be recovered.
- 53 The Committee of Creditors of RSAL Steel P Ltd Ltd (RSAL), through a Letter of Intent (LOI) have declared LG Balakrishnan & Bros Ltd as the successful bidder for RSAL, under the Insolvency & Bankruptcy code 2016.The implementation of the resolution plan is subject to the terms of the LOI and requisite approval from regulatory authorities.

54 Related party disclosure

a) List of parties having significant influence

Associate Companies

NIL

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

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

Key Management personnel

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Relatives of Key Management Personnel

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

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

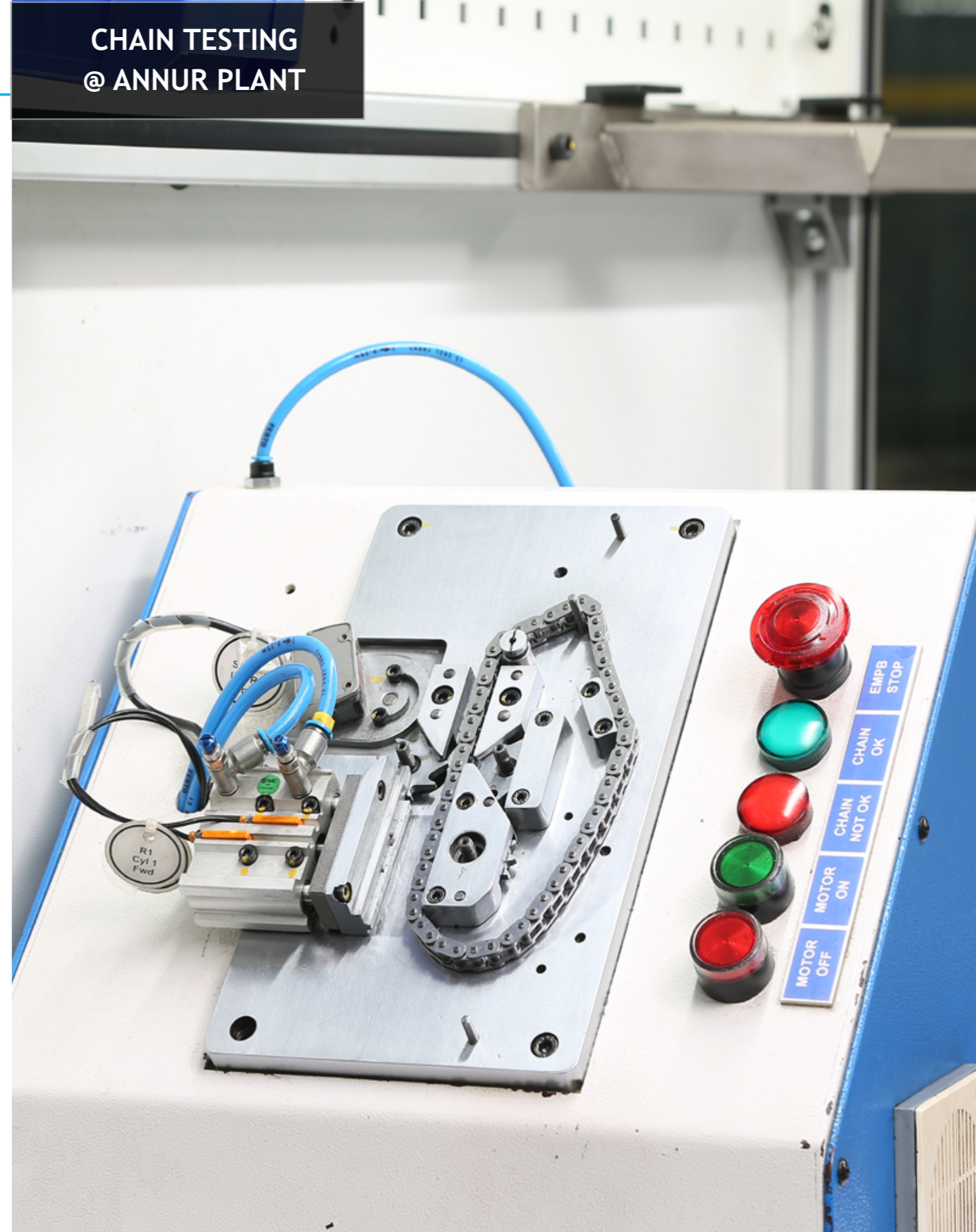
Chartered Accountants
Firm Registration No.: 0042835
M. SIVARAM
Partner
Membership No.211916

