

L.G. BALAKRISHNAN & BROS LIMITED



**60th
ANNUAL REPORT
2015 - 2016**

L.G. BALAKRISHNAN & BROS LIMITED

Corporate Information

BOARD OF DIRECTORS

Sri. B. Vijayakumar
Chairman cum Managing Director
Sri. P. Prabakaran
Deputy Managing Director
Non-Executive Directors
Sri. P. Balasubramanian
Sri. S. Sivakumar
Sri. V. Govindarajulu
Sri. P. Shanmugasundaram
Smt. V. Rajsri
Sri. V. Rajvirdhan
Dr. T. Balaji
Sri. R. Vidhya Shankar

CHIEF FINANCIAL OFFICER

Sri. N. Rengaraj

GENERAL MANAGER CUM COMPANY SECRETARY

Sri. M. Lakshmi Kanth Joshi

BANKERS

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

STATUTORY AUDITORS

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

COST AUDITOR

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

SECRETARIAL AUDITOR

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

SECURITIES ARE LISTED

BSE Ltd.
National Stock Exchange of India Ltd.

REGISTERED OFFICE

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

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60th ANNUAL GENERAL MEETING

Date : 14th July, 2016
Day : Thursday
Time : 10.30 A.M.
Venue : **Ardra Convention Centre**
"Kaanchan",
9, North Huzur Road
Coimbatore- 641 018.

Notice is hereby given that the Sixtieth Annual General Meeting of the Members of the Company will be held on Thursday the 14th day of July 2016 at 10.30 A.M. at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company along with Consolidated Financial Statements for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend already paid and declare Final Dividend on the Equity Shares for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Sri.V.Rajvirdhan (DIN 00156787), who retires by rotation and being eligible, seeks re-appointment.
4. To appoint a Director in place of Sri.S.Sivakumar (DIN 00016040), who retires by rotation and being eligible, seeks re-appointment.
5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S), as Auditors of the Company in the AGM held on 09.07.2014 for a term of three years i.e. till the conclusion of the 61st Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the next AGM of the Company to be held in the year 2017, at a remuneration of ₹ 18,00,000/- (Rupees Eighteen Lakhs Only) which includes fees for other services rendered, plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to Section 196, 197, 198, 203, Schedule V and other applicable provisions if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the reappointment of Sri.P.Prabakaran (DIN:01709564) as Deputy Managing Director of the Company for a further period of three (3) years with effect from 1st June, 2016 on the following remuneration as recommended by the Nomination and Remuneration Committee, approved by the Audit Committee and the Board of Directors at their Meeting held on 30th April, 2016.

1. Salary :

₹ in
Lakhs PA

| Sl. No | Period | Amount |
|--------|------------------------------------|--------|
| 1 | 2016-17 (01-06-2016 to 31-05-2017) | 36.00 |
| 2 | 2017-18 (01-06-2017 to 31-05-2018) | 40.00 |
| 3 | 2018-19 (01-06-2018 to 31-05-2019) | 44.00 |

2. **Commission:** An amount equal to 0.3 % of the Net Profits of the Company in each financial year computed in accordance with Section 198 of the Companies Act, 2013.
3. **Other Benefits:** Contribution to Provident fund / Superannuation / Gratuity as per the rules of the Company and this shall not be included in computation of ceiling on remuneration.
4. **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, the remuneration payable to the Deputy Managing Director shall be subject to the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013.

The Deputy Managing Director shall not be entitled to any Sitting Fee for attending the Meeting of the

Board of Directors or a Committee thereof. He shall not be eligible for any other benefits other than the above.

RESOLVED FURTHER THAT Sri. P.Prabakaran shall be liable to retire by rotation and if re-appointed, the same shall not be treated as break in the service as Deputy Managing Director.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the component and elements of remuneration payable to Sri.P.Prabakaran, Deputy Managing Director in such a manner as agreed to between the Board of Directors and Sri. P. Prabakaran within the overall limit as set out above.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Dr.G.L.Sankaran, Cost Accountant, (Membership No.4482) appointed as Cost Auditor by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, on a remuneration of ₹ 1,25,000 (Rupees One Lakh Twenty Five Thousand Only) (exclusive of service tax and out of pocket expenses) be and is hereby ratified and confirmed.

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.”

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.6

Sri.P.Prabakaran Deputy Managing Director of the Company was appointed for a period of 5 years from 01-06-2011 and his appointment is due for renewal on 31st May, 2016. The significant role of Sri.P.Prabakaran for the growth of the Company to the present level was

recognized accordingly the Board of Directors at its meeting held on 30th April, 2016 and as per recommendation of the Nomination & Remuneration Committee at the meeting held on 25th April, 2016 approved the re-appointment of Sri.P.Prabakaran as Deputy Managing Director for a further period of three (3) years from 01st June, 2016. They have also proposed the remuneration as approved in the resolution which is in line with Schedule V of the Companies Act, 2013.

The draft agreement which has been approved by the Board of Directors to be entered into with the Deputy Managing Director is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day except Saturday till the date of Annual General Meeting.

The appointment of Sri.P.Prabakaran as Deputy Managing Director of the Company and the payment of remuneration is in conformity with schedule V of the Companies Act, 2013.

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

Except Sri.P.Prabakaran, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

The Board recommends the resolution for your approval.

Item No:7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Dr.G.L.Sankaran, Cost Accountant (Membership No.4482) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2016-2017. In accordance with the provision of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing ordinary resolution as setout in item no.7 of the notice for ratification of the remuneration of the cost auditor for the financial year 2016-2017.

None of the Directors or Key Managerial Personnel of your Company and their relatives are concerned or interested financially or otherwise in the above resolution.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
4. Details under Regulation 36 of SEBI (Listing Obligations and disclosure Requirements) Regulation 2015 and clause 1.2.5 of Secretarial Standard (SS-2) in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms a part of the notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
5. Pursuant to Section 123 of the Companies Act, 2013 dividend as recommended by the Board of Directors for the year ended 31st March 2016, if declared, at

the ensuing Annual general meeting is proposed to be paid on or before 10th August, 2016.

6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 08th July, 2016 to Thursday, the 14th July, 2016, (both days inclusive) for payment of final dividend.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or the Registrars cannot act on any request received directly from the members holding shares in electronic form for any change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members.

Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrars and Share Transfer Agents of the Company.

8. Change of Address: Members are requested to notify any change of address and bank details to their depository participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the secretarial department at the registered office of the Company or to M/s. Cameo Corporate Services Limited, “Subramanian Building” No.1, Club House Road, Chennai - 600 002 the Registrar and Share Transfer Agent of the Company.
9. Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or un-encashed dividends paid up to the year 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account.

Members who have a valid claim to any unclaimed dividends which are not yet transferred, may claim the same from the Company immediately. The detailed dividend history and due dates for transfer to IEPF are available on website of the Company,

www.lgb.co.in. Further, pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 10th September, 2015, i.e., the date of last Annual General Meeting, in respect of dividends paid since 2009 up to financial year 2015, on the website of the Company and also filed the same with the Ministry of Corporate Affairs.

10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents, for consolidation into a single folio.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
12. Copies of the Annual Report 2016, the Notice of the 60th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2016 are being sent by permitted mode.
13. Members may also note that the Notice of the 60th Annual General Meeting and the Annual Report 2016 will be available on the Company's website, www.lgb.co.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to

e-communication, or have any other queries, may write to us at: secretarial@lgb.co.in.

14. Voting Through Electronic Means In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 60th Annual General Meeting scheduled to be held at 10.30 a.m. on Thursday, the 14th July, 2016, by electronic means and the business may be transacted through remote e-voting.

The Company has engaged the services of CDSL as the authorised agency to provide the remote e-voting facilities. The instructions for remote e-voting is provided below.

Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot conducted at the AGM.

Kindly note that members can opt for only one mode of voting i.e., either by remote e-voting or by ballot at the AGM. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cutoff date viz 07th July, 2016 alone will be counted.

Instructions for Shareholders Voting Electronically are as under:

- (i) The voting period begins at 09.00 a.m. on 11th July, 2016 and ends on at - 05.00 p.m. on 13th July, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 07th July, 2016, 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) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

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

(vi) Next enter the Image Verification as displayed and Click on Login

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN fieldIn case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant L.G.Balakrishnan & Bros Limited on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the

system for the scrutinizer to verify the same.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

15. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 07th July, 2016. Mr. M.D. Selvaraj FCS of MDS & Associates, Company Secretary in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

16. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

17. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.lgb.co.in and on the website of CDSL immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

18. Request for additional information, if required: In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Mr.M.Lakshmi Kanth Joshi, General Manager cum Company Secretary at the following address so that the same may be attended appropriately to your entire satisfaction.

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

Coimbatore
30.04.2016

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

| Name | V.Rajvirdhan | Sri. S. Sivakumar | Sri. P. Prabakaran |
|---|---|--|--|
| DIN | 00156787 | 00016040 | 01709564 |
| Date of Birth | 05.09.1983 | 30.11.1952 | 01.02.1959 |
| Nationality | Indian | Indian | Indian |
| DOA on the Board | 04/11/2010 | 28.06.1996 | 30.05.2008 |
| Relationship with other Director | B.Vijayakumar - Father V.Rajsri - Sister | None | None |
| Qualification | B.Sc., IME | B.Com., | B.E., |
| Expertise in area | More than 6 years experience as an Industrialist | More than 29 years experience as an Industrialist | More than 25 years experience in Business |
| No. of shares held | 2,198,586 | 1205 | 400 |
| Terms of appointment or reappointment | Liable to retire by rotation | Liable to retire by rotation | Re-appointed as DMD for a Further period of 3 years |
| Remuneration sought to be paid | Sitting fees only | Sitting fees only | Vide Item No. 6 of the Agenda |
| Remuneration last drawn | ₹ 0.40 Lakhs* | ₹ 0.75 Lakhs* | ₹ 55.69 Lakhs |
| No. of Board meetings attended | 2 | 4 | 5 |
| List of Directorships held in other Companies | <ol style="list-style-type: none"> 1. LGB Forge Ltd 2. South Western Engineering India Ltd 3. ELGI Automotive Services P. Ltd 4. Super Transports P Ltd 5. BCW V Tech India P Ltd 6. Super Speeds P Ltd | <ol style="list-style-type: none"> 1. BCW V Tech India P Ltd 2. LG Sports Ltd 3. South Western Engineering India Ltd 4. LGB Auto Products P Ltd 5. Ishwarya Lakshmi Finance P Ltd | <ol style="list-style-type: none"> 1. BCW V Tech India P Ltd 2. Silent Chain India P Ltd 3. LGB USA INC 4. GFM Corporation LLC |
| Chairman/Member of the Committees of the Board of other companies in which he is Director | Member of Stakeholders' Relationship Committee in LGB Forge Limited | NIL | NIL |

* Only sitting fees

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Sixtieth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March, 2016 as compared to the previous year is as below

| Particulars | Consolidated | | Standalone | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 31.03.2016 (₹ in Lakhs) | 31-03-2015 (₹ in Lakhs) | 31-03-2016 (₹ in Lakhs) | 31-03-2015 (₹ in Lakhs) |
| TOTAL REVENUE | 120,922.43 | 1,17,517.02 | 1,09,427.32 | 1,05,056.15 |
| Profit before interest, depreciation & Tax | 14,159.65 | 14,447.16 | 12,994.99 | 13,181.81 |
| Less : Interest | 1,788.92 | 1,770.04 | 1,648.28 | 1,631.84 |
| Depreciation | 4,593.02 | 3,946.69 | 4,309.37 | 3,733.68 |
| PROFIT BEFORE TAX | 7,777.70 | 8,730.43 | 7,037.34 | 7,816.29 |
| Less : Provisions for Taxation | | | | |
| Current Income Tax / Mat | 1,090.64 | 2,044.06 | 1,090.65 | 2,043.38 |
| Deferred Tax (Credit / charge) | 200.99 | 4.77 | 201.33 | (5.89) |
| Add : Exceptional items | - | 660.80 | - | 660.80 |
| PROFIT AFTER TAX | 6,486.07 | 7,342.40 | 5,745.36 | 6,439.60 |
| Add : Share in Profit of Associate | 91.23 | 58.04 | - | - |
| Less : Share of Profit - Minority interest | 227.65 | 279.17 | - | - |
| PROFIT AFTER TAX | 6,349.65 | 7,121.27 | 5,745.36 | 6,439.60 |
| Add : Balance brought forward | 5,272.25 | 4,354.78 | 3,755.65 | 3,519.85 |
| AVAILABLE FOR APPROPRIATION | 11,621.90 | 11,476.05 | 9,501.01 | 9,959.45 |
| APPROPRIATIONS: | | | | |
| 1. Dividend on Equity Shares | 941.78 | 1,098.74 | 941.78 | 1,098.74 |
| 2. Tax on Dividend | 191.72 | 221.86 | 191.72 | 221.86 |
| 3. Transfer to General Reserve | 4,500.00 | 4,883.20 | 4,500.00 | 4,883.20 |
| 4. Balance carried over | 5,988.40 | 5,272.25 | 3,867.51 | 3,755.65 |
| Total | 11,621.90 | 11,476.05 | 9,501.01 | 9,959.45 |

CONSOLIDATED FINANCIALS

During the year under review, your Company's consolidated total revenue stood at ₹ 120,922.43 Lakhs as compared to ₹ 117,517.02 Lakhs for the previous year, representing an increase of 2.85 %; profit before tax stood at ₹ 7,777.70 Lakhs for the year under review as compared to ₹ 9391.23 Lakhs (which includes exceptional items of ₹ 660.80 lakhs) for the previous year, profit after tax stood at ₹ 6,486.07 Lakhs as compared to ₹ 7,342.40 Lakhs for the previous year.

STANDALONE FINANCIALS

During the year under review, the Total Revenue stood at ₹ 109,427.32 Lakhs as compared to ₹ 105,056.16 Lakhs for the previous year, profit before tax stood at ₹ 7,037.34 Lakhs for the year under review as compared to ₹ 7,816.29 Lakhs for the previous year, profit after tax stood at ₹ 5,745.36 Lakhs as compared to ₹ 6,439.60 Lakhs for the previous year.

TRANSFER TO RESERVES

The Company has transferred an amount of ₹ 4,500 Lakhs to the General Reserve out of the amount available for

appropriations and the remaining amount of ₹ 3,867.51 Lakhs has been retained in the Profit and Loss Account.

DIVIDEND

The Board of Directors of the Company has proposed a final dividend of ₹ 1/- per equity share of face value ₹ 10/- each. Total dividend being ₹ 6/- per equity share (60% on face value of ₹ 10/- each) which includes 1st Interim Dividend of ₹ 2.50 per equity shares of ₹ 10/- each (25%) declared at the Board meeting held on 29th October 2015 and 2nd interim dividend of ₹ 2.50 per equity shares of ₹ 10/- each (25%) declared at the Board meeting held on 15th March 2016.

The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting to be held on 14th July, 2016. The total dividend appropriation (excluding dividend tax) for the current year is ₹ 941.78 as against ₹ 1098.74 in the previous year.

The Final Dividend, if approved will be paid to the eligible members well within the stipulated time

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205 (c) of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for the year 2007-2008 with the Company for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund. The Company has transferred unclaimed dividend of ₹ 2.68 lakhs for the financial year 2007-2008 to Investor Education and Protection Fund on 25.09.2015. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 10th September, 2015 (date of last Annual General Meeting) on the website of the Company (www.lgb.co.in), as also on the Ministry of Corporate Affairs website.

SHARE CAPITAL

The paid up share capital of the Company as at 31st March 2016 aggregates to ₹ 15,69,62,080/- comprising of 15,696,208 equity shares of ₹ 10/- each fully paid up.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is annexed as **Annexure - A**.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended on 31st March, 2016, the Board of Directors hereby confirms that,

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) that such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts of the Company have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) proper system have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (g) details in respect of frauds reported by auditors under sub Section (12) of Section 143 other than those which are reportable to the Central Government.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Act, which came into effect from 1st April, 2014, Sri.P.Balasubramanian, Sri.V.Govindarajulu, Sri.P.Shanmugasundaram, Dr.T.Balaji and Sri.R.Vidhya Shankar were appointed as Independent Directors at the Annual General Meeting of the Company held on July 09, 2014. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Directors during the year

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters as provided under Section 178(3) of the Companies Act, 2013 have been outlined in the Corporate Governance Report which forms part of this Report.

AUDITORS

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Messrs. Deloitte Haskins & Sells., Chartered Accountants, the Statutory Auditors of the Company, hold office upto the conclusion of the (Sixty First) 61st Annual General Meeting. However, their appointment as Statutory Auditors of the Company is subject to ratification by the Members at every Annual General Meeting. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with notifications/ circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 30.04.2016, appointed Dr.G.L.Sankaran, Cost Accountant, as Cost Auditor of the Company for financial year 2016-2017. The Cost Audit Report for the financial year 2015-2016 will be filed within the period stipulated under Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Mr.M.D.Selvaraj of M/s.MDS & Associates, Company Secretaries were appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit for the year ended 31st March, 2016.

A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure - B.**

OBSERVATION OF STATUTORY AUDITOR AND SECRETARIAL AUDITOR IN RESPECT OF THEIR AUDIT REPORTS.

The Statutory Auditor report and Secretarial Audit report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

During the year the Company has invested a sum of US \$ 255,000 in overseas subsidiary Company ie. M/s. LGB USA INC. In respect of investment, loan, guarantee given in earlier years please refer notes to standalone financial statements.

RELATED PARTY TRANSACTIONS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2016 AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company occurred between the end of financial year (March 31, 2016) to which this financial statements relate and the date of this Report.

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

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

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

BOARD EVALUATION

On the advice of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors the Company formulated the criteria for the evaluation of the performance of the Board of Directors & its

Committees, Independent Directors, Non-Independent Directors and the Managing Director of the Board. Based on that performance valuation has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated.

FAMILIARIZATION PROGRAMMES

The Company had conducted various sessions during the financial year to familiarize Independent Directors with the Company, their roles, responsibilities in the Company, and the technology and the risk management systems of the Company. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/ institutions on above matters.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152 of the Companies Act, 2013 Sri.S.Sivakumar & Sri. V. Rajvirdhan Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors had on the recommendation of the Nomination and Remuneration Committee reappointed Sri.P.Prabakaran as Deputy Managing Director of the Company for a further period of 3 years with effect from June, 1 2016. The terms and conditions of his appointment, including his remuneration, are subject to the approval of the Shareholders in the ensuing Annual General Meeting.

Brief profile of Sri.P.Prabakaran, Sri. V. Rajvirdhan and Sri.S.Sivakumar as required under Regulation 36(3)(a) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard is provided in the Notice, attached hereto.

At the Board Meeting held on August, 01 2014 Sri.B.Vijayakumar Chairman Cum Managing Director, Sri.P.Prabakaran Deputy Managing Director, Sri.N.Rengaraj Chief Financial Officer and Sri.M.Lakshmi Kanth Joshi General Manager Cum Company Secretary were designated as “Key Managerial Personnel” of the Company pursuant to Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

FIXED DEPOSITS

As at 31st March, 2016, fixed deposits accepted by the Company from public and shareholders aggregated to

₹ 2,385.45 Lakhs, which are within the limits prescribed under the Companies Act, 2013 (“2013 Act”) and the rules framed thereunder.

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

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

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

| ₹ In Lakhs | |
|--|----------|
| Accepted during the year | 2,385.45 |
| Remained unpaid or unclaimed as at the end of the year | Nil |
| Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved | Nil |
| a) At the beginning the year | Nil |
| b) Maximum during the year | Nil |
| c) At the end of the year | Nil |
| The details of deposits which are not in compliance with the requirements of Chapter V of the Act | Nil |

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

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

Adequacy of Internal Financial Controls with reference to the Financial Statements

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance

in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records.

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

SUBSIDIARY COMPANIES, JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS:

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

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

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

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

None of the subsidiaries are material subsidiary as per the provisions of listing agreement.

ASSOCIATE COMPANY

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

In Financial Year 2015-16, JV achieved sales of ₹ 83.18 Crores (Net of Taxes) against ₹ 89.66 Crores (Net of Taxes) in 2014-15. Growth in sales and margin improvement has resulted in net profit of ₹ 4.86 Crores as against net profit of ₹ 3.74 Crores in 2014-15.

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

During the financial year ended 31st March, 2016, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

As required under the Listing Agreement with Stock Exchanges (“Listing Agreement”) a report on Corporate Governance together with the Auditors Certificate regarding compliance of the conditions of Corporate Governance and Management Discussion and Analysis are annexed as **ANNEXURE - G AND ANNEXURE - H** respectively to this Report.