Place : Coimbatore
Date : 29.04.2023

For and on behalf of the Board of Directors

B. VIJAYAKUMAR
Executive Chairman
DIN: 00015583
N. RENGARAJ
Chief Financial Officer

P. PRABAKARAN
Managing Director
DIN : 01709564
M. LAKSHMI KANTH JOSHI
Senior General Manager
(Legal) and Company
Secretary ACS NO. A14273



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

a) Transactions during the year

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22		2021-22		2021-22			
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
1	Remuneration to Key Managerial Personnel	-	-	1,161.62	1,162.45	-	-	1,161.62	1,162.45
	Sri.B.Vijayakumar	-	-	728.74	800.84	-	-	728.74	800.84
	Sri.P. Prabakaran	-	-	276.72	254.81	-	-	276.72	254.81
	Sri.Rajiv Parthasarathy	-	-	57.05	37.27	-	-	57.05	37.27
	Sri.N.Rengaraj	-	-	57.98	51.61	-	-	57.98	51.61
	Sri.Lakshminanth Joshi	-	-	41.13	17.92	-	-	41.13	17.92
2	Loan Receipts (Borrowings)	493.00	765.00	470.00	870.00	200.00	140.00	1,163.00	1,775.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	L.G.Sports (P) Ltd	80.00	300.00	-	-	-	-	80.00	300.00
	LGB Auto Products (P) Limited	250.00	365.00	-	-	-	-	250.00	365.00
	LG Farm Products (P) Limited	90.00	20.00	-	-	-	-	90.00	20.00
	Super Speeds (P) Limited	23.00	35.00	-	-	-	-	23.00	35.00
	Silent Chain (P) Limited	50.00	45.00	-	-	-	-	50.00	45.00
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	470.00	870.00	-	-	470.00	870.00
	Relatives of Key Managerial Personnel								
	Smt.Rajsri Vijayakumar	-	-	-	-	200.00	140.00	200.00	140.00
3	Loan Repayment (Borrowing)	535.00	255.00	670.00	570.00	180.00	175.00	1,385.00	1,000.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	L.G.Sports (P) Ltd	200.00	220.00	-	-	-	-	200.00	220.00
	LGB Auto Products (P) Limited	300.00	-	-	-	-	-	300.00	-
	LG Farm Products (P) Limited	-	-	-	-	-	-	-	-
	Super Speeds (P) Limited	35.00	25.00	-	-	-	-	35.00	25.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2021-22		2021-22		2021-22			
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	670.00	570.00	-	-	670.00	570.00
	Relatives of Key Managerial Personnel								
	Smt.Rajsri Vijayakumar	-	-	-	-	180.00	175.00	180.00	175.00
4	Fixed Deposits Receipts (Borrowings)	-	10.00	-	-	-	-	-	10.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Silent Chain (P) Limited	-	10.00	-	-	-	-	-	10.00
5	Fixed Deposits Repayments (Borrowings)	133.00	45.00	-	-	7.00	10.00	140.00	55.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Silent Chain (P) Limited	45.00	45.00	-	-	-	-	45.00	45.00
	Key Managerial Personnel								
	Sri.P. Prabakaran	88.00	-	-	-	-	-	88.00	-
	Relatives of Key Managerial Personnel								
	Minor.Vidhur Narayanan	-	-	-	-	10.00	10.00	-	10.00
	Smt.D.Maheswari	-	-	-	-	7.00	-	7.00	-
6	Interest Expense	80.57	65.48	104.14	109.34	15.38	38.18	200.09	213.00
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	L.G.Sports (P) Ltd	22.31	30.62	-	-	-	-	22.31	30.62
	LGB Auto Products (P) Limited	45.50	25.03	-	-	-	-	45.50	25.03
	L G Farm Products (P) Limited	3.86	0.46	-	-	-	-	3.86	0.46
	Others	8.90	9.37	-	-	-	-	8.90	9.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
		₹ in Lakhs							
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	93.42	98.85	-	-	93.42	98.85
	Sri.P. Prabakaran	-	-	10.44	10.22	-	-	10.44	10.22
	Sri.N.Rengaraj	-	-	0.28	0.27	-	-	0.28	0.27
	Relatives of Key Managerial Personnel								
	Smt.Rajsri Vijayakumar	-	-	-	-	11.39	20.77	11.39	20.77
	Minor.Samriddhi Andral	-	-	-	-	1.75	7.80	1.75	7.80
	Minor.Vidhur Narayanan	-	-	-	-	1.75	8.49	1.75	8.49
	Smt.D.Maheswari	-	-	-	-	0.49	1.12	0.49	1.12
7	Dividend Receipts	0.03	13.08	-	-	-	-	0.03	13.08
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Super Speeds Private Limited	-	13.05	-	-	-	-	-	13.05
	Others	0.03	0.03	-	-	-	-	0.03	0.03
8	Dividend Payments	719.69	479.79	518.99	346.00	378.55	431.92	1,617.23	1,257.71
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Auto Products (P) Limited	262.50	175.00	-	-	-	-	262.50	175.00
	B Vijayakumar (Jeshta Family Pvt Trust)	234.00	156.00	-	-	-	-	234.00	156.00
	L G Farm Products (P) Limited	120.00	80.00	-	-	-	-	120.00	80.00
	L.G.Sports (P) Ltd	60.00	40.00	-	-	-	-	60.00	40.00
	Others	21.00	14.00	-	-	-	-	21.00	14.00
	Others	22.19	14.79	-	-	-	-	22.19	14.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
		₹ in Lakhs							
	Key Managerial Personnel								
	Sri.B.Vijayakumar	-	-	518.10	345.40	-	-	518.10	345.40
	Sri.P. Prabakaran	-	-	0.71	0.48	-	-	0.71	0.48
	Sri.N.Rengaraj	-	-	0.18	0.12	-	-	0.18	0.12
	Relatives of Key Managerial Personnel								
	Sri.V.Rajviradhan	-	-	-	-	170.00	-	-	170.00
	Smt.Rajsri Vijayakumar	-	-	-	-	326.87	217.92	326.87	217.92
	Others	-	-	-	-	51.68	44.00	51.68	44.00
9	Rent Income	78.80	78.57	-	-	-	-	78.80	78.57
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	56.70	56.39	-	-	-	-	56.70	56.39
	Super Transport Private Limited	11.85	11.62	-	-	-	-	11.85	11.62
	Others	10.25	10.56	-	-	-	-	10.25	10.56
10	Purchase of Materials, Spares & power	1,908.47	2,097.60	-	-	-	-	1,908.47	2,097.60
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	865.31	1,150.00	-	-	-	-	865.31	1,150.00
	Lakshmi Printers	860.13	708.24	-	-	-	-	860.13	708.24
	G-Plast P Ltd	97.03	124.46	-	-	-	-	97.03	124.46
	Others	86.00	114.90	-	-	-	-	86.00	114.90
11	Processing/Conversion Charges	234.90	304.85	-	-	-	-	234.90	304.85
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Veena Coach Products	170.02	164.67	-	-	-	-	170.02	164.67
	Super Speeds Private Limited	45.75	115.23	-	-	-	-	45.75	115.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
		₹ in Lakhs		₹ in Lakhs		₹ in Lakhs			
	Others	19.13	24.95	-	-	-	-	19.13	24.95
12	Sale of Materials, Stores and Service Charges	3,484.81	1,084.53	-	-	-	-	3,484.81	1,084.53
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	Metal Forms (P) Limited	2,795.40	1,076.51	-	-	-	-	2,795.40	1,076.51
	LGB Forge Limited	597.44	0.00	-	-	-	-	597.44	-
	Others	91.97	8.02	-	-	-	-	91.97	8.02
13	Processing charges Receipts	152.22	289.62	-	-	-	-	152.22	289.62
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
	LGB Forge Limited	145.65	278.36	-	-	-	-	145.65	278.36
	Others	6.57	11.26	-	-	-	-	6.57	11.26
14	Sale of Property, Plant and Equipment	-	-	-	-	-	-	-	-
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
16	Purchase of Property, Plant and Equipment	-	-	-	-	-	-	-	-
	Enterprises owned or significantly influenced by Key Managerial Personnel and Relatives of Key Managerial personnel								
		7,820.49	5,488.52	2,924.75	3,057.79	780.93	795.10	11,526.17	9,341.41