AUDIT COMMITTEE

Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer to the Section on Corporate Governance, under the head, ‘Audit Committee’ for matters relating to the composition, meetings, and functions of the Committee. The Board was accepted the Audit Committee recommendations during the year whenever required, hence no disclosure required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

LISTING OF EQUITY SHARES

The Securities of your Company are listed with the National Stock Exchange of India Limited and BSE Limited. The Company has paid the Annual Listing Fees to the said stock exchanges for the financial year 2015-2016.

INDUSTRIAL RELATIONS

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

which has helped the Organization achieve higher productivity levels. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company.

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

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

The Company has 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 Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainee) are covered under this policy.

There was no complaint received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, customers, investors, business associates, vendors, regulatory and government authorities, stock exchanges and members during the year under review. Your Directors also sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels thereby contributing largely to the growth and success of the Company.

By order of the Board

Coimbatore
30.04.2016

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

ANNEXURE 'A'
EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2016

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

FORM NO. MGT - 9

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No | Name and Description of main products / services | NIC Code of the Products/ Service | % to total turnover of the Company |
|--------|--|-----------------------------------|------------------------------------|
| 1. | Chains | 2814 | 75.40% |
| 2. | Metal Forming | 2592 | 15.18% |

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

| Sl. No | Name and Address of the Company | CIN / GLN | Holding / Subsidiary/ Associate | % of Shares held | Applicable Section |
|--------|--|-----------------------|---------------------------------|-------------------------------------|--------------------|
| 1. | BCW India V Tech Private Limited 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006 | U72200TZ2006PTC012831 | Subsidiary | 100% | 2(87) |
| 2. | LGB USA INC. 1209, Orange Street City of Wilmington Country of New Castle, Delaware 19801 | Foreign Company | Subsidiary | 77.01% | 2(87) |
| 3. | GFM Accquistion LLC 29685 Calahan, Roseville Michigan 48044 | Foreign Company | Stepdown Subsidiary | Holding by LGB USA 90.97% | 2(87) |
| 4. | GFM LLC, 29685 Calahan, Roseville Michigan 48044 | Foreign Company | Stepdown Subsidiary | Holding by GFM Accquistion LLC 100% | 2(87) |
| 5. | Renold Chain India P Ltd 568/1A, 569/1&2 D. Gudalur Vedasanthur (T.K.) Dindigul 624 620 | U27109TZ2008FTCO17737 | Associate | 25% | 2(6) |

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

i) Category-wise Share Holding

| Category Code | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---------------|--|---|----------|----------------|----------------|---|----------|----------------|----------------|--------------------------|
| | | Demat | Physical | Total | % Total Shares | Demat | Physical | Total | % Total Shares | |
| (A) | Promoter | | | | | | | | | |
| (1) | Indian | | | | | | | | | |
| (a) | Individuals/ HUF | 6013100 | - | 6013100 | 38.31 | 6013100 | - | 6013100 | 38.31 | 0 |
| (b) | Central Government / State Government(s) | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | 1287980 | - | 1287980 | 8.20 | 1414630 | - | 1414630 | 9.01 | 0.81 |
| (d) | Financial Institutions /Banks | - | - | - | - | - | - | - | - | - |
| (e) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A)(1) | 7301080 | - | 7301080 | 46.51 | 7427730 | - | 7427730 | 47.32 | 0.81 |
| (2) | Foreign | | | | | | | | | |
| (a) | NRI - Individuals | - | - | - | - | - | - | - | - | - |
| (b) | Other Individual | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Bank / FI | - | - | - | - | - | - | - | - | - |
| (e) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A)(2) | - | - | - | - | - | - | - | - | - |
| | Total Shareholding of | | | | | | | | | |
| | Promoter (A)= (A)(1)+(A)(2) | 7301080 | - | 7301080 | 46.51 | 7427730 | - | 7427730 | 47.32 | 0.81 |
| (B) | Public shareholding | | | | | | | | | |
| (1) | Institutions | | | | | | | | | |
| (a) | Mutual Funds | 1782286 | - | 1782286 | 11.35 | 2128257 | - | 2128257 | 13.56 | 2.21 |
| (b) | Banks / FI | 5523 | 4 | 5527 | 0.04 | 5128 | - | 5128 | 0.03 | -0.01 |
| (c) | Central Government | - | - | - | - | - | - | - | - | - |
| (d) | State Government(s) | - | - | - | - | - | - | - | - | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Companies | - | - | - | - | - | - | - | - | - |
| (g) | FIs | 6600 | - | 6600 | 0.04 | 3600 | - | 3600 | 0.02 | -0.02 |
| (h) | Foreign Portfolio Investors | - | - | - | - | 163815 | - | 163815 | 1.04 | 1.04 |
| (i) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (j) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (B)(1) | 1794409 | 4 | 1794413 | 11.43 | 2300800 | - | 2300800 | 14.66 | 3.22 |

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

i) Category-wise Share Holding (Contd.)

| Category Code | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---------------|--|---|----------|----------|----------------|---|----------|----------|----------------|--------------------------|
| | | Demat | Physical | Total | % Total Shares | Demat | Physical | Total | % Total Shares | |
| (2) | Non-institutions | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i) | Indian | 318418 | 4604 | 323022 | 2.06 | 213540 | - | 213540 | 1.36 | -0.7 |
| (ii) | Overseas | - | - | - | - | - | - | - | - | - |
| (b) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital up to Rs. 1 lakh. | 3258301 | 479447 | 3737748 | 23.81 | 4055962 | - | 4055962 | 25.84 | 2.03 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 2031320 | 70948 | 2102268 | 13.39 | 1312497 | - | 1312497 | 8.36 | -5.03 |
| (c) | Qualified Foreign Investor | - | - | - | - | | | | | |
| (d) | Any Other (specify) | | | | | | | | | |
| | NRIs/OCBs | 89083 | 3660 | 92743 | 0.59 | 112826 | - | 112826 | 0.72 | 0.13 |
| | Clearing Member | 26764 | 0 | 26764 | 0.17 | 11437 | - | 11437 | 0.07 | -0.1 |
| | Directors & Relatives | 40072 | 54520 | 94592 | 0.60 | 83817 | - | 83817 | 0.53 | -0.07 |
| | Hindu Undivided Families | 221478 | 0 | 221478 | 1.41 | 171529 | - | 171529 | 1.09 | -0.32 |
| | Trusts | 2100 | - | 2100 | 0.01 | 6070 | - | 6070 | 0.04 | 0.03 |
| | Sub-Total (B)(2) | 5987536 | 613179 | 6600715 | 42.05 | 5967678 | - | 5967678 | 38.02 | -4.03 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 7781945 | 613183 | 8395128 | 53.49 | 8268478 | - | 8268478 | 52.68 | -0.81 |
| (C) | Shares held by Custodians | | | | | | | | | |
| | for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| | GRAND TOTAL (A)+(B)+(C) | 15083025 | 613183 | 15696208 | 100.00 | 15696208 | - | 15696208 | 100.00 | - |

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

ii) Shareholding of Promoters

| S. No. | Shareholders Name | No. of Shares held at the beginning of the year 01.04.2015 | | | No. of Shares held at the end of the year 31.03.2016 | | | % change in share holding during the year |
|--------|--------------------------------------|--|---------------------------------|--|--|---------------------------------|--|---|
| | | No. of Shares | % of total Share of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Share of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | B.Vijayakumar | 2507000 | 15.97 | - | 2507000 | 15.97 | - | - |
| 2 | Vijayshree Vijayakumar | 14812 | 0.09 | - | 14812 | 0.09 | - | - |
| 3 | V.Rajsri | 1089576 | 6.94 | - | 1089576 | 6.94 | - | - |
| 4 | V.Rajvirdhan | 2198586 | 14.01 | - | 2198586 | 14.01 | - | - |
| 5 | K.Arjun | 101724 | 0.65 | - | 101724 | 0.65 | - | - |
| 6 | K.Nithin | 101400 | 0.65 | - | 101400 | 0.65 | - | - |
| 7 | Rajiv Parthasarathy | 2 | 0.00 | - | 2 | 0.00 | - | - |
| 8 | ELGI Automotive Services Private Ltd | 40000 | 0.25 | - | 40000 | 0.25 | - | - |
| 9 | LGB Auto Products Private Ltd | 760000 | 4.84 | - | 862500 | 5.49 | - | 0.65 |
| 10 | LG Farm Products Private Ltd | 400000 | 2.55 | - | 400000 | 2.55 | - | - |
| 11 | Super Speeds Private Ltd | 13380 | 0.08 | - | 13380 | 0.08 | - | - |
| 12 | LG Sports Ltd | 1000 | 0.01 | - | 25150 | 0.16 | - | 0.15 |
| 13 | Super Transports Private Ltd | 70000 | 0.44 | - | 70000 | 0.44 | - | - |
| 14 | Silent Chain India Private Ltd | 3600 | 0.02 | - | 3600 | 0.02 | - | - |
| | Total | 7301080 | 46.50 | - | 7427730 | 47.30 | - | 0.80 |

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

| | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | B.Vijayakumar | | | | |
| | At the beginning of the year | 2507000 | 15.97 | 2507000 | 15.97 |
| | At the end of the year | 2507000 | 15.97 | 2507000 | 15.97 |
| 2 | Vijayshree Vijayakumar | | | | |
| | At the beginning of the year | 14812 | 0.09 | 14812 | 0.09 |
| | At the end of the year | 14812 | 0.09 | 14812 | 0.09 |
| 3 | V.Rajsri | | | | |
| | At the beginning of the year | 1089576 | 6.94 | 1089576 | 6.94 |
| | At the end of the year | 1089576 | 6.94 | 1089576 | 6.94 |
| 4 | V.Rajvirdhan | | | | |
| | At the beginning of the year | 2198596 | 14.01 | 2198596 | 14.01 |
| | At the end of the year | 2198596 | 14.01 | 2198596 | 14.01 |
| 5 | K.Arjun | | | | |
| | At the beginning of the year | 101724 | 0.65 | 101724 | 0.65 |
| | At the end of the year | 101724 | 0.65 | 101724 | 0.65 |
| 6 | K.Nithin | | | | |
| | At the beginning of the year | 101400 | 0.65 | 101400 | 0.65 |
| | At the end of the year | 101400 | 0.65 | 101400 | 0.65 |
| 7 | Rajiv Parthasarathy | | | | |
| | At the beginning of the year | 2 | 0.00 | 2 | 0.00 |
| | At the end of the year | 2 | 0.00 | 2 | 0.00 |
| 8 | ELGI Automotive Services Private Limited | | | | |
| | At the beginning of the year | 40000 | 0.25 | 40000 | 0.25 |
| | At the end of the year | 40000 | 0.25 | 40000 | 0.25 |
| 9 | LGB Auto Products Private Limited | | | | |
| | At the beginning of the year | 760000 | 4.84 | 760000 | 4.84 |
| | Transfer of Shares as on 22.05.2015 | 40000 | 0.25 | 800000 | 5.10 |
| | Transfer of Shares as on 14.08.2015 | 21684 | 0.14 | 821684 | 5.23 |
| | Transfer of Shares as on 21.08.2015 | 38316 | 0.24 | 860000 | 5.48 |
| | Transfer of Shares as on 11.09.2015 | 2500 | 0.01 | 862500 | 5.49 |
| | At the end of the year | 862500 | 5.49 | 862500 | 5.49 |
| 10 | LG Farm Products Private Limited | | | | |
| | At the beginning of the year | 400000 | 2.55 | 400000 | 2.55 |
| | At the end of the year | 400000 | 2.55 | 400000 | 2.55 |
| 11 | Super Speeds Private Limited | | | | |
| | At the beginning of the year | 13380 | 0.08 | 13380 | 0.08 |
| | At the end of the year | 13380 | 0.08 | 13380 | 0.08 |

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

| | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 12 | LG Sports Limited | | | | |
| | At the beginning of the year | 1000 | 0.01 | 1000 | 0.01 |
| | Transfer of Shares as on 03.09.2015 | 19000 | 0.12 | 20000 | 0.13 |
| | Transfer of Shares as on 18.09.2015 | 5150 | 0.03 | 25150 | 0.16 |
| | At the end of the year | 25150 | 0.16 | 25150 | 0.16 |
| 13 | Super Transports Private Limited | | | | |
| | At the beginning of the year | 70000 | 0.44 | 70000 | 0.44 |
| | At the end of the year | 70000 | 0.44 | 70000 | 0.44 |
| 14 | Silent Chain India Private Limited | | | | |
| | At the beginning of the year | 3600 | 0.02 | 3600 | 0.02 |
| | At the end of the year | 3600 | 0.02 | 3600 | 0.02 |

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

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

| | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Reliance Capital Trustee Co. Ltd | | | | |
| | -A/C Reliance Small Cap Fund | | | | |
| | At the beginning of the year | 921336 | 5.87 | 921336 | 5.87 |
| | Transfer of Shares as on 10.04.2015 | 21709 | 0.14 | 943045 | 6.01 |
| | Transfer of Shares as on 30.06.2015 | 10156 | 0.06 | 953201 | 6.07 |
| | Transfer of Shares as on 03.07.2015 | 2185 | 0.01 | 955386 | 6.09 |
| | Transfer of Shares as on 10.07.2015 | 5486 | 0.03 | 960872 | 6.12 |
| | Transfer of Shares as on 18.09.2015 | 800 | 0.01 | 961672 | 6.13 |
| | Transfer of Shares as on 12.02.2016 | 5000 | 0.03 | 966672 | 6.16 |
| | At the end of the year | 966672 | 6.16 | 966672 | 6.16 |
| 2 | Franklin India Smaller Companies Fund | | | | |
| | At the beginning of the year | 320863 | 2.04 | 320863 | 2.04 |
| | Transfer of Shares as on 24.04.2015 | 17452 | 0.11 | 338315 | 2.15 |
| | Transfer of Shares as on 01.05.2015 | 12548 | 0.08 | 350863 | 2.23 |
| | Transfer of Shares as on 08.05.2015 | 65390 | 0.42 | 416253 | 2.65 |
| | Transfer of Shares as on 15.05.2015 | 33988 | 0.22 | 450241 | 2.87 |
| | Transfer of Shares as on 22.05.2015 | 16444 | 0.10 | 466685 | 2.97 |
| | Transfer of Shares as on 29.05.2015 | 9241 | 0.06 | 475926 | 3.03 |
| | Transfer of Shares as on 05.06.2015 | 14937 | 0.09 | 490863 | 3.13 |
| | Transfer of Shares as on 12.06.2015 | 4538 | 0.03 | 495401 | 3.16 |
| | Transfer of Shares as on 19.06.2015 | 462 | 0.00 | 495863 | 3.16 |
| | Transfer of Shares as on 07.08.2015 | 30000 | 0.19 | 525863 | 3.35 |
| | Transfer of Shares as on 21.08.2015 | 10000 | 0.06 | 535863 | 3.41 |
| | Transfer of Shares as on 28.08.2015 | 3547 | 0.02 | 539410 | 3.44 |
| | Transfer of Shares as on 22.01.2016 | 3171 | 0.02 | 542581 | 3.46 |
| | Transfer of Shares as on 05.02.2016 | 2495 | 0.01 | 545076 | 3.47 |
| | At the end of the year | 545076 | 3.47 | 545076 | 3.47 |
| 3 | Sundaram Mutual fund A/c Sundaram Smile Fund | | | | |
| | At the beginning of the year | 180063 | 1.14 | 180063 | 1.14 |
| | Transfer of Shares as on 15.05.2015 | 1000 | 0.01 | 181063 | 1.15 |
| | Transfer of Shares as on 19.06.2015 | 346 | 0.00 | 181409 | 1.15 |
| | Transfer of Shares as on 26.06.2015 | 20042 | 0.13 | 201451 | 1.28 |
| | Transfer of Shares as on 30.06.2015 | 845 | 0.01 | 202296 | 1.29 |
| | Transfer of Shares as on 03.07.2015 | 1805 | 0.01 | 204101 | 1.30 |
| | Transfer of Shares as on 10.07.2015 | 7035 | 0.04 | 211136 | 1.34 |
| | Transfer of Shares as on 17.07.2015 | 7689 | 0.05 | 218825 | 1.39 |
| | Transfer of Shares as on 24.07.2015 | 12238 | 0.08 | 231063 | 1.47 |
| | Transfer of Shares as on 07.08.2015 | 2587 | 0.02 | 233650 | 1.49 |

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

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

| | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | Transfer of Shares as on 21.08.2015 | 5533 | 0.03 | 239183 | 1.52 |
| | Transfer of Shares as on 28.08.2015 | 5802 | 0.04 | 244985 | 1.56 |
| | Transfer of Shares as on 03.09.2015 | 22773 | 0.14 | 267758 | 1.70 |
| | Transfer of Shares as on 04.09.2015 | 2184 | 0.01 | 269942 | 1.72 |
| | Transfer of Shares as on 11.09.2015 | 11438 | 0.07 | 281380 | 1.79 |
| | Transfer of Shares as on 18.09.2015 | 3000 | 0.02 | 284380 | 1.81 |
| | Transfer of Shares as on 25.09.2015 | 3378 | 0.02 | 287758 | 1.83 |
| | Transfer of Shares as on 02.10.2015 | 4327 | 0.03 | 292085 | 1.86 |
| | Transfer of Shares as on 09.10.2015 | 673 | 0.00 | 292758 | 1.86 |
| | Transfer of Shares as on 08.01.2016 | 12000 | 0.08 | 304758 | 1.94 |
| | At the end of the year | 304758 | 1.94 | 304758 | 1.94 |
| 4 | Anil Kumar Goel | | | | |
| | At the beginning of the year | 240000 | 1.53 | 240000 | 1.53 |
| | Transfer of Shares as on 01.05.2015 | 2500 | 0.01 | 242500 | 1.54 |
| | Transfer of Shares as on 08.05.2015 | 12500 | 0.08 | 255000 | 1.62 |
| | Transfer of Shares as on 22.05.2015 | -1554 | 0.01 | 253446 | 1.61 |
| | Transfer of Shares as on 12.06.2015 | 118 | 0.00 | 253564 | 1.61 |
| | Transfer of Shares as on 26.06.2015 | -564 | 0.00 | 253000 | 1.61 |
| | Transfer of Shares as on 06.11.2015 | 2000 | 0.01 | 255000 | 1.62 |
| | At the end of the year | 255000 | 1.62 | 255000 | 1.62 |
| 5 | B V Educational Foundation | | | | |
| | At the beginning of the year | 205500 | 1.31 | 205500 | 1.31 |
| | At the end of the year | 205500 | 1.31 | 205500 | 1.31 |
| 6 | B V Medical Foundation | | | | |
| | At the beginning of the year | 157000 | 1.00 | 157000 | 1.00 |
| | At the end of the year | 157000 | 1.00 | 157000 | 1.00 |
| 7 | Premier Investment Fund Limited* | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Transfer of Shares as on 04.12.2015 | 7402 | 0.05 | 7402 | 0.05 |
| | Transfer of Shares as on 11.12.2015 | 42562 | 0.27 | 49964 | 0.32 |
| | Transfer of Shares as on 18.12.2015 | 33879 | 0.21 | 83843 | 0.53 |
| | Transfer of Shares as on 25.12.2015 | 7157 | 0.04 | 91000 | 0.58 |
| | Transfer of Shares as on 31.12.2015 | 17815 | 0.11 | 108815 | 0.69 |
| | Transfer of Shares as on 01.01.2016 | 5185 | 0.03 | 114000 | 0.73 |
| | Transfer of Shares as on 08.01.2016 | 7000 | 0.04 | 121000 | 0.77 |
| | Transfer of Shares as on 22.01.2016 | 600 | 0.00 | 121600 | 0.77 |
| | Transfer of Shares as on 29.01.2016 | 14263 | 0.09 | 135863 | 0.86 |