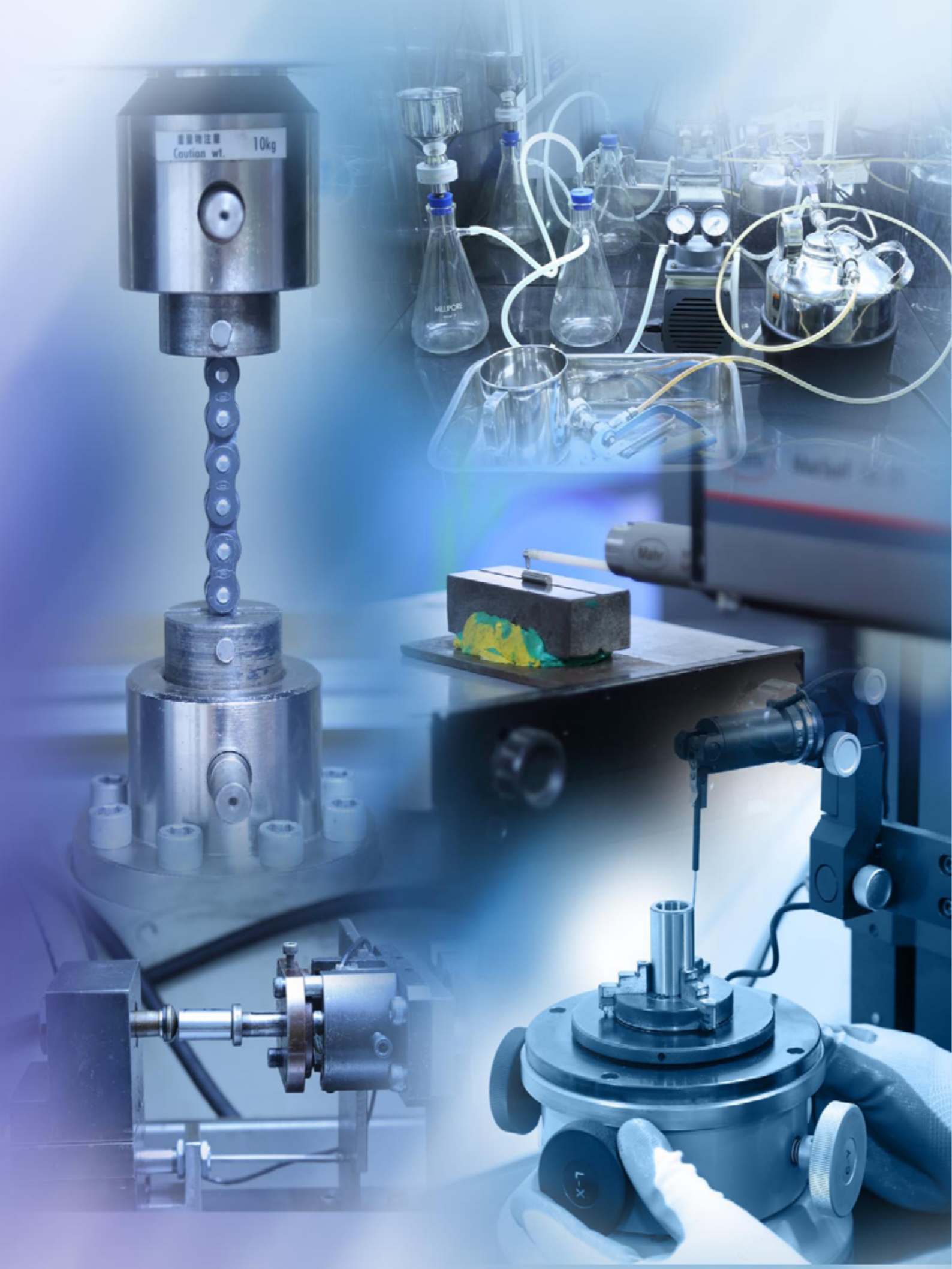
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

S. No.	Nature of transactions	Associates/Others		Key Managerial Personnel		Relatives of key managerial personnel		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
		₹ in Lakhs		₹ in Lakhs		₹ in Lakhs			
1	Receivable balance	1,361.95	814.37	-	-	-	-	1,361.95	814.37
	LGB Forge Limited	353.30	29.10	-	-	-	-	353.30	29.10
	Metal Forms (P) Limited	999.12	782.49	-	-	-	-	999.12	782.49
	Others	9.53	2.78	-	-	-	-	9.53	2.78
2	Payable balance	328.07	283.11	-	-	-	-	328.07	283.11
	LGB Forge Limited	242.22	189.70	-	-	-	-	242.22	189.70
	Others	85.85	93.41	-	-	-	-	85.85	93.41
3	Unsecured borrowings balance	863.00	905.00	100.00	300.00	100.00	80.00	963.00	985.00
	L G Sports Limited	180.00	300.00	-	-	-	-	180.00	300.00
	LGB Auto Products (P) Limited	465.00	515.00	-	-	-	-	465.00	515.00
	Silent Chain (P) Limited	95.00	45.00	-	-	-	-	95.00	45.00
	Super Speeds Private Limited	23.00	35.00	-	-	-	-	23.00	35.00
	L G Farm Products (P) Limited	100.00	10.00	-	-	-	-	100.00	10.00
	Sri.B.Vijayakumar	-	-	100.00	300.00	-	-	100.00	300.00
	Smt.Rajsri Vijayakumar	-	-	-	-	100.00	80.00	100.00	80.00

b) Balance outstanding at the end of the year

**3D VIEW OF NAGPUR
INDUSTRIAL CHAIN PLANT**





STALL AT AUTO EXPO, DELHI - JAN 2023



STALL AT AUTO EXPO, DELHI - JAN 2023



STALL AT IBW, GOA - DEC 2022



L.G. BALAKRISHNAN & BROS LIMITED

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

CIN : L29191TZ1956PLC000257

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

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