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

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

| | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | Transfer of Shares as on 05.02.2016 | 1367 | 0.01 | 137230 | 0.87 |
| | Transfer of Shares as on 18.03.2016 | 1641 | 0.01 | 138871 | 0.88 |
| | Transfer of Shares as on 23.03.2016 | 1642 | 0.01 | 140513 | 0.89 |
| | Transfer of Shares as on 31.03.2016 | 127 | 0.00 | 140640 | 0.90 |
| | At the end of the year | 140640 | 0.90 | 140640 | 0.90 |
| 8 | HDFC Small & Midcap Fund* | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Transfer of Shares as on 06.11.2015 | 125000 | 0.80 | 125000 | 0.80 |
| | Transfer of Shares as on 13.11.2015 | 5100 | 0.03 | 130100 | 0.83 |
| | Transfer of Shares as on | 2000 | 0.01 | 132100 | 0.84 |
| | At the end of the year | 132100 | 0.84 | 132100 | 0.84 |
| 9 | L&T Business Cycles Fund | | | | |
| | At the beginning of the year | 113549 | 0.72 | 113549 | 0.72 |
| | At the end of the year | 113549 | 0.72 | 113549 | 0.72 |
| 10 | Shelly Desai | | | | |
| | At the beginning of the year | 47518 | 0.30 | 47518 | 0.30 |
| | Transfer of Shares as on 03.09.2015 | 57733 | 0.37 | 105251 | 0.67 |
| | Transfer of Shares as on 20.11.2015 | 40 | 0.00 | 105291 | 0.67 |
| | At the end of the year | 105291 | 0.67 | 105291 | 0.67 |
| 11 | L&T Emerging Business Fund** | | | | |
| | At the beginning of the year | 125400 | 0.80 | 125400 | 0.80 |
| | Transfer of Shares as on 06.11.2015 | (125400) | 0.80 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 12 | Nozer Jasi Shrofy** | | | | |
| | At the beginning of the year | 60000 | 0.38 | 60000 | 0.38 |
| | At the end of the year | 60000 | 0.38 | 60000 | 0.38 |
| | R.Srinivasan** | | | | |
| | At the beginning of the year | 146980 | 0.94 | 146980 | 0.94 |
| | At the end of the year | 146980 | 0.94 | 146980 | 0.94 |
| 13 | Vinodchandra Mansukhlal Parekh** | | | | |
| | At the beginning of the year | 47708 | 0.30 | 47708 | 0.30 |
| | At the end of the year | 47708 | 0.30 | 47708 | 0.30 |
| 14 | R.Srinivasan** | | | | |
| | At the beginning of the year | 146980 | 0.94 | 146980 | 0.94 |
| | At the end of the year | 146980 | 0.94 | 146980 | 0.94 |
| 15 | Kumarpal Mansukhlal Parekh** | | | | |
| | At the beginning of the year | 38540 | 0.25 | 38540 | 0.35 |
| | At the end of the year | 38540 | 0.25 | 38540 | 0.25 |

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

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

| | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 16 | Sanjeev Vinodchadra Parekh** | | | | |
| | At the beginning of the year | 47366 | 0.30 | 47366 | 0.30 |
| | Transfer of Shares as on 23.10.2015 | 7794 | 0.05 | 55160 | 0.35 |
| | At the end of the year | 55160 | 0.35 | 55160 | 0.35 |
| 17 | JNJ Holdings Private Limited** | | | | |
| | At the beginning of the year | 2 | 0.00 | 2 | 0.00 |
| | At the end of the year | 2 | 0.00 | 2 | 0.00 |
| 18 | S.Vijaya | | | | |
| | At the beginning of the year | 46000 | 0.29 | 46000 | 0.29 |
| | Transfer of Shares as on 01.05.2015 | (3000) | 0.02 | 43000 | 0.27 |
| | Transfer of Shares as on 15.05.2015 | (3000) | 0.02 | 40000 | 0.25 |
| | Transfer of Shares as on 22.05.2015 | (1000) | 0.01 | 39000 | 0.25 |
| | Transfer of Shares as on 29.05.2015 | (620) | 0.00 | 38380 | 0.25 |
| | Transfer of Shares as on 19.06.2015 | (1600) | 0.01 | 36780 | 0.23 |
| | Transfer of Shares as on 26.06.2015 | (1703) | 0.01 | 35077 | 0.22 |
| | Transfer of Shares as on 14.08.2015 | (28829) | 0.18 | 6248 | 0.04 |
| | Transfer of Shares as on 21.08.2015 | (6248) | 0.04 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |

*Not in the list of Top 10 Shareholders as on 31.03.2015. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 31.03.2016

**Ceased to be in the list of Top 10 Shareholders as on 31.03.2016. The same is reflected above since the Shareholder was one of the Top 10 Shareholders as on 31.03.2015.

v) Shareholding of Directors and Key Managerial Personnel

| For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|------------------------------|---|------------------------------|
| | No. of Shares | % of total shares of Company | No. of Shares | % of total shares of Company |
| Sri.B.Vijayakumar | 2507000 | 15.97 | 2507000 | 15.97 |
| Sri.P.Prabakaran | 400 | 0.00 | 400 | 0.00 |
| Smt.V.Rajsri | 1089576 | 6.94 | 1089576 | 6.94 |
| Sri.V.Rajvirdhan | 2198586 | 14.01 | 2198586 | 14.01 |
| Dr.T.Balaji | 800 | 0.00 | 580 | 0.00 |
| Sri.P.Balasubramanian | 2000 | 0.01 | 2000 | 0.01 |
| Sri.S.Sivakumar | 1300 | 0.01 | 1205 | 0.01 |
| Sri.V.Govindarajulu | 0 | 0 | 0 | 0 |
| Sri.P.Shanmugasundaram | 0 | 0 | 0 | 0 |
| Sri.R.Vidhya Shankar | 0 | 0 | 0 | 0 |
| Sri.N.Rengaraj, Chief Financial Officer | 20 | 0.00 | 200 | 0.00 |
| Sri.M.Lakshmikanth Joshi General Manager Cum Company Secretary | 0 | 0 | 0 | 0 |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|-----------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 13,012.62 | 1,550.75 | - | 14,563.37 |
| ii) Interest due but not paid | 16.75 | - | - | 16.75 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 13,029.37 | 1,550.75 | - | 14,580.12 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 3,209.62 | 4,698.75 | 2,385.45 | 10,293.82 |
| Reduction | 5,046.63 | 5,038.50 | | 10,085.13 |
| Net Change | (1,837.01) | (339.75) | 2,385.45 | 208.69 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 11,175.61 | 1,211.00 | 2,385.45 | 14,772.06 |
| ii) Interest due but not paid | 28.68 | 16.15 | - | 44.83 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 11,204.29 | 1,227.15 | 2,385.45 | 14,816.89 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

₹ in Lakhs

| Sl. No | Particulars of Remuneration | Sri. B. Vijayakumar Chairman cum Managing Director | Sri. P. Prabakaran Deputy Managing Director | Total |
|--------|---|--|---|---------------|
| | Gross Salary | | | |
| 1 | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 75.77 | 33.60 | 109.37 |
| (b) | Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2. | Stock Options | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | 147.26 | 22.09 | 169.35 |
| | - as % of profit | 2% | 0.3% | 2.3% |
| | - others, specify | - | - | - |
| 5 | Others, please specify i. Deferred bonus (pertaining to the current Financial year payable in 2018)ii. Retirals | - | - | - |
| | Total (A) | 223.03 | 55.69 | 278.72 |

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other Directors:

1. Independent Directors

| Name of Directors | Particulars of Remuneration | | | Total (B)(1) in Lakhs |
|------------------------------|--|------------|---------------------------|-----------------------------|
| | Fee for attending Board / committee Meetings | Commission | Others, please specify | |
| Sri. P. Balasubramanian | 1.90 | - | - | 1.90 |
| Sri. V. Govindarajulu | 1.70 | - | - | 1.70 |
| Sri. P. Shanmugasundaram | 1.70 | - | - | 1.70 |
| Dr. T. Balaji | 1.15 | - | - | 1.15 |
| Sri. R. Vidhya shankar | 0.80 | - | - | 0.80 |
| Total Amount in Lakhs | 7.25 | - | - | 7.25 |

2. Non Executive Directors

| Name of Directors | Particulars of Remuneration | | | Total (B)(2) in Lakhs | Total (B) = (B)(1) + (B)(2) |
|------------------------------|--|------------|------------------------|-----------------------|-----------------------------|
| | Fee for attending Board / committee Meetings | Commission | Others, please specify | | |
| Smt. V. Rajsri | 0.75 | - | - | 0.75 | |
| Sri. V.Rajvirdhan | 0.40 | - | - | 0.40 | |
| Sri. S.Sivakumar | 0.75 | - | - | 0.75 | |
| Total Amount in Lakhs | 1.90 | - | - | 1.90 | 9.15 |

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

| Sl. No | Particulars of Remuneration | | Sri. N. Rengaraj Chief Financial Officer | Sri. Lakshmikanth Joshi General Manager Cum Company Secretary | Total Amount in Lakhs |
|--------|-----------------------------|---|---|---|-----------------------|
| | Gross Salary | | | | |
| 1 | (a) | Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 28.36 | 22.72 | 51.08 |
| | (b) | Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) | Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2 | Stock Options | | - | - | - |
| 3 | Sweat Equity | | - | - | - |
| 4 | Commission | | - | - | - |
| | - as % of profit | | - | - | - |
| | - others, specify.... | | - | - | - |
| 5 | Others, please specify | | - | - | - |
| | Total | | 28.36 | 22.72 | 51.08 |

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

By order of the Board

Coimbatore
30.04.2016

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

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

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

Based on my verification of **M/s. L G Balakrishnan & Bros Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended **31st March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Act, 1956 and the rules made thereunder (to the extent applicable);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- iv. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- vi. 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 (Enforced from 1st December 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, 1992 (till 14th May 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Enforced from 15th May 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;

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

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made applicable with effect from 1st July, 2015 and it was noted that the Company has generally complied with the same, however the stricter applicability of the Secretarial Standards is to be observed by the Company ;
- b. The Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited ;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. , mentioned above.

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

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

I further report that during the audit period, 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 : 30.04.2016

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

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

‘Annexure A’

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

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I

believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of the management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore
Date : 30.04.2016

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

ANNEXURE 'C'

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

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

A. CONSERVATION OF ENERGY

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

During the year, LGB taken lot of effects to introduced energy conservation methods and achieved some considerable amount of saving in power & fuel cost. The Company implemented various latest technologies in manufacturing activities and thereby improving the production efficiency without consuming additional energy. Also replaced the old version lighting system in to latest technology Induction lamps in shop floor as well as outdoor lighting. The Company also installed LED lights in new project for outdoor application. Based on the findings, various formation of conservation measures have been taken to reduce power and fuels used by production equipments and utilities system.

Green Power:

LGB has installed 22 number of windmills with a total rated capacity of 7.16 MW. The total number of units of energy generated from these windmills was around 94.53 lakhs units which were used for captive consumption.

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

Also the Company has installed 2 number of ON GRID solar power plants for a rated capacity of 100 KW each. The number of units generated through this solar system was around 1.30 lakhs units/Per 100 KW Solar Plant/Annum.

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

(B) TECHNOLOGY ABSORPTION-

(i) the efforts made towards technology absorption -

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

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

- Opening of new avenue of sales with new products

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

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

(iv) the expenditure incurred on Research and Development

The Company has incurred a total expenditure of ₹ 475.77 Lakhs (includes capital and recurring expenses) towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned : ₹ 8,406.60 Lakhs

Foreign Exchange used : ₹ 6,237.46 Lakhs

By order of the Board

Coimbatore
30.04.2016

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

Composition of the CSR Committee

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

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

Average net profit: ₹ 6,101.57 Lakhs

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

The Company during the financial year 2015-16 is required to spend ₹ 122.03 Lakhs towards CSR.

Details of CSR spent during the financial year:

a) Total amount spent for the financial year; ₹ 127.90 Lakhs

b) Amount unspent, if any; NIL

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

| S. No | CSR Project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise ₹ in Lakhs | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; ₹ in Lakhs | Cumulative expenditure up to the reporting period ₹ in Lakhs | Amount spent Direct or through implementation agency |
|-------|------------------------------------|--|---|---|--|---|--|
| 1 | Contribution to - Indian Red Cross | Measures for the benefit of armed forces veterans, war widows and their dependents | Tamilnadu | 1.50 | 1.50 | 1.50 | Direct |
| 2 | Promoting Gender Equality | Promoting Gender Equality empowering women etc | Coimbatore Tamilnadu | 0.25 | 0.15 | 0.15 | Directly |

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

| S. No | CSR Project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise ₹ in Lakhs | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; ₹ in Lakhs | Cumulative expenditure up to the reporting period ₹ in Lakhs | Amount spent Direct or through implementation agency |
|-------|--|--|---|---|--|---|--|
| 3 | New Building constructed for school student purposes, Rain water harvesting & drinking water units installed in the school premises. | Promotion of Education | Tamilnadu | 75.00 | 75.00 | 75.00 | Through Implementation Agency |
| 4 | Fees / Other expenses to needy students | Promoting Education | Tamilnadu | 25.00 | 23.85 | 23.85 | Through Implementation Agency |
| 5 | Hospital Charges for needy patients | Health Care | Tamilnadu | 4.00 | 3.75 | 3.75 | Through Implementation Agency |
| 6 | Contribution to Immates Welfare Association | Setting up up of Homes and hostels for women and orphans | Coimbatore - Tamilnadu | 0.10 | 0.10 | 0.10 | Direct |
| 7 | Contribution to United Orphanage Disabled | Setting up up of Homes and hostals for women and orphans | Tamilnadu | 0.30 | 0.30 | 0.30 | Direct |
| 8 | Contribution to Amarjothi Leprosy Nivaran | Promotion of health care and Preventive health care | Coimbatore Tamilnadu | 0.06 | 0.06 | 0.06 | Direct |

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

| S. No | CSR Project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise ₹ in Lakhs | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads; ₹ in Lakhs | Cumulative expenditure up to the reporting period ₹ in Lakhs | Amount spent Direct or through implementation agency |
|-------|---|---|---|---|--|---|--|
| 9 | Contribution to Chennai Vission Charitable Trust | Promotion of health care and Preventive health care | Chennai Tamilnadu | 5.00 | 5.00 | 5.00 | Direct |
| 10 | Contribution to Govel Trust Madurai | Promotion of health care and Preventive health care | Madurai - Tamilnadu | 4.00 | 4.00 | 4.00 | Direct |
| 11 | Contribution for construction of Public Library Building | Setting up of Public Library Building | Coimbatore Tamilnadu | 3.89 | 3.89 | 3.89 | Direct |
| 12 | Contribution to Society of Little Flower Convent, Good Shepherd School & Gedee Technical Training Institute | Promotion of Education / Development | Tamilnadu | 10.30 | 10.30 | 10.30 | Direct |
| | Total | | | 129.40 | 127.90 | 127.90 | |

Responsibility Statement of CSR Committee

The CSR Committee confirms that the implementation and governance of CSR programmes have been elaborated in the Company's CSR Policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

By order of the Board

Coimbatore
30.04.2016

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

Annexure - 'E'

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

- Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2016

(in lakhs)

| Sr. No | Director | Category | Remuneration | Median Remuneration | Ratio |
|--------|------------------------|--------------------------------|--------------|---------------------|-------|
| 1 | Sri.B.Vijayakumar | Chairman Cum Managing Director | 223.03 | 2.45 | 91:1 |
| 2 | Sri.P.Prabakaran | Deputy Managing Director | 55.69 | 2.45 | 23:1 |
| 3 | Smt. V.Rajsri | Non-Executive Promoter | - | - | - |
| 4 | Sri.V.Rajvirdhan | Non-Executive Promoter | - | - | - |
| 5 | Sri.S.Sivakumar | Non-Executive Non-Independent | - | - | - |
| 6 | Sri.P.Balasubramanian | Non- Executive Independent | - | - | - |
| 7 | Dr.T.Balaji | Non-Executive Independent | - | - | - |
| 8 | Sri.V.Govindarajulu | Non- Executive Independent | - | - | - |
| 9 | Sri.P.Shanmugasundaram | Non- Executive Independent | - | - | - |
| 10 | Sri.R.Vidhya Shankar | Non- Executive Independent | - | - | - |

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

- Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

| Sr.No | Director | Category | % increase / (decrease) |
|-------|------------------------|--------------------------------|-------------------------|
| 1 | Sri.B.Vijayakumar | Chairman Cum Managing Director | (5) |
| 2 | Sri.P.Prabakaran | Deputy Managing Director | (4) |
| 3 | Smt. V.Rajsri | Non-Executive Promoter | - |
| 4 | Sri.V.Rajvirdhan | Non-Executive Promoter | - |
| 5 | Sri.S.Sivakumar | Non-Executive Non-Independent | - |
| 6 | Sri.P.Balasubramanian | Non- Executive Independent | - |
| 7 | Dr.T.Balaji | Non-Executive Independent | - |
| 8 | Sri.V.Govindarajulu | Non- Executive Independent | - |
| 9 | Sri.P.Shanmugasundaram | Non- Executive Independent | - |
| 10 | Sri.R.Vidhya Shankar | Non- Executive Independent | - |

Company Secretary & CFO

| | | | |
|---|--------------------------|-------------------------------------|-----|
| 1 | Sri.N.Rengaraj | Chief Financial Officer | 11% |
| 2 | Sri.M.Lakshmikanth Joshi | General Manager & Company Secretary | 11% |

- Percentage increase in the median remuneration of employees in the financial year. **3%**
- Number of permanent employees on the rolls of Company as on 31st March, 2016. **1,650**

| | |
|---|--|
| <p>5. Explanation on the relationship between average increase in remuneration and Company performance</p> | <p>There is no direct relationship between the average increase in remuneration and Company performance. Increments are linked to the Cost of Living Index and Market Compensation.</p> |
| <p>6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company</p> | <p>The Key Managerial Personnel were collectively paid a remuneration of ₹ 329.80 Lakhs for the financial year. This represent 0.30% of the standalone turnover of ₹ 109,427.32 Lakhs of the Company and 0.57% of its Standalone Net Profit after tax.</p> <p>The Company believes the Key Managerial Personnel have been compensated commensurate with their knowledge, experience and contribution, notwithstanding the fact that their collective remuneration does not impact the Company's performance significantly.</p> |
| <p>7. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year</p> | <p>Variations in the market capitalization</p> <p>Market capitalization as at 31st March, 2015: 86,250 Lakhs</p> <p>Market capitalization as at 31st March, 2016: 68,153 Lakhs</p> <p>Variations in the PE Ratio</p> <p>PE Ratio as at 31st March, 2015: 13.39</p> <p>PE Ratio as at 31st March, 2016: 11.86</p> <p>This is not comparable since after the initial Public offer, the Company has come out with Rights Issue, several Bonus issues, Subdivision of Face value from ₹ 100/- into ₹ 10/- ; ₹ 10/- into ₹ 1/- and consolidation of Face value of ₹ 1/- into ₹ 10/- Allotment of Equity Shares of ₹ 10/- each in the ratio of 1:5 to the Shareholders of M/s. LGB Industries Limited due to Merger, Preferential Allotment of 5532714 Equity Shares of ₹ 1/- each to International Finance Corporation, Reduction of Capital by extinguishing 56,58,000 Equity Shares of ₹ 1/- each the present capital forms 1,56,96,208 Equity Shares of ₹ 10/- each.</p> |
| <p>8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</p> | <p>Average percentile increase in remuneration other than managerial personnel is 17.38% and average percentile increase / (decrease) in remuneration for managerial personnel is (4.44%)</p> |

| | |
|---|---|
| 9. Key parameters for any variable component of remuneration availed by the directors | The Chairman cum Managing Director and Deputy Managing Director of the Company are entitled for commission @ 2% & 0.3% the Net profits of the Company calculated under the relevant provisions of the Act as approved by the Shareholders at the Annual General Meeting held on July 10, 2009 & June 15, 2011. The rest of the Non-Executive Directors all being Independent receive only sitting fees |
| 10. Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year | NIL |
| 11. 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. |

By order of the Board

Coimbatore
30.04.2016

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

ANNEXURE 'F'

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

| | | | | |
|-----|---|-------------------------------------|----------------------------------|--------------------------------|
| 1. | Name of the Subsidiary Company | | BCW V Tech India Private Limited | LGB USA INC & its Subsidiaries |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | | 01.04.2015 to 31.03.2016 | 01.01.2015 to 31.12.2015 |
| 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 | Foreign Currency Indian Currency | 499.99 | 32.90 2,084.05 |
| 5. | Reserves & surplus | Foreign Currency Indian Currency | 143.45 | 38.86 2,483.17 |
| 6. | Total Liabilities | Foreign Currency Indian Currency | 681.48 | 61.30 3,936.57 |
| 7. | Total Assets | Foreign Currency Indian Currency | 1,324.92 | 133.06 8,503.79 |
| 8. | Investments | Foreign Currency Indian Currency | NIL NIL | NIL NIL |
| 9. | Turnover and other income | Foreign Currency Indian Currency | 1,176.64 | 162.42 10,419.07 |
| 10. | Profit / (Loss) before Taxation | Foreign Currency Indian Currency | (82.52) | 12.15 822.88 |
| 11. | Provision for Tax | Foreign Currency Indian Currency | (0.35) | Nil Nil |
| 12. | Profit / (Loss) after Taxation | Foreign Currency Indian Currency | (82.17) | 12.15 822.88 |
| 13. | Proposed Dividend | Foreign Currency Indian Currency | Nil | NIL Nil |
| 14. | % of share holding | | 100 | 77.01 |

* LGB USA INC. figures presented along with Subsidiaries

Notes:

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

ANNEXURE 'F'

FORM AOC-1 (Contd.)

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

Part "B": Associates and Joint Ventures

| | | |
|---|--|--|
| 1 | Name of the Associate Company | Renold Chain India Private Limited |
| 2 | Latest audited Balance Sheet Date | 31 st March, 2016 |
| 3 | Shares of Associate/Joint Ventures held by the Company on the year end: No. of shares (equity) | 10250000 |
| | Amount of investment in Associates / Joint Venture | ₹ 1025.00 Lakhs |
| | Extend of Holding % | 25% |
| 4 | Description of how there is significant influence | Percentage of holding of share capital |
| 5 | Reason why the Associate is not consolidated | NA |
| 6 | Networth attributable to shareholding as per latest audited Balance Sheet | ₹ 1,556.30 Lakhs |
| 7 | Profit/Loss for the year: | |
| | i. Considered in Consolidation | ₹ 91.23 Lakhs |
| | ii. Not considered in Consolidation | ₹ 273.67 Lakhs |

Notes:

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

Annexure - 'G'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDUSTRY STRUCTURE AND DEVELOPMENT

INDUSTRY STRUCTURE AND DEVELOPMNET

Our Company has performed well in all our products especially with our two wheeler account. It is expected that the trend will continue and any down turn will be temporary.

We have invested heavily in the last four years and an amount of almost ₹ 285.03 Crores have been spent in upgrading our existing facilities as well as in expanding capacities.

We are geared for the future and we shall continue to march ahead.

OPPORTUNITIES

Our Country has a population of upward of 1.4 billion people out of this hardly 25% have personal mobility. As the Country continues to develop and GDP improves, more people will improve their standard and quality of living and will opt for personal vehicles.

The four wheeler industry is also set to pickup and become hub for manufacturers for whole world .

THREATS

The power situation in our Country is always uncertain and this could lead to higher cost of manufacturing for us and our client.

If the power cost and other manufacturing cost as well as forex rates are adverse in future it could lead not only to a drop in our profitability but open the gates for imports and restrict our exports.

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to monitor internal business process, financial reporting and

compliance with applicable laws. The company periodically reviews the adequacy and effectiveness of the control systems.

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

HEALTH, SAFETY, SECURITY ENVIRONMENT

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

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Employer - employee relations continued to remain cordial during the year. Training and development of employees continue to be an area of prime importance. The devotion and commitment of our employees has enabled the Company to fulfill its targets and deadlines in time.

RISK MANAGEMENT

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

CAUTIONARY STATEMENT

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

By order of the Board

Coimbatore
30.04.2016

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March 2016, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Company's Philosophy on Corporate Governance:

LGB applies the principles of sound corporate governance and the Company has always been at the forefront of benchmarking its internal systems and policies within accepted standards so as to facilitate the creation of long term value for its shareholders and all other stakeholders.

2. Board of Directors:

Your Company's Board has an optimum combination of executive, non-executive, independent and women directors as per requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of composition of the Board of Directors and directorship held in other companies / board committees by each member of the Board of Directors of the Company as on 31st March, 2016 is as under:

| Name of the Directors | Category | No of Directorship in other Companies* | ** No. of Board Committee Memberships/ Chairmanships held | | Attendance Particulars | |
|---|-------------------------------|--|---|----------|------------------------|----------|
| | | | Member | Chairman | Board Meeting | Last AGM |
| Sri. B. Vijayakumar# Chairman Cum Managing Director DIN : 00015583 | Executive Promoter | 6 | 3 | - | 5 | Yes |
| Sri. P. Prabakaran Deputy Managing Director DIN : 01709564 | Executive | 1 | - | - | 5 | Yes |
| Smt. V. Rajsri# DIN : 00018344 | Non-Executive Promoter | - | - | - | 4 | Yes |
| Sri. V. Rajvirdhan# DIN : 00156787 | Non-Executive Promoter | 3 | 1 | - | 2 | No |
| Sri. S. Sivakumar DIN : 00016040 | Non-Executive Non-Independent | 3 | - | - | 4 | Yes |
| Sri. P. Balasubramanian DIN : 00018197 | Non- Executive Independent | - | 1 | - | 5 | Yes |
| Dr. T. Balaji DIN : 00002755 | Non-Executive Independent | 2 | 1 | - | 5 | Yes |
| Sri. V. Govindarajulu DIN : 00016108 | Non- Executive Independent | - | 1 | 1 | 4 | Yes |
| Sri. P. Shanmugasundaram DIN : 00119411 | Non- Executive Independent | 1 | - | 2 | 4 | Yes |
| Sri. R. Vidhya Shankar DIN : 00002498 | Non- Executive Independent | 1 | 1 | 1 | 3 | No |

* Exclude Directorship in Private Companies and Foreign Companies.

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

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

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 Committees nor are they the Chairman / Chairperson of more than 5 Committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarisation programme for Independent Directors

The Company has conducted the Familiarisation programmes for Independent Directors during the year. The Programmes aim to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the processes, businesses and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Programme and the details of familiarisation programmes imparted to independent directors during 2015-2016 have been disclosed on the website of the Company at <http://www.lgb.co.in>

Separate Meetings Of Independent Directors

During the year under review, the Independent Directors met on 15.03.2016, inter alia, to Discuss to discuss / review the matters specified in Regulation 25 of SEBI LODR / Schedule IV of the Companies Act, 2013. All the five Independent Directors were present at the meeting.

Details of the Board meetings held during the financial year 2015-2016

During the year, 5 (Five) Meetings of the Board of Directors of the Company were held on 30th April, 2015, 30th July, 2015, 29th October, 2015, 27th January, 2016 and 15th March, 2016.

3. Audit Committee

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Committee are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

3.1 Terms of Reference:-

The role, powers and functions of the committee are as per Section 177 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 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides having access to all the required information from within the company, the committee can obtain external professional advice whenever required.

3.2 Composition & Meetings:-

During the financial year ended 31st March 2016, four Audit Committee Meetings were held on 29th April, 2015, 29th July, 2015, 28th October, 2015 and 25th January, 2016. The necessary quorum was present at these meetings, and the details of meetings attended by the Members are as follows:

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

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

The Deputy Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditor are the permanent invitees of the Audit Committee and the Company Secretary attended the meetings as Secretary of the Committee.

In line with its terms of reference, the Audit Committee, at its each meeting reviewed the operations and the audit reports for businesses pursuant to audits undertaken by the Internal Auditors under the audit plan approved at the commencement of the year. The quarterly financial results were reviewed by the Committee before submission to the Board. Independent sessions were held with the Statutory and the Internal Auditors to assess the effectiveness of the audit processes. The Committee reviewed adequacy of Internal Financial Controls on a Company-wide basis and shared their recommendations on the internal control processes to the Board. On a quarterly basis, the Committee continues to review whistle-blower complaints, litigations, related party transactions and policy violation instances, the corrective actions and mitigating controls put in place therefor.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act 2013.

4.1 Terms of Reference:-

The terms of reference of this committee has been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013.

4.2 Composition and Attendance at the Meeting

The Committee comprises of 3 Non-Executive Independent Directors and the Executive Chairman of the Company. The Chairman is a Non-Executive Independent Director. The compositions of the Committee are as under:

| Name of the Member | Category | Designation | No of Meetings | |
|-------------------------|----------------------------|-------------|----------------|----------|
| | | | Held | Attended |
| Sri. R. Vidhya Shankar | Independent, Non Executive | Chairman | 1 | 1 |
| Sri. V. Govindarajulu | Independent, Non Executive | Member | 1 | 1 |
| Sri. B. Vijayakumar | Non Independent | Member | 1 | 1 |
| Sri. P. Balasubramanian | Independent, Non Executive | Member | 1 | 1 |

4.3 Performance evaluation criteria for Independent Directors

The company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of the non-executive directors and executive directors and shall carry out evaluation of every director performance.

4.4. Remuneration Policy

The remuneration policy is in consonance with the existing industry practice and also with the provisions of the Companies Act, 2013. The Board of Directors based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Policy is annexed to this report and also can be accessed on the Company's web site at <http://www.lgb.co.in>

5. Remuneration of Directors

- a) Remuneration paid/payable to the Executive Directors for the financial year ended March 31, 2016 is given as under :

| Name of Directors | Service Contract | Salary & Allowances | Commission | Employees Stock Option Plan | Total |
|--|--|---------------------|------------|-----------------------------|--------|
| Sri.B.Vijayakumar Chairman cum Managing Director | 1.01.2015 to 31.12.2019 | 75.77 | 147.26 | Nil | 223.03 |
| Sri.P.Prabakaran Deputy Managing Director | 01.06.2011 to 31.05.2016 Re-appointed for another term commencing from 01.06.2016 to 31.05.2019 | 33.60 | 22.09 | Nil | 55.69 |

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

- b. Remuneration paid/payable to the non-executive Directors for the financial year ended March 31, 2016 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 |
|------------------------|-----------------|------------|-----------------------------|-----------------|
| Sri.P.Balasubramanian | 1,90,000 | - | - | 1,90,000 |
| Sri.S.Sivakumar | 75,000 | - | - | 75,000 |
| Sri.V.Govindarajulu | 1,70,000 | - | - | 1,70,000 |
| Sri.P.Shanmugasundaram | 1,70,000 | - | - | 1,70,000 |
| Dr.T.Balaji | 1,15,000 | - | - | 1,15,000 |
| Sri.V.Rajvirdhan | 40,000 | - | - | 40,000 |
| Sri.R.Vidhya Shankar | 80,000 | - | - | 80,000 |
| Smt.V.Rajsri | 75,000 | - | - | 75,000 |
| Total | 9,15,000 | - | - | 9,15,000 |

c) Statement showing number of Equity Shares of ₹ 10/- each of the Company held by the present Non-Executive Directors as on March 31, 2016:

| Name | No. of shares held (as on 31.03.2016) | % of Holding |
|--------------------------|--|--------------|
| Smt. V. Rajsri | 1,089,576 | 6.94 |
| Sri. V. Rajvirdhan | 2,198,586 | 14.01 |
| Dr. T. Balaji | 580 | 0.00 |
| Sri. P. Balasubramanian | 2,000 | 0.01 |
| Sri. S. Sivakumar | 1,205 | 0.01 |
| Sri. V. Govindarajulu | - | - |
| Sri. P. Shanmugasundaram | - | - |
| Sri. R. Vidhya Shankar | - | - |

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

The Company currently does not have any stock option scheme.

6. Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Stakeholders' Relationship Committee consists of the following Directors.

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

During the year under review, the Committee met 18 times to deliberate on various matters referred above and for redressal of investors complaints.

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

The Company has been receiving various correspondences from Shareholders and required information/documents are furnished immediately to the satisfaction of Shareholders. At the beginning of the year, no complaint was pending. During the year ended 31st March, 2016, the Company has not received any complaint from investors and also no investor complaint was pending on 31st March 2016.

Pursuant to clause 47(c) of the Listing Agreement/ Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

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

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

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

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

| Particulars | Number of Shareholders | Number of equity shares |
|--|------------------------|-------------------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 264 | 47720 |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year | 2 | 200 |
| Number of shareholders to whom shares were transferred from suspense account during the year | 2 | 200 |
| Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31 st March, 2016 | 262 | 47520 |

The voting rights on the outstanding unclaimed shares as on 31st March, 2016 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

Corporate Social Responsibility Committee (CSR Committee)

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

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

The CSR Committee met five times during the year on 30th April 2015, 30th July 2015, 29th October 2015, 27th January 2016 and 31st March 2016. The necessary quorum was present for all Meetings.

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

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

7. Management Discussion and Analysis Report

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

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

| Year | Date | Time | Venue | Special Resolution passed |
|------|------------|------------|---|--|
| 2013 | 08.08.2013 | 10.15 A.M. | Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18 | No |
| 2014 | 09.07.2014 | 10.30 A.M. | Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18 | Appointment of Dr.T.Balaji as Independent Director of the Company for a term upto 8 th July 2019 |
| | | | | Appointment of Sri. V. Govindarajulu as Independent Director of the Company for a term upto 31 st August 2019. |
| | | | | Appointment of Sri. P. Balasubramanian as Independent Director of the Company for a term upto 31 st August 2019. |
| | | | | Appointment of Sri. P. Shanmugasundaram as Independent Director of the Company for a term upto 31 st August 2019. |
| | | | | Appointment of Sri.R.Vidhya Shankar as Independent Director of the Company for a term upto 31 st August 2019. |
| | | | | Authorizing Board of Directors to enter into contracts and/or agreements with Silent Chain India Private Limited, Lakshmi Printers, Excel Marketing Associates, Veena Coach Products and Sri. S. Sivakumar - Director, being the related parties as defined under the Companies Act, 2013 |
| 2015 | 10.09.2015 | 10.30 A.M. | Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18 | Authorizing Board of Directors to enter into contracts and/or agreements with Super Speeds Private Limited, Super Transports Private Limited, LGB Fuel Systems Private Limited, LG Balakrishnan & Bros - Karur, LGB Auto Products Private Limited, LGB Forge Limited, South Western Engineering India Limited, LG Farm Products Private Limited and Elgi Automotive Services Private Limited being the related parties as defined under the Companies Act, 2013. |
| | | | | To accept Public Deposit in accordance with the provisions of the Companies Act, 2013 and Rules made there under. |
| | | | | Authorizing Board of Directors to enter into contracts and/or agreements with Renold Chain India Private Limited being the related party as defined under the Companies Act, 2013 |

Extra Ordinary General Meetings and Postal Ballot:

During the year no EGM was convened nor any approval of the shareholders obtained through Postal Ballot.

No special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting of the Company.

9. 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 hard and soft copies are also sent to concerned Stock Exchanges immediately after they are approved by the Board so as to enable them to display them on their notice board/ website and also published in one widely circulated English Newspaper (Financial Express) and a Vernacular (Tamil) Newspaper (Malaimalar). The Company has a dedicated help desk with email ID: secretarial@lgb.co.in in the Secretarial Department for providing necessary information to the investors.

Official News Releases

Official news releases are made whenever it is considered necessary

The presentation made to institutional investors or to the analysts

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

10. General Shareholders' Information

Annual General Meeting is proposed to be held at 10.30 A.M. on Thursday the 14th July, 2016 at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018.

Financial Calendar

Financial Year : April to March

For the year ended 31st March 2016, results were announced on 30.04.2016.

Financial Year - 2016-2017

| | |
|-----------------------------------|-----------------------------|
| Quarter ending June 30, 2016 | - End of July 2016* |
| Quarter ending September 30, 2016 | - End of October 2016* |
| Quarter ending December 31, 2016 | - End of January 2017* |
| Year ending March 31, 2017 | - End of April or May 2017* |

* Tentative

| | |
|----------------------|--|
| Date of Book Closure | - The date of Book closure are from 08.07.2016 to 14.07.2016 (both days inclusive) to determine the members entitled to the dividend for 2015-16 |
|----------------------|--|

| | |
|-----------------------|--------------------|
| Dividend payment date | - 10th August 2016 |
|-----------------------|--------------------|

| | |
|--|--|
| a) Listing on Stock Exchanges | - BSE Ltd. The National Stock Exchange of India Ltd. |
| b) Securities Code | - BSE Ltd. Equity 500250 - The National Stock Exchange of India Ltd. - LGBBROSLTD |
| c) The International Security Identification Number (ISIN) | - INE337A01034 |

The Company has paid the Listing Fees for the year 2016 - 2017 to the above Stock Exchanges.

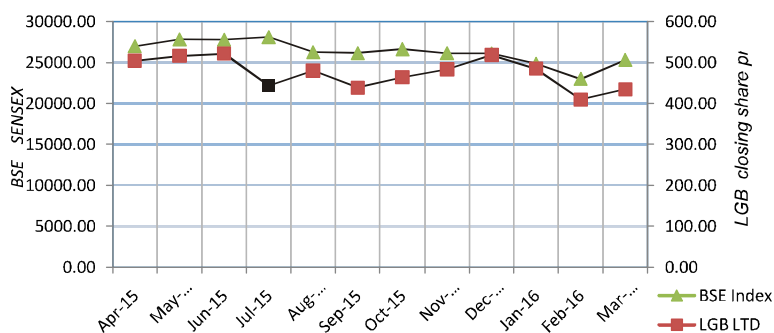
MARKET PRICE DATA: Monthly high/low of market price of the Company's Equity Shares traded on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the last financial year was as under:

Stock market data for the year 2015 -2016

| | National Stock Exchange | | Bombay Stock Exchange | |
|----------------|-------------------------|---------|-----------------------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April - 2015 | 565.00 | 480.30 | 567.75 | 482.25 |
| May | 575.00 | 461.50 | 574.00 | 466.25 |
| June | 550.00 | 458.65 | 546.25 | 461.00 |
| July | 539.00 | 439.90 | 533.00 | 440.00 |
| August | 518.90 | 415.00 | 518.00 | 400.90 |
| September | 470.00 | 434.00 | 495.50 | 425.00 |
| October | 508.80 | 431.55 | 509.80 | 428.40 |
| November | 498.05 | 445.05 | 497.50 | 443.00 |
| December | 527.55 | 470.00 | 567.75 | 482.25 |
| January - 2016 | 521.00 | 422.25 | 521.75 | 424.00 |
| February | 499.50 | 392.20 | 486.90 | 396.50 |
| March | 468.90 | 409.00 | 465.00 | 410.10 |

(Source: BSE and NSE website)

Performance of the Company's Equity Shares relative to BSE Sensex during the Financial Year 2015-16



Registrar & Transfer Agents

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

Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agents in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks. The Stakeholders Relationship Committee considers the transfer proposals generally on a weekly basis.

Distribution of Shareholding

The Shareholding distribution of the equity shares as on 31st March, 2016 is given below:

| Range | No. of Holders | No. of Shares (Face Value ₹ 10/-) | % of Shares |
|-------------------|----------------|--------------------------------------|---------------|
| 1 - 100 | 11,907 | 483,529 | 3.08 |
| 101 - 500 | 3,961 | 944,830 | 6.02 |
| 501 - 1000 | 736 | 555,302 | 3.54 |
| 1001 - 2000 | 399 | 596,136 | 3.80 |
| 2001 - 3000 | 130 | 327,806 | 2.09 |
| 3001 - 4000 | 79 | 272,814 | 1.74 |
| 4001 - 5000 | 40 | 187,226 | 1.19 |
| 5001 - 10000 | 93 | 673,030 | 4.29 |
| 10001 - and above | 81 | 11,655,535 | 74.25 |
| Total | 17,426 | 15,696,208 | 100.00 |

Pattern of Shareholding as on 31st March 2016

| Sl. No. | Category | No. of Share holders | No. of Shares held | % of Shares |
|---------|---|----------------------|--------------------|---------------|
| 1 | Promoters and promoters group | 14 | 7,427,730 | 47.32 |
| 2 | Mutual Funds / UTI | 7 | 2,128,257 | 13.56 |
| 3 | Financial Institutions, Banks | 4 | 5,128 | 0.03 |
| 4 | Foreign Institutional Investors/NRI/OCB | 292 | 117,954 | 0.75 |
| 5 | Bodies Corporate / Clearing Member | 312 | 224,977 | 1.43 |
| 6 | Public | 16,797 | 5,792,162 | 36.91 |
| | Total | 17,426 | 15,696,208 | 100.00 |

11 Dematerialization of Shares and Liquidity

| Particulars | No. of Shares | Percentage (in Share Capital) |
|---|-------------------|----------------------------------|
| National Securities Depository Limited | 13,797,724 | 87.90 |
| Central Depository Services (India) Limited | 1,368,323 | 8.72 |
| Physical | 530,161 | 3.38 |
| Total | 15,696,208 | 100.00 |

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

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

Commodity Price Risk/ Foreign Exchange Risk and Hedging

The Company did not engage in hedging activities.

Plant Location & Addresses

- Coimbatore : 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore Pincode - 641 006.
- Vaiyampalayam : SF. No. 47 & 50, Kondayampalayam Village, Vaiyampalayam PO, Coimbatore Pincode - 641 110.

3. Dindigul : SF. No. 5691/2, 5701/2, Karur Dindigul Road, D-Gudalur Pincode - 624 620
4. Karur: Mochakottampalayam, Vishwanathapuri, Karur Pincode - 639 002.
5. Mysore: No. 24, Industrial Suburb Mysore Pincode - 570 008.
6. Annur: 269/1, Ganesapuram, Kattampatti Post, Annur, Coimbatore Pincode - 641 107.
7. Pongalur: 1/175, Sathy Road, Pongalur, Puliampatti Post, Pongalur Pincode - 638 459
8. Bangalore: No.4-A, Bommasandra Industrial Area, Anekal Taluk, Bangalore Pincode - 560 009.
9. Chakan: Gat No. 343-4, Industrial Shed, behind Hotel Marriot, Chakan Talegaon Road, Mahalunge, PUNE, Pincode - 410 501.
10. 100% EOU: Kondaiyampalayam Village, SF No. 195, Pillaiyar Kovil Street, Near Power House, Kottaipalayam Post Coimbatore Pincode - 641 110.
11. Manesar: Plot No. 17, Section - 3, IMT Manesar Gurgaon Pincode 122 050.
12. Chennai: No. 49, Sidco Industrial Estate, Ambattur Chennai Pincode 600098
13. Annur: 3/145, Kovai Road, Ottrapalayam Village, Annur, Coimbatore Pincode - 641 653
14. Rudrapur: Khasra No. 390, Village- Danpur, Kashipur Road, Rudrapur, Pincode - 263 153 Uttrankhand
15. Pant Nagar: Plot No. 16, Sector 9, II E, Sidgul, Pant Nagar, Uddamsingh Nagar, Pincode - 263 153. Uttrankhand
16. Kushkhera, G-1, 356 RIICO Industrial Area, Alwar District Pincode - 301707, RAJASTHAN
17. Kariampalayam: SF. No. 266/1B & 1C, RD Building. Kumarapalaym Road, Kariampalayam Post, Annur, Coimbatore Pincode - 641 653.
18. Pilliappanpalayam: SF.NO.225 - 227 - 123 D, Annur Road, Annur VIA Pillaippampalayam, Coimbatore Pincode - 641 653.
19. SF.NO.225 - 227 - 223 D, Annur VIA Pillaippampalayam, Coimbatore Pincode - 641 653.
20. Jalna: Plot No. A -7, Jalna Phase III, Industrial Area (MIDC) Maharashtra - 431 213
21. Ahmed Nagar: MIDC, Supa Area, Supa Parner Industrial Area, Ahmed Nagar, Maharashtra Pincode - 414 301
22. Pilliappanpalayam: SF.No. 225, 226, 227/1,2,3 A, Annur (Via), Pillaippampalayam, Coimbatore Pincode - 641 653.

Address for Correspondence

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

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

12. Disclosures

a. Related Party Transactions:

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large, The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

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

b. Strictures and Penalties

The Company has complied with all the requirements of the Listing Agreement of the stock exchanges as well as regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets during the last three years.

c. Vigil Mechanism and Whistle-Blower Policy

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

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

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

d. Details of compliance with mandatory requirements

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

Details of compliance of non-mandatory requirements

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

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

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

e. Policy for determining ‘material’ subsidiaries

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

Material unlisted subsidiary

During the year, the Company did not have any material unlisted subsidiary companies which are subject to special governance norms in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of the Company for their review and noting

f. Commodity price risks and Commodity hedging activities

During the financial year ended 31st March, 2016 the company did not engage in commodity hedging activities.

Disclosure of Accounting Treatment

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

Risk Management

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

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

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

Certificate from CEO/CFO

The CEO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on April 30, 2016 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

14. DECLARATION - CODE OF CONDUCT

I, B.Vijayakumar, Chairman cum Managing Director of L.G.Balakrishnan & Bros Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended 31st March, 2016 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance conditions of Corporate Governance by M/s.L.G.Balakrishnan & Bros Limited (The Company) for the financial year ended 31st March, 2016 as stipulated under Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under Clauses 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

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

Coimbatore
30.04.2016

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

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **L.G. BALAKRISHNAN & BROS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

Coimbatore
30.04.2016

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

C.R. RAJAGOPAL
Membership No.23418
Partner

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1f) under ‘Report on Other Legal and Regulatory Requirements’
of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **L.G.BALAKRISHNAN & BROS LIMITED** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor’s Responsibility

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

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Coimbatore
30.04.2016

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

C.R. RAJAGOPAL
Membership No.23418
Partner

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for cash credit and buyers credit facilities taken from Banks are held in the name of the Company based on the confirmations directly received by us from Banks. In respect of immovable properties of land that have been taken on lease and disclosed as Fixed Assets in the financial statement and the buildings constructed on such lease hold land, whose lease deeds have been pledged as security for cash credit and buyers credit facility taken from banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement based on the confirmations directly received by us from banks.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans hence provisions of Section 185 is not applicable, however the Company has made investments and provided guarantee which is within limits of Section 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regards to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for automotive components. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as on 31st March, 2016 on account of disputes are given below:

| Name of statute | Nature of the disputes | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in lakhs) |
|--|--|---|--------------------------------------|---------------------|
| Finance Act | Service Tax on import of services | Hon'ble Supreme Court | 2005-06, 2006-07 2007-08 | 5.07 |
| Finance Act | Denial of Service Tax | CESTAT Chennai | Various periods | 4.95 |
| Finance Act | Common Credit input | CESTAT Chennai | 2010-11, 2011-12 2012-13 | 113.68 |
| Finance Act | Customer Receivable written off | CESTAT Coimbatore | Various periods | 55.50 |
| Central Excise Act | Differential Duty | CESTAT Chennai | 2006-07, 2007-08 | 52.59 |
| Central Excise Act | Rebate claims | CESTAT Chennai | 2011-12 | 107.06 |
| Central Excise Act | Classification of Goods | Deputy Commissioner of Central Excise, Coimbatore | 2014 - 15 | 0.45 |
| Central Excise Act | Valuation & Capital Goods | CESTAT Chennai | Various periods | 9.44 |
| Central Excise Act | ED-Transfer of Division | CESTAT Chennai | 2009 - 10 | 440.22 |
| Central Excise Act | Sales value Differential | Asst. Commissioner of Central Excise, Chennai | 2011-12 | 0.65 |
| Maharashtra Value Added Tax Act | Classification of Goods | Sales Tax Appellate Tribunal | 2005-06, 2006-07 2007-08 | 26.99 |
| Delhi Value Added Tax Act | Stock Transfer | Sales Tax Appellate Tribunal | 2007-08 | 0.62 |
| Tamil Nadu VAT Act | Input Tax Credit/ Sales return | Joint Commissioner (Appeals) Coimbatore | 2007-08, 2008-09 2010-11, 2011-12 | 172.83 |
| Tamil Nadu General Sales Tax Act | Assesment matters | Hon'ble High Court of Madras (Stayed by the High Court) | 2002 - 03 | 43.94 |
| Tamil Nadu General Sales Tax Act & Central Sales Tax | Differential rate and Inter State sale | Sales Tax Appellate Tribunal, Coimbatore | 2006 - 07 2010 - 11 2011 - 12 | 5.91 |
| Entry tax | Entry tax | Hon'ble High Court of Madras (Stayed by the High Court) | 2007-08 | 408.36 |
| Karnataka Entry tax | Entry tax | Karnataka Appellate Tribunal | 2005 - 06 | 19.93 |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not taken any loan or borrowings from Government nor has issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). However the Company has obtained term loans and the same have been applied for the purposes for which they were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

C.R. RAJAGOPAL
Membership No.23418
Partner

Coimbatore
30.04.2016

BALANCE SHEET AS AT 31.03.2016

(₹ in Lakhs)

| Particulars | Note No. | As at 31.03.2016 | As at 31.03.2015 |
|---|----------|---------------------|---------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 1,569.62 | 1,569.62 |
| (b) Reserves and surplus | 4 | 38,137.03 | 33,525.17 |
| | | <u>39,706.65</u> | <u>35,094.79</u> |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 7,882.29 | 8,263.89 |
| (b) Deferred tax liabilities (net) | 26.6 | 1,922.33 | 1,721.00 |
| | | <u>9,804.62</u> | <u>9,984.89</u> |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 6 | 3,233.84 | 4,688.37 |
| (b) Trade payables | 7 | | |
| (i) total outstanding dues of micro & small enterprises | | 171.62 | 188.34 |
| (ii) total outstanding dues other than micro & small enterprises | | 17,764.44 | 16,858.48 |
| (c) Other current liabilities | 8 | 7,675.68 | 6,001.55 |
| (d) Short-term provisions | 9 | 203.08 | 717.88 |
| | | <u>29,048.66</u> | <u>28,454.62</u> |
| TOTAL | | <u>78,559.93</u> | <u>73,534.30</u> |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10.a | 32,637.85 | 27,040.79 |
| (ii) Intangible assets | 10.b | 337.40 | 322.98 |
| (iii) Capital work-in-progress | | 716.49 | 3,057.74 |
| (b) Non-current investments | 11 | 3,864.40 | 3,690.67 |
| (c) Long-term loans and advances | 12 | 2,225.00 | 2,390.87 |
| (d) Other non-current assets | 13 | 37.83 | 37.83 |
| | | <u>39,818.97</u> | <u>36,540.88</u> |
| 2 Current assets | | | |
| (a) Inventories | 14 | 21,340.37 | 21,648.45 |
| (b) Trade receivables | 15 | 13,817.16 | 12,503.51 |
| (c) Cash and cash equivalents | 16 | 636.87 | 577.20 |
| (d) Short-term loans and advances | 17 | 2,824.71 | 2,140.75 |
| (e) Other current assets | 18 | 121.85 | 123.51 |
| | | <u>38,740.96</u> | <u>36,993.42</u> |
| TOTAL | | <u>78,559.93</u> | <u>73,534.30</u> |

See accompanying notes forming part of the financial statements 1 - 29

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
30.04.2016

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

N. RENGARAJ
Chief Financial Officer

| STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016 | | (₹ in Lakhs) | |
|--|----------|-------------------------------------|-------------------------------------|
| Particulars | Note No. | For the Year ended 31.03.2016 | For the Year ended 31.03.2015 |
| A. CONTINUING OPERATIONS | | | |
| 1 Revenue from operations(gross) | 19 | 121,012.06 | 115,757.50 |
| Less: Excise duty | 19 | 12,001.95 | 10,931.12 |
| Revenue from operations (net) | 19 | 109,010.11 | 104,826.38 |
| 2 Other income | 20 | 417.21 | 229.78 |
| 3 Total revenue (1 + 2) | | 109,427.32 | 105,056.16 |
| 4 Expenses: | | | |
| (a) Cost of materials consumed | 21 a | 44,895.87 | 45,428.57 |
| (b) Purchases of stock-in-trade (traded goods) | 21 b | 3,738.32 | 4,171.05 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21 c | (652.32) | (986.80) |
| (d) Employee benefits expense | 22 | 15,167.49 | 12,975.93 |
| (e) Finance costs | 23 | 1,648.28 | 1,631.84 |
| (f) Depreciation and amortisation expense | 10 c | 4,309.37 | 3,733.68 |
| (g) Other expenses | 24 | 33,282.97 | 30,285.60 |
| Total Expenses | | 102,389.98 | 97,239.87 |
| 5 Profit before exceptional items and tax (3-4) | | 7,037.34 | 7,816.29 |
| 6 Exceptional items | | - | 660.80 |
| 7 Profit before tax (5+6) | | 7,037.34 | 8,477.09 |
| 8 Tax expense / (benefit): | | | |
| (a) Current tax / MAT tax expense | | 1,493.02 | 1,802.82 |
| Less : Mat Credit Entitlement | | 402.37 | - |
| (b) Short / (Excess) provision of tax relating to prior years | | - | 240.56 |
| (c) Net current tax expense | | 1,090.65 | 2,043.38 |
| (d) Mat credit related to prior year | | - | - |
| (e) Deferred tax | | 201.33 | (5.89) |
| Net tax expense | | 1,291.98 | 2,037.49 |
| 9 Profit for the year (7-8) | | 5,745.36 | 6,439.60 |
| 10 Earnings per share (of ₹ 10/- each) | | | |
| Basic & Diluted | 26.5 | 36.60 | 41.03 |

See accompanying notes forming part of the financial statements 1-29

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
30.04.2016

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

N. RENGARAJ
Chief Financial Officer

Notes forming part of the financial statements

1 Corporate Information

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

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1st April, 2014 that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from

these estimates. Difference between the actual results and estimates are recognized in the periods in which the results are known/materialize.

2.3 Inventories

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

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

2.4 Cash and cash equivalents (for the purpose of cash flow statement)

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

2.5 Cash flow statement

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

2.6. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the

assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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

Leasehold land is amortized over the duration of the lease.

Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto as per the Companies Act, 2013.

Policy for amortization of Intangibles:

Intangible assets are amortized over their useful life as follows:

Technical knowhow - 10 years.

Computer software - 2 - 3 years.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.7 Revenue recognition

Sale of goods:

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

Income from Service:

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

Export incentives:

Export incentive under various schemes notified by the Government has been recognized on the basis of Export of goods.

2.8 Other income

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

2.9 Tangible fixed assets:

Tangible assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation except certain land which was taken over from amalgamating companies at a valuation as per their books. Cost comprises of direct cost, related taxes,

duties, freight and attributable finance costs till such assets are ready for its intended use. Subsidy received from Government towards specific assets is reduced from the cost of fixed assets.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10. Intangible assets:

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

2.11 Foreign currency transactions and translations

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

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

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

2.12 Government grants and subsidies:

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

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

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

2.13 Investments

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

2.14 Employee benefits

(a) Short-term employee benefits:

All short-term employee benefits such as salaries, wages, bonus, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the Statement of profit and loss.

(b) Post retirement:

Other long-term employee benefits such as leave salary is recognized as an expense in the Statement of profit and loss of the year in which the employee has rendered services. Provision for estimated liability is made based on the best estimate.

i) Provident Fund (Government PF)

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

ii) Superannuation Fund

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

expense in the year incurred.

iii) Gratuity Fund

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

2.15 Borrowing cost

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

2.16 Segment reporting

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

2.17 Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognised as assets of the Company on the date of acquisition and depreciated over their estimated useful lives using the method and rates applicable to the class of asset as described in Para 2.6 above. Finance cost is treated as period cost using effective interest rate method and expensed. Rentals payable under operating leases are charged to Statement of Profit & Loss of the period to which it relates.

2.18 Earnings per share

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 - 'Earnings per share'. Basic earnings per share are computed by dividing the net profit after tax by

the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the year and dilutive potential equity shares outstanding at year end.

2.19 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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

2.20 Research and development expenses

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

2.21 Impairment of assets

At each Balance Sheet date, the carrying values of the tangible and intangible assets are reviewed to

determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

2.22 Provisions, contingent liabilities and contingent assets

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

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

Contingent Assets are not recognised in the financial statements.

2.23 Service tax input credit

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

2.24 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash

equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|-------------------|-----------------|-------------------|-----------------|
| | Number of Shares | ₹ in lakhs | Number of Shares | ₹ in lakhs |
| 3 SHARE CAPITAL | | | | |
| (a) Authorised | | | | |
| Equity Shares of ₹10/- each with voting rights | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| (b) Issued | | | | |
| Equity Shares of ₹10/- each with voting rights | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |
| | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |
| (c) Subscribed and fully paid-up | | | | |
| Equity Shares of ₹10/- each with voting rights | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |
| Total | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |

Notes:

3 (i) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by Board of Directors is subject to approval by the Shareholders at the ensuing Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

3 (ii) Aggregate number of equity shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the Balance Sheet date.

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--------------------------------------|---------------------|---------------------|
| Equity shares with voting rights | | |
| Fully paid-up by way of bonus shares | 7,848,104 | 7,848,104 |

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

| Particulars | Opening balance | Fresh Issue | Bonus/ ESOP | Conversion/ Buyback | Closing balance |
|---|--------------------|----------------|----------------|------------------------|--------------------|
| Equity Shares with voting rights Year ended 31st March, 2016 | | | | | |
| Number of shares | 15,696,208 | - | - | - | 15,696,208 |
| Amount (₹ in lakhs) | 1,569.62 | - | - | - | 1,569.62 |
| Year ended 31st March, 2015 | | | | | |
| Number of shares | 7,848,104 | - | 7,848,104 | - | 15,696,208 |
| Amount (₹ in lakhs) | 784.81 | - | 784.81 | - | 1,569.62 |

Notes forming part of the financial statements

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

| Sl. No. | Name of the Shareholder | As at 31.03.2016 | | As at 31.03.2015 | |
|---------|--|--------------------|--------------|--------------------|--------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| | Equity Shares with voting rights | | | | |
| | B. Vijayakumar | 2,507,000 | 15.97 | 2,507,000 | 15.97 |
| | V. Rajvirdhan | 2,198,586 | 14.01 | 2,198,586 | 14.01 |
| | V. Rajsri | 1,089,576 | 6.94 | 1,089,576 | 6.94 |
| | Reliance Capital Trustee Co. Ltd A/c. Reliance Small Cap Fund | 966,672 | 6.16 | 921,336 | 5.87 |
| | L.G.B.Auto Products (P) Ltd | 862,500 | 5.49 | - | - |

| Particulars | | As at 31.03.2016 ₹ in lakhs | As at 31.03.2015 ₹ in lakhs |
|--|--|-----------------------------------|-----------------------------------|
| 4 RESERVES AND SURPLUS | | | |
| (a) Capital Reserve | | | |
| Opening balance | | 30.00 | 30.00 |
| Closing balance | | 30.00 | 30.00 |
| (b) Securities premium account: | | | |
| Opening balance | | 3,100.61 | 3,100.61 |
| Closing balance | | 3,100.61 | 3,100.61 |
| (c) Revaluation reserve (Land) | | | |
| Opening balance | | 138.91 | 138.91 |
| (On account of acquisition of M/s.L.G.B.Industries Limited in 1998) | | | |
| Closing balance | | 138.91 | 138.91 |
| (d) General reserve | | | |
| Opening balance | | 26,500.00 | 22,500.00 |
| Less : Utilised / transferred for issue of Bonus shares during the year | | - | 784.81 |
| Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) | | - | 98.39 |
| Add : Transfer from surplus in Statement of Profit and Loss | | 4,500.00 | 4,883.20 |
| Closing balance | | 31,000.00 | 26,500.00 |
| (e) Surplus in Statement of Profit and Loss | | | |
| Opening balance | | 3,755.65 | 3,519.85 |
| Add : Profit for the year | | 5,745.36 | 6,439.60 |
| Less : Interim Dividend | | 784.82 | 502.28 |
| Dividend proposed to be distributed to equity shareholders (₹ 1.00 per share; PY ₹ 3.80/- per share) | | 156.96 | 596.46 |
| Tax on Dividend | | 191.72 | 221.86 |
| Less: Transferred to General reserve | | 4,500.00 | 4,883.20 |
| Closing balance | | 3,867.51 | 3,755.65 |
| Total | | 38,137.03 | 33,525.17 |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 ₹ in lakhs | As at 31.03.2015 ₹ in lakhs |
|---------------------------------------|-----------------------------------|-----------------------------------|
| 5 LONG-TERM BORROWINGS | | |
| (a) Term Loans (Refer Note (i) below) | | |
| From Banks | | |
| Secured | 6,583.34 | 8,263.89 |
| (b) Fixed Deposits: | | |
| From other parties | | |
| Unsecured | 143.95 | - |
| From related parties | | |
| Unsecured | 1,155.00 | - |
| Total | 7,882.29 | 8,263.89 |

Notes:

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

- Term Loans from banks are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Chakkan Plant and Jalna Plant.
- Interest rate relating to Term loans from banks is in the range of 9.70% to 10.40%

5 (ii) Repayment schedule

₹ in lakhs

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|---------------|---------------------|-----------|
| | Secured | Unsecured | Secured | unsecured |
| a) Term loan from banks: | | | | |
| ICICI Bank Ltd | 3,375.00 | - | 4,875.00 | - |
| (Term of repayment : Repayable in 20 quarterly installments of ₹ 375 Lakhs from July'14) | | | | |
| Hongkong and Shanghai Banking Corporation Ltd | 1,875.00 | - | 2,500.00 | - |
| Term of repayment : Repayable in 16 quarterly installments of ₹ 156.25 Lakhs from May'16) | | | | |
| HDFC Bank Ltd | 1,333.34 | - | 888.89 | - |
| Term of repayment : Repayable in 18 quarterly installments of ₹ 55.56 Lakhs from Dec'15) | | | | |
| Total - Term loans from banks | 6,583.34 | - | 8,263.89 | - |
| (b) Fixed Deposits: | | | | |
| From other parties | | 143.95 | | |
| Term of repayment : Repayable between 1-3 yrs | | | | - |
| Total - deposits from others | | 143.95 | | - |
| From related parties | | | | |
| Term of repayment : Repayable between 1-3 yrs | | | | |

Notes forming part of the financial statements

5 (ii) Repayment schedule (Contd.)

₹ in lakhs

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---------------------------------------|---------------------|-----------------|---------------------|-----------|
| | Secured | Unsecured | Secured | unsecured |
| From related parties (contd.) | | | | |
| Sri.B.Vijayakumar | | 540.00 | | - |
| Mrs.D.Maheswari | | 5.00 | | - |
| Minor.Samriddhi Andal Rajiv | | 285.00 | | - |
| Minor.Vidhur Narayanan Rajiv | | 285.00 | | - |
| M/s.Silent Chain India (P) Limited | | 40.00 | | - |
| Total - deposits from related parties | | 1,155.00 | | - |
| Total - Long-term borrowings | 6,583.34 | 1,298.95 | 8,263.89 | - |

- 5 (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 9.00% to 9.50%

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Secured | Unsecured | Secured | Unsecured |
| 6 SHORT-TERM BORROWINGS | | | | |
| (a) Loan repayable on demand | | | | |
| From banks | 2,022.84 | - | 3,137.62 | - |
| (b) From Financial Institutions | | 500.00 | | - |
| (c) Loan from related parties | | - | - | 451.00 |
| (d) Loan from Directors | | 701.00 | | 694.75 |
| (d) Loan from Inter corporates | | 10.00 | - | 405.00 |
| | 2,022.84 | 1,211.00 | 3,137.62 | 1,550.75 |

Notes

6 (i) Details of security for short-term 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 9.10% to 13.10%

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|-----------|---------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| Loan repayable on Demand | | | | |
| From Banks | | | | |
| Axis Bank Ltd | (1.60) | - | 94.84 | - |
| The Bank of Nova Scotia | - | - | 1,000.00 | - |
| Corporation Bank | (33.12) | - | (71.44) | - |
| HDFC Bank Ltd | 981.73 | - | 456.40 | - |
| ICICI Bank Ltd | 154.97 | - | 470.79 | - |
| Indusind Bank Ltd | (1.72) | - | (4.27) | - |
| IDBI Bank Ltd | (77.42) | - | 691.71 | - |
| Union Bank of India | - | - | (0.41) | - |
| Hongkong and Shanghai Banking Corporation Ltd | 1,000.00 | - | 500.00 | - |
| Total | 2,022.84 | - | 3,137.62 | - |

Notes forming part of the financial statements

(₹ in lakhs)

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|---------------------|-----------|---------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| Notes | | | | |
| 6 (i) (Contd.) | | | | |
| Loan from financial institution | | | | |
| Bajaj Finance Limited | | 500.00 | | |
| Total | | 500.00 | | - |
| Loan from related parties | | | | |
| Minor. Vidhur Narayanan Rajiv | | - | | 214.00 |
| Minor. Samriddhi Andal Rajiv | | - | | 237.00 |
| Total | | - | | 451.00 |
| Loan from Directors | | | | |
| B. Vijayakumar | | 276.00 | | 433.75 |
| V. Rajvirdhan | | 275.00 | | 201.00 |
| V. Rajsri | | 150.00 | | 60.00 |
| Total | | 701.00 | | 694.75 |
| Loan from inter corporates | | | | |
| Tribe Investments and Services Private Limited | | - | | 50.00 |
| L.G. Farm Products (P) Limited | | - | | 20.00 |
| Elgi Automotive Services (P) Limited | | 10.00 | | 175.00 |
| L.G.B. Auto Products (P) Limited | | - | | 160.00 |
| Total | | 10.00 | | 405.00 |
| Total - Short-term borrowings | 2,022.84 | 1,211.00 | 3,137.62 | 1,550.75 |

6 (ii) There was no default in the repayment of the loans and interest during the year

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| | | |
| 7 TRADE PAYABLES | | |
| Other than acceptances | | |
| (i) Total outstanding dues of micro & small enterprises | 171.62 | 188.34 |
| (ii) Total outstanding dues other than micro & small enterprises | 17,764.44 | 16,858.48 |
| Total | 17,936.06 | 17,046.82 |

| | | |
|--|----------|----------|
| 8 OTHER CURRENT LIABILITIES | | |
| (a) Current maturities of long-term debt (Refer Note (i) below) | 3,655.94 | 1,611.11 |
| (b) Interest accrued but not due on secured loans | 28.68 | 16.75 |
| (c) Interest accrued but not due on Unsecured loans | 16.15 | - |
| (d) Unpaid bond interest | 0.22 | 0.35 |
| (e) Unclaimed Dividends | 80.96 | 52.51s |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 ₹ in lakhs | As at 31.03.2015 ₹ in lakhs |
|---|-----------------------------------|-----------------------------------|
| 8 OTHER CURRENT LIABILITIES (CONTD.) | | |
| (f) Other payables: | | |
| (i) Statutory remittances | 1,326.18 | 1,058.65 |
| (ii) Payable on purchase of fixed assets | 1,742.82 | 2,464.71 |
| (iii) Interest accrued on deposits from customers | 33.29 | 29.46 |
| (iv) Advance and deposits from customers etc., | 791.44 | 768.01 |
| Total | 7,675.68 | 6,001.55 |
| Note : | | |
| 8 (i) Current maturities of Long-term debt: | | |
| Refer Note 5(i) for the details of Securities, | | |
| Term Loan | | |
| From Banks | | |
| Secured | 2,569.44 | 1,611.11 |
| Total - Term Loan from banks | 2,569.44 | 1,611.11 |
| Fixed Deposits: | | |
| From Related | | |
| Unsecured | | |
| L.G.Farm Products (P) Ltd | 200.00 | - |
| L.G.B Auto Products (P) Ltd | 200.00 | - |
| Super Speeds (P) Ltd | 105.00 | - |
| LG Sports Ltd | 575.00 | - |
| Total - from related parties | 1,080.00 | - |
| From others | - | - |
| Unsecured | 6.50 | - |
| Total - deposit from others | 6.50 | - |
| Total - Current maturities of Long-term debt | 3,655.94 | 1,611.11 |

8(ii) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

| | | |
|--|---------------|---------------|
| 9 SHORT-TERM PROVISIONS | | |
| (a) Provision - others: | | |
| (i) Provision for proposed equity Dividend | 156.96 | 596.46 |
| (ii) Provision for tax on proposed equity Dividend | 31.95 | 121.42 |
| (iii) Provision for compensated absences | 14.17 | - |
| Total | 203.08 | 717.88 |

| Notes forming part of the financial statements | | | | | | | | | | | ₹ in Lakhs | | | |
|--|---------------------------|------------------------|--------------------|-------------------|--------------------------|---------------------------|---|---|--|-------------------|---------------------------|------------------------------|------------------------------|--|
| 10. FIXED ASSETS | | | | | GROSS BLOCK | | | ACCUMULATED DEPRECIATION AND IMPAIRMENT | | | | | NET BLOCK | |
| Description of Assets | Balance as at 01 .04.2015 | Additions | Disposals | Other Adjustments | Balance as at 31.03.2016 | Balance as at 01 .04.2015 | Depreciation/ amortisation expense for the year | Eliminated on Disposal of Assets | Transition adjustment recorded against General Reserve | Other Adjustments | Balance as at 31 .03 2016 | Balance as at 31 March, 2016 | Balance as at 31 March, 2015 | |
| A. TANGIBLE ASSETS: | | | | | | | | | | | | | | |
| (a) Land | | | | | | | | | | | | | | |
| Free Hold | 2,409.57 (2,056.72) | 237.60 (378.23) | - (25.38) | - (-) | 2,647.17 (2,409.57) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | 2,647.17 (2,409.57) | 2,409.57 (2,056.72) | |
| Lease Hold | 534.31 (534.31) | - (-) | - (-) | - (-) | 534.31 (534.31) | 23.42 (17.68) | 5.75 (5.74) | - (-) | - (-) | - (-) | 29.17 (23.42) | 505.14 (510.89) | 510.89 (516.63) | |
| (b) Buildings | | | | | | | | | | | | | | |
| Own use | 7,115.79 (4,987.62) | 2,056.18 (2,172.73) | 37.28 (44.56) | - (-) | 9,134.69 (7,115.79) | 2,367.44 (2,117.07) | 459.93 (281.00) | 10.03 (30.63) | - (-) | - (-) | 2,817.34 (2,367.44) | 6,317.35 (4,748.35) | 4,748.35 (2,870.55) | |
| Given under operating Lease | 7.39 (7.39) | - (-) | - (-) | - (-) | 7.39 (7.39) | 2.94 (2.40) | 0.48 (0.54) | - (-) | - (-) | - (-) | 3.42 (2.94) | 3.97 (4.45) | 4.45 (4.99) | |
| (c) Plant and Equipment | | | | | | | | | | | | | | |
| Owned | 38,486.81 (32,787.27) | 6,331.90 (5,957.14) | 384.39 (199.85) | - (57.75) | 44,434.32 (38,486.81) | 20,565.48 (17,508.19) | 3,317.28 (3,071.89) | 315.90 (141.50) | - (126.90) | (134.84) (-) | 23,701.70 (20,565.48) | 20,732.62 (17,921.33) | 17,921.33 (15,279.08) | |
| Given under operating Lease | 288.54 (230.79) | 92.89 (-) | 1.83 (-) | - (57.75) | 379.60 (288.54) | 245.87 (231.58) | 61.84 (12.93) | 1.87 (-) | - (1.36) | 134.84 (-) | 171.00 (245.87) | 208.60 (42.67) | 42.67 (0.79) | |
| (d) Furniture and Fixtures | | | | | | | | | | | | | | |
| Owned | 310.95 (274.89) | 108.69 (36.62) | 3.12 (0.56) | - (-) | 416.52 (310.95) | 228.27 (196.52) | 41.18 (32.28) | 2.55 (0.53) | - (-) | - (-) | 266.90 (228.27) | 149.62 (82.68) | 82.68 (78.37) | |
| (e) Vehicles | | | | | | | | | | | | | | |
| Owned | 316.62 (269.95) | 85.93 (119.83) | 27.55 (73.16) | - (-) | 375.00 (316.62) | 97.56 (105.98) | 36.81 (30.34) | 20.39 (38.76) | - (-) | - (-) | 113.98 (97.56) | 261.02 (219.06) | 219.06 (163.97) | |
| (f) Office equipment | | | | | | | | | | | | | | |
| Owned | 178.12 (136.07) | 42.14 (46.18) | 5.38 (4.13) | - (-) | 214.88 (178.12) | 84.81 (50.77) | 31.70 (28.45) | 3.74 (3.50) | - (9.09) | - (-) | 112.77 (84.81) | 102.11 (93.31) | 93.31 (85.30) | |
| (g) Electrical Fittings | | | | | | | | | | | | | | |
| Owned | 1,456.03 (1,322.18) | 456.73 (137.55) | 5.59 (3.70) | - (-) | 1,907.17 (1,456.03) | 953.37 (878.88) | 107.75 (75.92) | 4.90 (1.43) | - (-) | - (-) | 1,056.22 (953.37) | 850.95 (502.66) | 502.66 (443.30) | |
| (h) Other Assets | | | | | | | | | | | | | | |
| Owned | 1,518.17 (1,206.15) | 517.44 (328.32) | 157.75 (16.30) | - (-) | 1,877.86 (1,518.17) | 1,012.35 (896.50) | 157.07 (121.35) | 150.86 (15.16) | - (9.66) | - (-) | 1,018.56 (1,012.35) | 859.30 (505.82) | 505.82 (309.65) | |
| Total | 52,622.30 | 9,929.50 | 622.89 | - | 61,928.91 | 25,581.51 | 4,219.79 | 510.24 | - | - | 29,291.06 | 32,637.85 | 27,040.79 | |
| Previous Year | (43,813.34) | (9,176.60) | (367.64) | (-) | (52,622.30) | (22,005.57) | (3,660.44) | (231.51) | (147.01) | (-) | (25,581.51) | (27,040.79) | (21,809.35) | |

| Notes forming part of the financial statements | | | | | | | | | |
|--|--------------------------|------------------|-------------|---|--------------------------|--------------------------|---|----------------------------------|--|
| 10. FIXED ASSETS (CONTD.) | | | | | | | | | |
| Description of Assets | GROSS BLOCK | | | ACCUMULATED DEPRECIATION AND IMPAIRMENT | | | | | |
| | Balance as at 01.04.2015 | Additions | Disposals | Other Adjustments | Balance as at 31.03.2016 | Balance as at 01.04.2015 | Depreciation/ amortisation expense for the year | Eliminated on Disposal of Assets | Transition adjustment recorded against General Reserve |
| B. INTANGIBLE ASSETS: | | | | | | | | | |
| (a) Computer - Software | 503.11 (450.47) | 43.58 (52.64) | 5.17 (-) | - (-) | 541.52 (503.11) | 420.89 (392.12) | 40.27 (28.77) | 4.57 (-) | - (-) |
| (b) Technical Know-How | 734.08 (687.80) | 61.02 (46.28) | - (-) | - (-) | 795.10 (734.08) | 493.32 (448.85) | 49.31 (44.47) | - (-) | - (-) |
| Total | 1237.19 | 104.60 | 5.17 | - | 1336.62 | 914.21 | 89.58 | 4.57 | - |
| Previous Year | (1,138.27) | (98.92) | (-) | (-) | (1,237.19) | (840.97) | (73.24) | (-) | (-) |
| (₹ in lakhs) | | | | | | | | | |
| Particulars | | | | | | | | | |
| C) Depreciation and amortisation relating to continuing operations: | | | | | As at 31.03.2016 | As at 31.03.2015 | | | |
| Depreciation and amortisation for the year on tangible assets as per note 10 A | | | | | 4,219.79 | 3,660.44 | | | |
| Depreciation and amortisation for the year on intangible assets as per note 10 B | | | | | 89.58 | 73.24 | | | |
| Total | | | | | 4,309.37 | 3,733.68 | | | |

Notes forming part of the financial statements

₹ in Lakhs

11. NON-CURRENT INVESTMENT

| Particulars | As at 31st March 2016 | | | | As at 31st March 2015 | | | |
|---|-----------------------|--------|-----------|----------|-----------------------|--------|-----------|----------|
| | Number of Shares | Quoted | Un Quoted | Total | Number of Shares | Quoted | Un Quoted | Total |
| Investments (At Cost) | | | | | | | | |
| A. Trade | | | | | | | | |
| (a) Investment in Equity instruments: | | | | | | | | |
| (i) Subsidiaries : | | | | | | | | |
| BCW V Tech India Pvt Ltd., | 4999999 | - | 499.99 | 499.99 | 4999999 | - | 499.99 | 499.99 |
| LGB U.S.A. | 492.79 | - | 1543.39 | 1543.39 | 456.68 | - | 1369.66 | 1369.66 |
| (ii) Associate: | | | | | | | | |
| Renold Chain India (P) Limited | 10250000 | - | 1025.00 | 1025.00 | 10250000 | - | 1025.00 | 1025.00 |
| (iii) Others: | | | | | | | | |
| Supreme Rubber Reclaimers Ltd | 50 | 0.01 | - | 0.01 | 50 | 0.01 | - | 0.01 |
| Bharath Rubber Reg. Co. Ltd | 200 | - | - | - | 200 | - | - | - |
| Elgi Equipments Ltd | 1229706 | 112.50 | - | 112.50 | 1229706 | 112.50 | - | 112.50 |
| LGB Forge Limited | 29000000 | 612.89 | - | 612.89 | 29000000 | 612.89 | - | 612.89 |
| Silent Chain India (P) Limited | 770 | - | 0.15 | 0.15 | 770 | - | 0.15 | 0.15 |
| LG Farm Products (P) Ltd | 10000 | - | 1.00 | 1.00 | 10000 | - | 1.00 | 1.00 |
| Rolon Fine Blank Limited | - | - | - | - | 5000 | - | - | - |
| LGB Rolon Chains Limited | - | - | - | - | 5000 | - | - | - |
| South Western Engineering India Limited | 537 | - | 65.52 | 65.52 | 537 | - | 65.52 | 65.52 |
| B. Non-trade | | | | | | | | |
| (a) Investment in Equity instruments: | | | | | | | | |
| (i) Others: | | | | | | | | |
| Super Spinning Mills Ltd | 10000 | 0.01 | - | 0.01 | 10000 | 0.01 | - | 0.01 |
| Tube Investments of India Ltd | 1100 | 0.01 | - | 0.01 | 1100 | 0.01 | - | 0.01 |
| Corporation Bank | 12000 | 1.92 | - | 1.92 | 2400 | 1.92 | - | 1.92 |
| Tata Refractory Ltd | 5000 | - | 2.01 | 2.01 | 5000 | - | 2.01 | 2.01 |
| Manish Commercial Premises Co-operative Society Ltd, Mumbai | 5 | - | - | - | 5 | - | - | - |
| Kaveri Steels Ltd | 100 | - | - | - | 100 | - | - | - |
| | | 727.34 | 3,137.06 | 3,864.40 | | 727.34 | 2,963.33 | 3,690.67 |

(₹ in lakhs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| Aggregate amount of quoted investments | 727.34 | 727.34 |
| Aggregate market value of the listed and quoted investments | 3,220.15 | 3,636.89 |
| Aggregate value of listed but not quoted investments | - | - |
| Aggregate value of unquoted investments | 3,137.06 | 2,963.33 |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| 12 LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD) | | |
| (a) Capital advance | 289.82 | 1,071.69 |
| (b) Security and other deposits | 633.29 | 497.17 |
| (c) Loans and advances to employees | - | - |
| (d) Advance income-tax (net of provision ₹ 7,686.71 Lakhs) (As at 31.03.2015 ₹ 6,168.50 Lakhs) | 73.19 | 31.83 |
| (e) Mat credit entitlement | 739.71 | 337.34 |
| (f) Other loans and advances | | |
| (i) Advance recoverable | 146.23 | 121.19 |
| (ii) Rent and other advances | 342.76 | 331.65 |
| Total | 2,225.00 | 2,390.87 |

| | | |
|------------------------------------|--------------|--------------|
| 13 OTHER NON-CURRENT ASSETS | | |
| (a) Accruals: | | |
| Income and claims receivables | 37.83 | 37.83 |
| Total | 37.83 | 37.83 |

| | | |
|---|------------------|------------------|
| 14 INVENTORIES | | |
| (At Lower of cost and net realisable value) | | |
| (a) Raw Materials | 3,673.30 | 4,791.53 |
| (b) Work-in-progress (Refer Note (i)) | 7,799.68 | 7,613.58 |
| (c) Finished products (Refer Note (ii)) | 5,920.39 | 5,076.33 |
| (d) Stock-in-trade (acquired for trading) | 368.28 | 787.88 |
| Goods in Transit | 249.72 | 207.97 |
| (e) Others | | |
| (i) Packing materials | 268.25 | 284.79 |
| (ii) Stores & spares | 1,551.72 | 1,632.91 |
| (iii) Loose tool | 1,506.51 | 1,249.11 |
| (iv) Agricultural produce | 2.52 | 4.35 |
| Total | 21,340.37 | 21,648.45 |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| 14 INVENTORIES (CONTD) | | |
| Notes: | | |
| 14(i) Details of inventory of work-in-progress | | |
| Transmission | 5,523.75 | 5,390.65 |
| Metal forming | 2,268.85 | 1,772.44 |
| Others | 7.08 | 450.49 |
| Total | 7,799.68 | 7,613.58 |
| (ii) Details of inventory of finished goods | | |
| Transmission | 5,163.90 | 4,116.63 |
| Metal forming | 756.46 | 940.28 |
| Others | 0.03 | 19.42 |
| Total | 5,920.39 | 5,076.33 |

| | | |
|--|------------------|------------------|
| 15 TRADE RECEIVABLE | | |
| (a) Trade Receivable outstanding for a period exceeding six months from the date they were due for payment | | |
| (i) Unsecured, considered good | 149.52 | 94.51 |
| (ii) Unsecured, considered doubtful | 75.48 | 85.35 |
| Less: Provision for doubtful trade receivables | 75.48 | 85.35 |
| (b) Other Trade receivable | | |
| (i) Unsecured, considered good | 13,667.64 | 12,409.00 |
| (ii) Unsecured, considered doubtful | 39.99 | 61.47 |
| Less: Provision for doubtful trade receivables | 39.99 | 61.47 |
| Total | 13,817.16 | 12,503.51 |
| Note: | | |
| 15(i) Trade Receivable include debt due from | | |
| Private companies in which any director is a director: | | |
| Super Speeds (P) Limited | 0.29 | 0.21 |
| Silent Chain India (P) Limited | 0.08 | 0.11 |
| Renold Chain India (P) Limited | 177.99 | 218.04 |
| Total | 178.36 | 218.36 |

| | | |
|--|---------------|---------------|
| 16 CASH AND CASH EQUIVALENTS | | |
| A Cash and cash balances (as per AS 3 Cash Flow Statements) | | |
| (a) Cash- on- Hand | 24.49 | 46.02 |
| (b) Balances with Banks | | |
| (i) In Current Account | 33.06 | 178.72 |
| (ii) In Collection Account | 188.40 | 241.52 |
| (iii) In Deposit Account | - | 12.00 |
| Total | 245.95 | 478.26 |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| 16 CASH AND CASH EQUIVALENTS (CONTD.) | | |
| B OTHERS | | |
| (a) In Fixed Deposits | - | 46.08 |
| (b) In Margin money with Banks | 309.74 | - |
| (c) In Earmarked Accounts | | |
| (i) Unpaid Dividend Account | 80.96 | 52.51 |
| (ii) Unpaid Interest Account | 0.22 | 0.35 |
| Total | 390.92 | 98.94 |
| Total Cash and cash equivalents (A+B) | 636.87 | 577.20 |
| Notes: | | |
| (i) Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date | | |
| 17 SHORT-TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD) | | |
| a) Loans and advances to employees | 63.13 | 46.26 |
| (b) Prepaid expenses | 167.06 | 206.22 |
| (c) Balance with govt authorities: | | |
| (i) Cenvat credit receivable | 1,480.69 | 919.91 |
| (ii) Vat credit receivable | 319.72 | 272.75 |
| (iii) Service tax credit receivable | 269.73 | 219.39 |
| (d) Due from subsidiary company | - | 42.74 |
| (e) Advance recoverable | 524.38 | 433.48 |
| Total | 2,824.71 | 2,140.75 |
| 18 OTHER CURRENT ASSETS | | |
| (a) Others | | |
| (i) Income and claims receivable | 113.66 | 119.20 |
| (ii) Interest accrued on deposits | 8.19 | 4.31 |
| Total | 121.85 | 123.51 |
| 19 REVENUE FROM OPERATIONS | | |
| a) Sale of products (Refer Note (i) below) | 114,227.20 | 109,151.11 |
| b) Sale of services (Refer Note (ii) below) | 384.07 | 390.17 |
| c) Other operating revenue (Refer Note (iii) below) | 6,400.79 | 6,216.22 |
| Revenue from operations (Gross) | 121,012.06 | 115,757.50 |
| Less: Excise duty | 12,001.95 | 10,931.12 |
| Total | 109,010.11 | 104,826.38 |

Notes forming part of the financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--|--|--|
| 19 REVENUE FROM OPERATIONS (CONTD.) | | |
| Note: | | |
| (i) Sale of products | | |
| Manufactured goods: | | |
| Chains | 91,243.38 | 84,213.64 |
| Metal Forming | 18,375.61 | 18,755.96 |
| Others | 137.24 | 1,253.46 |
| Total - sale of manufactured goods | 109,756.23 | 104,223.06 |
| Traded goods: | | |
| Light commercial vehicles | 4,470.97 | 4,928.05 |
| Total - Sale of traded goods | 4,470.97 | 4,928.05 |
| Total - Sale of products | 114,227.20 | 109,151.11 |
| (ii) Sale of services: | | |
| Service income on vehicles | 384.07 | 390.17 |
| Total - Sale of services | 384.07 | 390.17 |
| (iii) Other operating revenue: | | |
| Scrap sales | 6,245.50 | 6,102.65 |
| Duty drawback and other export incentives | 155.29 | 113.57 |
| Total - other operating revenue | 6,400.79 | 6,216.22 |
| Total | 121,012.06 | 115,757.50 |

| | | |
|---|--------|--------|
| 20 OTHER INCOME | | |
| a) Interest income (Refer Note (i) below) | 64.63 | 37.81 |
| b) Dividend income: | | |
| from long-term investments | | |
| (i) Others | 18.02 | 17.85 |
| c) Other non-operating income | | |
| (i) Rental and lease income | 128.05 | 111.76 |
| (ii) Agricultural income | 9.65 | 10.89 |
| (iii) Profit on sale of assets | 13.86 | 13.49 |
| (iv) Miscellaneous receipts | 183.00 | 37.98 |
| Total | 417.21 | 229.78 |
| Note: | | |
| (i) Interest income: | | |
| Interest on fixed deposit with banks | 32.58 | 7.81 |
| Interest on deposit with TNEB | 32.05 | 30.00 |
| Total - Interest income | 64.63 | 37.81 |

Notes forming part of the financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--|--|--|
| 21-a COST OF MATERIALS CONSUMED | | |
| Opening Stock: | 5,122.55 | 4,357.18 |
| Add: Purchases | 43,714.87 | 46,193.94 |
| Less: Closing Stock | 3,941.55 | 5,122.55 |
| Cost of material consumed | 44,895.87 | 45,428.57 |
| Material consumed comprises: | | |
| Steel Strips, Wires, rods, bars | 33,418.06 | 32,975.19 |
| Blanks, 'O' Rings and others | 7,379.33 | 8,985.33 |
| Rubber and Chemicals | 459.16 | 453.20 |
| Packing Materials | 3,639.32 | 3,014.85 |
| Total | 44,895.87 | 45,428.57 |

| | | |
|--------------------------------------|-----------------|-----------------|
| 21-b PURCHASE OF TRADED GOODS | | |
| Purchase of light commercial vehicle | 3,738.32 | 4,171.05 |
| Total | 3,738.32 | 4,171.05 |

| | | |
|---|------------------|------------------|
| 21-c CHANGES IN INVENTORIES OF FINISHED GOODS, | | |
| Inventories at the end of the year | | |
| Finished goods | 5,920.39 | 5,076.32 |
| Work-in-progress | 7,799.68 | 7,613.58 |
| Stock-in-trade | 618.00 | 995.85 |
| Total | 14,338.07 | 13,685.75 |
| Inventories at the beginning of the year | | |
| Finished goods | 5,076.33 | 4,361.03 |
| Work-in-progress | 7,613.58 | 6,973.97 |
| Stock-in-trade | 995.85 | 1,363.95 |
| Total | 13,685.75 | 12,698.95 |
| Net (increase) | (652.32) | (986.80) |

| | | |
|---|------------------|------------------|
| 22 EMPLOYEE BENEFITS EXPENSES | | |
| (a) Salaries and wages | 13,292.41 | 11,287.13 |
| (b) Contribution to provident and other funds | 1,025.51 | 844.41 |
| (c) Staff welfare expenses | 849.57 | 844.39 |
| Total | 15,167.49 | 12,975.93 |

| | | |
|--------------------------------------|-----------------|-----------------|
| 23 FINANCE COST | | |
| (a) Interest expenses on borrowings: | 1,471.07 | 1,403.35 |
| (b) Other borrowing cost | 177.21 | 228.49 |
| Total | 1,648.28 | 1,631.84 |

Notes forming part of the financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|---|--|--|
| 24 OTHER EXPENSES | | |
| (a) Consumption of stores and spare parts (Refer Note 25.7) | 8,938.91 | 8,197.55 |
| (b) Processing charges | 6,430.31 | 6,589.68 |
| (c) Power and Fuel | 4,790.26 | 4,284.99 |
| (d) Rent including lease rentals (Refer Note 26.5) | 616.50 | 621.27 |
| (e) Repairs & maintenance of | | |
| (i) Buildings | 190.00 | 237.41 |
| (ii) Machinery | 2,172.79 | 1,911.07 |
| (iii) Other assets | 512.25 | 440.30 |
| (f) Insurance | 92.13 | 93.30 |
| (g) Rates and taxes | 123.97 | 137.71 |
| (h) Travelling and conveyance | 795.80 | 810.98 |
| (i) Printing and stationery | 76.11 | 86.37 |
| (j) Postage, telegram and telephones | 170.55 | 180.92 |
| (k) Freight, packing & forwarding | 4,243.80 | 3,371.56 |
| (l) Advertisement, publicity and selling expenses | 302.21 | 219.05 |
| (m) Trade discount | 2,382.11 | 1,936.85 |
| (n) Donations | 0.26 | 2.50 |
| (o) Expenditure on Corporate Social Responsibility | 127.65 | 116.41 |
| (p) Legal and professional charges | 152.65 | 123.92 |
| (q) Payments to auditors (Refer note (i) below) | 19.50 | 16.50 |
| (r) Assets condemned & written off | 77.89 | 19.93 |
| (s) Provision for doubtful debts/advances | - | 23.72 |
| (t) Loss on sale of Assets | 0.76 | - |
| (u) Loss on foreign currency transactions and translation | 160.16 | 35.53 |
| (v) Sales-tax, entry tax & octroi | 199.63 | 217.09 |
| (w) Sitting fees | 9.15 | 6.60 |
| (x) Watch and Ward | 590.75 | 507.96 |
| (y) Agricultural expenses | 13.25 | 7.40 |
| (z) Miscellaneous expenses | 93.62 | 89.03 |
| | 33,282.97 | 30,285.60 |
| Note | | |
| (i) Details of Auditors' remuneration: | | |
| Payment to auditors comprises | | |
| (net of service tax input credit wherever applicable) | | |
| (a) To Statutory Auditors: | | |
| For statutory audit | 12.00 | 9.50 |
| For taxation matters | 3.50 | 3.00 |
| For certification and other services | 2.50 | 2.50 |
| (b) To cost auditors for cost audit | 1.50 | 1.50 |
| Total | 19.50 | 16.50 |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| 25 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT: | | |
| 25.1 Contingent liabilities and commitments | | |
| (to the extent not provided for) | | |
| (i) Contingent liabilities: | | |
| (a) Claims against the Company, not acknowledged as debt - disputed tax liability. | | |
| i. Central Excise | 637.91 | 624.28 |
| ii. Entry Tax | 428.29 | 428.29 |
| iii. Service tax | 183.70 | 10.02 |
| iv. VAT / CST | 423.28 | 434.40 |
| Total | 1,673.18 | 1,496.99 |
| (b) Guarantee given by Bankers and outstanding | 381.25 | 38.36 |
| (c) Corporate guarantee given for others | 2,700.00 | 4,450.00 |
| (d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied. | 1,557.41 | 1,784.97 |

Note : Future Cash outflows in respect of the above matters are determinable only on receipt of Judgements/decisions pending at various forums / authorities.

(ii) Commitments:

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets | 2,535.67 | 7,886.59 |

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

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

Other disclosures are as under:

| Sl. No. | Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---------|---|-------------------------------------|-------------------------------------|
| (i) | Principal amount remaining unpaid to any supplier as at end of the accounting year | 171.62 | 188.34 |
| (ii) | Interest due thereon remaining unpaid to any supplier as at the end of the accounting year. | NIL | NIL |

Notes forming part of the financial statements

25.2 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (Contd.)

| Sl. No. | Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---------|---|----------------------------------|----------------------------------|
| (iii) | The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during the year. | NIL | NIL |
| (iv) | Amount of interest due and payable for the period of delay in making payment but without adding interest as specified in the Micro, Small and Medium Enterprises Development Act, 2006. | NIL | NIL |
| (v) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | NIL | NIL |
| (vi) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | NIL | NIL |

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

| Particulars | Relationship | As at 31.03.2016 | Maximum balance outstanding during the year |
|---------------------------------------|--------------|------------------|---|
| Loans and advances: LGB - USA, INC | Subsidiary | | |
| | | - | - |
| | | (-) | (2.44) |

Note: Figures in bracket relate to the previous year.

25.4 Details on derivative instruments and unhedged foreign currency exposures:

- I. The following derivative positions are open as at 31st March, 2016. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify to be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.11.

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

- (i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2016

| Currency | Amount ₹ in Lakhs | Buy/sell | Cross currency |
|----------|-------------------|----------|----------------|
| EURO | 6.00 (8.00) | Sell | Rupees |

Note: Figures in bracket relate to the previous year.

Notes forming part of the financial statements

25.4 Details on derivative instruments and unhedged foreign currency exposures: (Contd.)

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

| As at 31.03.2016 | | As at 31.03.2015 | |
|------------------|---|------------------|--|
| Currency | Receivable/(Payable) in Foreign currency | Currency | Receivable/ (Payable) in Foreign currency |
| USD | 13.61 | USD | 22.86 |
| USD | (15.90) | USD | (26.23) |
| EUR | 9.13 | EUR | 7.68 |
| EUR | (5.29) | EUR | (5.90) |
| JPY | - | JPY | - |
| JPY | (-) | JPY | (23.40) |
| GBP | 0.07 | GBP | 0.11 |
| GBP | (-) | GBP | (-) |
| CHF | - | CHF | - |
| CHF | (-) | CHF | (6.73) |

| Particulars | | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--------------|--|--|--|
| 25.5. | Value of imports calculated on CIF basis | | |
| | Raw Materials | 4,313.77 | 4,605.57 |
| | Stores and Spares | 215.47 | 165.33 |
| | Capital Goods | 1,562.16 | 4,233.13 |
| | Total | 6,091.40 | 9,004.03 |
| 25.6. | Expenditure in foreign currency | | |
| | Travelling | 54.53 | 46.31 |
| | Technical know-how fee | 55.02 | 41.82 |
| | Interest | 20.22 | 3.78 |
| | Others | 16.29 | 27.70 |
| | Total | 146.06 | 119.61 |
| 25.7. | Details of consumption of imported and indigenous items | For the year ended 31.03.2016 | |
| | Raw Material | Value | % |
| | Imported | 4,332.63 | 9.65 |
| | | (4,584.51) | (10.10) |
| | Indigenous | 40,563.24 | 90.35 |
| | | (40,844.06) | (89.90) |
| | Total | 44,895.87 | 100.00 |
| | | (45,428.57) | (100.00) |
| | Spare Parts & Components: | | |
| | Imported | 168.08 | 1.88 |
| | | (136.19) | (1.66) |
| | Indigenous | 8,770.83 | 98.12 |
| | | (8,061.36) | (98.34) |
| | Total | 8,938.91 | 100.00 |
| | | (8,197.55) | (100.00) |

Note: Figures in bracket relate to the previous year.

Notes forming part of the financial statements

25.8. Earnings in foreign exchange

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--|--|--|
| On account of Export of Goods at FOB value | 8,406.60 | 9,811.78 |

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

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--------------------------------|------------------|--------------|------------------|--------------|
| | CMD | DMD | CMD | DMD |
| Salaries & Allowances | 67.65 | 30.00 | 63.16 | 30.00 |
| Commission | 147.26 | 22.09 | 162.89 | 24.43 |
| Contribution to Provident Fund | 8.12 | 3.60 | 7.58 | 3.60 |
| Total | 223.03 | 55.69 | 233.63 | 58.03 |

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

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

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| Profit before tax | 7,037.34 | 8,477.09 |
| Add: Managerial remuneration (Refer Note 25.9 a)) | 278.72 | 291.66 |
| Sitting fees to Directors | 9.15 | 6.60 |
| Provision for doubtful debts/advances | (27.08) | 23.72 |
| Bad debts written off | - | - |
| Loss on Sales of Assets | 0.76 | 22.82 |
| Assets condemned and written off | 77.89 | 19.93 |
| Less: Profit on Sale of Assets/Investments | (13.86) | (697.11) |
| Net profit | 7,362.93 | 8,144.71 |
| Maximum remuneration payable to Chairman & Managing Director and Deputy Managing Director - 10% of the net profit | 736.29 | 814.47 |
| Commission payable @ 2% of Net Profit to CMD | 147.26 | 162.89 |
| Commission payable @ 0.30% of Net Profit to DMD | 22.09 | 24.43 |

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

25.10. Excise duty amounting to ₹ 97.45 Lakhs (Previous Year: ₹ 102.88 Lakhs) is included in the finished goods stock value, pending clearance from factories

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| 26.1 Details of government grants | | |
| Government grants received by the Company during the year towards | | |
| Duty drawback and other export incentives | 155.29 | 113.57 |
| Total | 155.29 | 113.57 |

26.2 Employee benefit plans

Defined Contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 715.75 Lakhs (Year ended 31 March, 2015 ₹ 519.01 Lakhs) for Provident Fund contributions and ₹ 8.61 Lakhs (Year ended 31 March, 2015 ₹ 8.49 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 ₹ 150.43 Lakhs (Year ended 31 March, 2015 ₹ 157.36 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:

Notes forming part of the financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--|--|--|
| Components of employer expenses | | |
| Current service cost | 131.71 | 125.17 |
| Interest cost | 103.23 | 65.84 |
| Expected return on Plan Assets | (136.32) | (116.64) |
| Actuarial (gains) / losses | (1.07) | 37.69 |
| Past service cost | | |
| Total expense recognized in Statement of Profit and Loss* | 97.55 | 112.06 |
| Actual contribution and the benefit payments for the year | | |
| Actual benefit payments | (94.83) | (64.64) |
| Actual contribution | 5.28 | 286.42 |
| Net Asset/(Liability) recognized in the Balance Sheet | | |
| Present value of benefit obligation | 1,540.78 | 1,391.49 |
| Fair value of plan assets | 1,871.67 | 1,814.65 |
| Funded Status [Surplus/(Deficit)] * | 330.89 | 423.16 |
| Unrecognised past service cost | - | - |
| Net Asset/ (Liability) recognized in the Balance Sheet | 330.89 | 423.16 |
| Change in defined benefit obligations(DBO) during the year | | |
| Present value of DBO at beginning of the year | 1391.49 | 877.43 |
| Current service cost | 131.71 | 125.17 |
| Interest cost | 103.23 | 65.84 |
| Actuarial (gain) / loss on obligation | 9.18 | 387.69 |
| Benefits paid | (94.83) | (64.64) |
| Present value of DBO at the end of the year | 1,540.78 | 1,391.49 |
| Change in the Fair Value of assets during the year | | |
| Plan Assets at beginning of the year | 1,814.65 | 1,126.22 |
| Acquisition adjustment | | |
| Expected return on Plan Assets | 136.32 | 116.64 |
| Contributions by the employer | 5.28 | 286.43 |
| Actuarial gain / (loss) | 10.25 | 350.00 |
| Benefits paid | (94.83) | (64.64) |
| Plan Assets at the end of the year | 1,871.67 | 1,814.65 |
| Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets: | | |
| Closing PV of Obligation | 1,540.78 | 1,391.49 |
| Closing FV of Plan Assets | 1,871.67 | 1,814.65 |
| Funded Status [Surplus/(Deficit)] * | 330.89 | 423.16 |

* - Included under the head "Employee Benefits" in Schedule 22

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--|--|--|
| Composition of the Plan assets is as follows: | | |
| Equity instruments | - | - |
| Debt instruments | - | - |
| Property | - | - |
| Insurer managed asset* | | |

* - The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|---|--|--|
| Actuarial assumptions | | |
| Discount Rate (per annum) | 7.68% | 7.79% |
| Rate of increase in compensation levels (per annum) | 11.00% | 10.00% |
| Expected return on plan assets (per annum) | 7.68% | 8.00% |

* - Included in "Contribution to Provident & Other Funds" in Note 22 - Employee Costs

Experience adjustments

₹ in Lakhs

| | Year ended | | | | |
|---|------------|----------|----------|----------|----------|
| | 31.03.16 | 31.03.15 | 31.03.14 | 31.03.13 | 31.03.12 |
| Actuarial (Gains) and Losses on Obligation | 9.18 | 387.69 | 50.78 | 62.00 | 135.34 |
| Actuarial (Gains) and Losses due to change in Assumptions | - | - | - | - | 24.59 |
| Actuarial (Gains) and Losses on Plan assets | (10.25) | (350.00) | 7.73 | (9.52) | (7.89) |
| Total (Gain) / and Losses for the year | (1.07) | 37.69 | 58.51 | 52.48 | 152.04 |
| Actuarial (Gains) and Losses Recognised in the year | (1.07) | 37.69 | 58.51 | 52.48 | 152.04 |
| Unrecognised 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 term of the obligations.

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

Notes forming part of the financial statements

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

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

i) Enterprise over which the Company may exercise significant influence

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

ii) Associates

| |
|------------------------------------|
| Renold Chain India Private Limited |
|------------------------------------|

iii) Subsidiary Company

| |
|---|
| BCW V Tech India Private Limited - 100% |
| LGB USA, INC - 77.01% |

iv) Fellow Subsidiary Company

| | |
|---|--|
| GFM Acquisition LLC Holding by LGB USA : 90.97% | GFM LLC Holding by GFM Acquisition LLC: 100% |
|---|--|

v) Key Management Personnel

| | |
|---|--|
| a. Sri. B. Vijayakumar, Chairman cum Managing Director | b. Sri. P. Prabakaran, Deputy Managing Director |
|---|--|

vi) Relatives of Key Management Personnel

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

Notes forming part of the financial statements

(₹ in lakhs)

| Nature of transactions | Associates / Others | Subsidiaries | Key Managerial Personnel | Relatives of Key Managerial Personnel | Total |
|---|---------------------|--------------|--------------------------|---------------------------------------|------------|
| Managerial Remuneration | | | | | |
| B. Vijayakumar | - | - | 223.03 | - | 223.03 |
| | (-) | (-) | (233.63) | (-) | (233.63) |
| P. Prabakaran | - | - | 55.69 | - | 55.69 |
| | (-) | (-) | (58.03) | (-) | (58.03) |
| Loan Receipts (Borrowing) | 1,834.00 | - | 739.25 | 430.00 | 3003.25 |
| | (135.00) | (-) | (1305.00) | (1086.00) | (2526.00) |
| Loan Repayment (Borrowing) | 2,229.00 | - | 897.00 | 717.00 | 3843.00 |
| | (185.00) | (-) | (1057.25) | (428.00) | (1670.25) |
| Interest Expense | 66.45 | - | 57.49 | 82.53 | 206.47 |
| | (39.19) | (-) | (55.41) | (37.09) | (131.69) |
| Equity Investment | - | 173.73 | - | - | 173.73 |
| | (-) | (125.34) | (-) | (-) | (125.34) |
| Dividend Receipts | 5.43 | - | - | - | 5.43 |
| | (0.59) | (-) | (-) | (-) | (0.59) |
| Dividend Payments | 121.26 | - | 220.65 | 289.36 | 631.27 |
| | (89.11) | (-) | (168.00) | (234.83) | (491.94) |
| Rent Income | 62.62 | 26.00 | - | - | 88.62 |
| | (76.67) | (14.56) | (-) | (-) | (91.23) |
| Rent / Lease Expenses | 12.74 | - | - | - | 12.74 |
| | (16.67) | (-) | (-) | (-) | (16.67) |
| Purchase of Materials, Spares & power | 978.63 | - | - | - | 978.63 |
| | (2,318.76) | (-) | (-) | (-) | (2318.76) |
| Processing / Conversion Charges | 209.65 | 40.45 | - | - | 250.10 |
| | (44.50) | (8.60) | (-) | (-) | (53.10) |
| Sale of Materials, Stores and Service Charges | 1,094.77 | 55.32 | - | - | 1,150.09 |
| | (1,533.20) | (-) | (-) | (-) | (1,533.20) |
| Processing Charges Receipts | 71.82 | 41.56 | - | - | 113.38 |
| | (58.31) | (99.45) | (-) | (-) | (157.76) |
| Sale of Fixed Assets | 5.25 | 4.18 | - | - | 9.43 |
| | (10.87) | (-) | (-) | (-) | (10.87) |
| Purchase of Fixed Assets | 260.12 | - | - | - | 260.12 |
| | (325.27) | (-) | (-) | (-) | (325.27) |
| Receivable Balance | 199.82 | 45.99 | - | - | 245.81 |
| | (230.93) | (45.83) | (-) | (-) | (276.76) |
| Payable Balance | 74.43 | 270.87 | - | - | 345.30 |
| | (185.57) | (3.09) | (-) | (-) | (188.66) |
| Unsecured borrowings balance | 10.00 | - | 276.00 | 425.00 | 711.00 |
| | (405.00) | (-) | (433.75) | (712.00) | (1550.75) |

Note : 1) Figures in bracket relate to the previous year

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

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| Loan Receipts: | | |
| Associates: | | |
| Tribe Investments & Services (P) Limited | 500.00 | - |
| L.G.Sports Ltd | 810.00 | - |
| LGB Auto Products (P) Limited | 312.00 | - |
| Key managerial personnel: | | |
| Sri.B.Vijayakumar | 739.25 | 1305.00 |
| Relatives of key managerial personnel: | | |
| Sri.V.Rajvirdhan | 200.00 | 410.00 |
| Smt.V.Rajsri | 131.00 | - |
| Minor.Vidhur Narayanan | 61.00 | - |
| Loan repayment: | | |
| Associates: | | |
| Tribe Investments & Services (P) Limited | 550.00 | - |
| LGB Auto Products (P) Limited | 472.00 | - |
| L.G.Sports Ltd | 810.00 | - |
| Key managerial personnel: | | |
| Sri.B.Vijayakumar | 897.00 | 1057.25 |
| Relatives of key managerial personnel: | | |
| Smt.V.Rajsri | 41.00 | 213.00 |
| Sri.V.Rajvirdhan | 126.00 | 215.00 |
| Minor.Vidhur Narayanan | 275.00 | - |
| Minor.Samridhi Andal | 275.00 | - |
| Interest expense: | | |
| Associates/Others: | | |
| Elgi Automotive Services Private Limited | 19.42 | 14.85 |
| L.G.Sports Ltd | 31.34 | - |
| Key Managerial Personnel: | | |
| Sri.B.Vijayakumar | 57.48 | 55.41 |
| Relatives of key managerial personnel: | | |
| Sri.V.Rajvirdhan | 30.24 | 15.61 |
| Smt.V.Rajsri | 12.33 | - |
| Minor.Vidhur Narayanan | 19.15 | - |
| Minor.Samridhi Andal Rajiv | 20.81 | - |
| Dividend Payment: | | |
| Associates/Others: | | |
| L.G.B.Auto Products Private Limited | - | 50.92 |
| Key managerial personnel: | | |
| Sri.B.Vijayakumar | 220.62 | 167.97 |
| Relatives of key managerial personnel: | | |
| Smt.V.Rajsri | 95.88 | 147.31 |
| Sri.V.Rajvirdhan | 193.48 | 73.00 |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| Purchase of Fixed Assets: | | |
| Associates/Others: | | |
| L.G.B. Auto Products Limited | 26.77 | - |
| LGB Forge Limited | 217.80 | 324.02 |
| Rent income | | |
| Associates/Others: | | |
| LGB Forge Limited | 42.38 | 49.03 |
| Rent /Lease payment | | |
| Associates/Others: | | |
| South Western Engineering India Limited | 12.74 | 11.76 |
| Purchase of material, spares & power | | |
| Associates/Others: | | |
| Renold Chain India (P) Limited | 278.21 | 1655.08 |
| LGB Forge Ltd | 590.09 | 282.07 |
| LGB & Bros, Karur | 73.88 | - |
| Processing/conversion charges payment | | |
| Associates/Others: | | |
| Silent Chain India (P) Limited | 44.83 | 44.50 |
| South Western Engineering India Limited | 164.82 | - |
| Processing receipts | | |
| Associates/Others: | | |
| LGB Forge Limited | 71.82 | 56.99 |
| Sale of Material ,Stores and Service charges | | |
| Associates/Others: | | |
| Renold Chain India (P) Limited | 883.73 | 1404.71 |
| LGB Forge Limited | 186.52 | - |

Notes forming part of the financial statements

| Note | Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|-------|---|-------------------------------------|-------------------------------------|
| 26.4 | Details of leasing arrangements | | |
| | As Lessor | | |
| 26.4a | 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 | 128.02 | 111.76 |
| | As Lessee | | |
| 26.4b | The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and may be renewed based on mutual agreement of the parties. | | |
| | Future minimum lease payments | | |
| | not later than one year | 138.57 | 198.83 |
| | later than one year and not later than five years | 146.27 | 34.85 |
| | later than five years | - | - |
| | Lease payments recognized in the Statement of Profit and Loss | 616.50 | 621.27 |
| 26.5 | Earnings per share | | |
| | Basic & Diluted: | | |
| | Continuing operations: | | |
| | Net profit after tax from continuing operations - (₹ in lakhs) | 5,745.36 | 6,439.60 |
| | Profit attributable to Equity Shareholders - (₹ in lakhs) (A) | 5,745.36 | 6,439.60 |
| | Total number of Equity Shares outstanding at Balance Sheet date. | 15,696,208 | 15,696,208 |
| | Weighted average number of Equity Shares outstanding, considered for the purpose of computing Basic EPS (B) | 15,696,208 | 15,696,208 |
| | Nominal value of Equity Shares - In ₹ | 10 | 10 |
| | Basic and Diluted Earnings Per Share-In ₹ (A/B)(Not annualized) | 36.60 | 41.03 |
| 26.6 | Deferred tax liability | | |
| | Tax effect of items constituting deferred tax Liability: | | |
| | On difference between book balance and tax balance of fixed assets | 1,962.29 | 1,721.00 |
| | On account of provision for doubtful debts | (39.96) | - |
| | Total Deferred Tax Liability | 1,922.33 | 1,721.00 |

Notes forming part of the financial statements

| Note | Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|-----------|------------------------------------|-------------------------------------|-------------------------------------|
| 27 | DETAILS OF R&D EXPENSES | | |
| | 1) Capital | 46.65 | 24.35 |
| | 2) Salaries & Wages | 216.51 | 192.56 |
| | 3) R&D Materials | 82.52 | 56.80 |
| | 4) Maintenance | 55.10 | 28.17 |
| | 5) Other Expense | 74.98 | 75.43 |
| | | 475.76 | 377.31 |

Note:

While the accounts of R & D department are maintained separately, for the purpose of presentation, the administrative and other expenses are clubbed alongwith other functional head of expenses and presented in the Statement of Profit and Loss.

- 28** Since the Company prepares consolidated financial statements as per AS-17 Segment Reporting, segment information has been disclosed in consolidated financial statements.
- 29** Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification/disclosure.

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

N. RENGARAJ
Chief Financial Officer

Coimbatore
30.04.2016

Cash Flow Statement for the year ended 31.03.2016

| PARTICULARS | 31.03.2016 (₹ in Lakhs) | 31.03.2015 (₹ in Lakhs) |
|--|----------------------------|----------------------------|
| A. Cash flow from operating activities | | |
| Net Profit before Tax | 7,037.34 | 8,477.09 |
| Adjustments for | | |
| Depreciation and amortization expense | 4,309.37 | 3,733.68 |
| Asset Condemned and written off | 77.89 | 19.93 |
| Profit on sale of assets | (13.10) | (674.29) |
| Finance costs | 1,648.28 | 1,631.84 |
| Interest income | (64.63) | (37.81) |
| Dividend income | (18.02) | (17.85) |
| Provision for doubtful trade receivables | - | 23.72 |
| Net unrealised foreign exchange loss | 50.51 | 49.81 |
| Operating profit before working capital changes | 13,027.64 | 13,206.12 |
| Changes in Working Capital | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | |
| Inventories | 308.08 | (2,192.28) |
| Trade Receivables | (1,289.82) | (79.77) |
| Short term Loans and advances | (683.95) | (867.83) |
| Long term Loans and advances | (172.27) | (222.16) |
| Other current assets | 5.54 | (88.83) |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | |
| Trade Payables | 814.91 | 3,466.02 |
| Short Term provisions | 14.17 | - |
| Other current Liabilities | 323.24 | (2,510.93) |
| Cash generated from operations | 12,347.54 | 10,710.34 |
| Income tax paid, net of refunds received | (1,534.38) | (1,863.49) |
| Net Cash from operating activities (A) | 10,813.16 | 8,846.85 |
| B. Cash flow from Investing activities | | |
| Capital expenditure, including capital advances | (7,623.87) | (8,797.40) |
| Proceeds from sale of fixed assets | 48.45 | 790.49 |
| Purchase of Investments | (173.73) | (124.34) |
| Bank balances not considered as Cash and cash equivalents | | |
| Fixed Deposit with banks with maturity period of more than 3 months | (291.99) | 1.13 |
| Dividend received | | |
| From associates | 5.43 | 5.43 |
| From others | 12.59 | 12.42 |
| Interest received | | |
| From others | 60.75 | 37.02 |
| Net cash used in Investing activities (B) | (7,971.37) | (8,075.25) |

Cash Flow Statement for the year ended 31.03.2016

| PARTICULARS | 31.03.2016 (₹ in Lakhs) | 31.03.2015 (₹ in Lakhs) |
|---|----------------------------|----------------------------|
| C. Cash flow from financing activities | | |
| Proceeds of Long Term Borrowings | 4,385.45 | 5,000.00 |
| Repayment of Long Term Borrowings | (2,722.22) | (2,432.25) |
| Proceeds of Short Term Borrowings | (1,454.53) | (316.26) |
| Interest paid | (1,620.33) | (1,713.72) |
| Dividend paid, including Dividend Distribution Tax | (1,662.47) | (1,245.45) |
| Net cash used in financing activities (C) | (3,074.10) | (707.68) |
| Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C) | (232.31) | 64.18 |
| Cash and Cash Equivalents at the beginning of the year | 478.26 | 414.34 |
| Cash and Cash Equivalents at the end of the year | 245.95 | 478.26 |
| Reconciliation of Cash and cash equivalent with the Balance Sheet | | |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR comprises | | |
| (a) Cash- on- Hand | 24.49 | 46.02 |
| (b) Balances with Banks | | |
| (i) In Current Account | 33.06 | 178.72 |
| (ii) In Collection Account | 188.40 | 241.52 |
| (iii) In Deposit Account | - | 12.00 |
| | 245.95 | 478.26 |

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
30.04.2016

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

N. RENGARAJ
Chief Financial Officer

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L.G.BALAKRISHNAN & BROS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associate 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 the 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

consolidated 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, of the consolidated state of affairs of the Group, and its associate as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of a subsidiary - BCW V Tech India Private Limited, whose financial statements reflect total assets of ₹ 1,042.16 lakhs as at 31st March, 2016, total revenues of ₹ 1,136.14 lakhs and net cash flows amounting to ₹ 0.82 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statement have been audited by other auditor whose report 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 respect of this subsidiary is based solely on the report of the other auditor.
- b) The consolidated financial statements also include the Group's share of net profit of ₹ 91.23 lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of an associate - Renold Chain India Private Limited, whose 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 respect of this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated 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 information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the Directors of the Group Companies and its associate Company is disqualified as on 31st March, 2016 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the

Holding Company, Subsidiary Company's and associate Company internal financial controls over financial reporting.

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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group

ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

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 and associate company incorporated in India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Registration No.008072S

C.R. RAJAGOPAL

Membership No.23418

Partner

Coimbatore
30.04.2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **L.G.BALAKRISHNAN & BROS LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary company and associate company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its Subsidiary and its Associate Company, which are Companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under

Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the Subsidiary Company and Associate Company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and taking into

consideration the reports of the other Auditors referred to in the Other Matters, paragraph below, the Holding Company, its Subsidiary Company and its Associate Company, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company (namely BCW V Tech India Private Limited) and one associate company (namely Renold Chain India Private Limited), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Coimbatore
30.04.2016

CONSOLIDATED BALANCE SHEET AS AT 31.03.2016

| Particulars | Note No. | As at 31.03.2016 | As at 31.03.2015 |
|--|----------|---------------------|---------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 1,569.62 | 1,569.62 |
| (b) Reserves and surplus | 4 | 40,060.09 | 34,895.11 |
| | | <u>41,629.71</u> | <u>36,464.73</u> |
| 2 Minority interest | | 1,531.91 | 1,279.03 |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 9,487.57 | 9,930.54 |
| (b) Deferred tax liabilities | 26.6 | 1,922.33 | 1,721.00 |
| | | <u>11,409.90</u> | <u>11,651.54</u> |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 6 | 4,445.88 | 5,813.93 |
| (b) Trade payables | 7 | | |
| (i) Total outstanding dues of micro & small enterprises | | 171.62 | 188.34 |
| (ii) Total outstanding dues other than micro & small enterprises | | 18,815.93 | 18,134.17 |
| (c) Other current liabilities | 8 | 7,885.08 | 6,387.19 |
| (d) Short-term provisions | 9 | 203.08 | 717.88 |
| | | <u>31,521.59</u> | <u>31,241.51</u> |
| TOTAL | | <u>86,093.11</u> | <u>80,636.81</u> |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10.a | 36,342.07 | 29,960.93 |
| (ii) Intangible assets | 10.b | 337.27 | 325.79 |
| (iii) Capital work-in-progress | | 1,022.32 | 3,653.94 |
| (b) Goodwill on Consolidation | | 1,376.86 | 1,314.59 |
| (c) Non-current investments | 11 | 1,851.62 | 1,760.39 |
| (d) Deferred Tax Asset | | 73.04 | 69.66 |
| (e) Long-term loans and advances | 12 | 2,696.42 | 2,657.92 |
| (f) Other non-current assets | 13 | 43.00 | 45.35 |
| | | <u>43,742.60</u> | <u>39,788.57</u> |
| 2 Current assets | | | |
| (a) Inventories | 14 | 22,787.98 | 23,054.53 |
| (b) Trade receivables | 15 | 15,252.48 | 14,655.44 |
| (c) Cash and cash equivalents | 16 | 804.23 | 733.31 |
| (d) Short-term loans and advances | 17 | 2,938.53 | 2,280.60 |
| (e) Other current assets | 18 | 567.29 | 124.36 |
| | | <u>42,350.51</u> | <u>40,848.24</u> |
| TOTAL | | <u>86,093.11</u> | <u>80,636.81</u> |

See accompanying notes forming part of the financial statements 1-27

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
30.04.2016

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

N. RENGARAJ
Chief Financial Officer

| STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016 | | | |
|---|----------|-------------------------------------|-------------------------------------|
| Particulars | Note No. | For the Year ended 31.03.2016 | For the Year ended 31.03.2015 |
| A. CONTINUING OPERATIONS | | | |
| 1 Revenue from operations(gross) | 19 | 132,551.36 | 128,229.30 |
| Less: Excise duty | 19 | 12,021.03 | 10,931.12 |
| Revenue from operations (net) | | 120,530.33 | 117,298.18 |
| 2 Other income | 20 | 392.10 | 218.84 |
| 3 Total revenue (1 + 2) | | 120,922.43 | 117,517.02 |
| 4 Expenses: | | | |
| (a) Cost of materials consumed | 21 a | 50,754.78 | 51,960.30 |
| (b) Purchases of stock-in-trade (traded goods) | 21 b | 3,738.32 | 4,171.05 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21 c | (670.09) | (1,135.39) |
| (d) Employee benefits expense | 22 | 17,310.14 | 14,982.32 |
| (e) Finance costs | 23 | 1,788.92 | 1,770.04 |
| (f) Depreciation and amortisation expense | 10 c | 4,593.02 | 3,946.69 |
| (g) Other expenses | 24 | 35,629.64 | 33,091.58 |
| Total Expenses | | 113,144.73 | 108,786.59 |
| 5 Profit before exceptional and extraordinary items and tax (3-4) | | 7,777.70 | 8,730.43 |
| 6 Exceptional items | | - | 660.80 |
| 7 Profit before tax (5+6) | | 7,777.70 | 9,391.23 |
| 8 Tax expense / (benefit): | | | |
| (a) Current tax / MAT tax expense | | 1,493.01 | 1,803.50 |
| Less: Mat Credit Entitlement | | 402.37 | - |
| | | 1,090.64 | 1,803.50 |
| (b) Short / (Excess) provision of tax relating to prior years | | - | 240.56 |
| (c) Net current tax expense | | 1,090.64 | 2,044.06 |
| (d) Deferred tax | | 200.99 | 4.77 |
| Net tax expense / (benefit) | | 1,291.63 | 2,048.83 |
| 9 Profit for the year ended from continuing operations (7-8) | | 6,486.07 | 7,342.40 |
| 10 Profit after tax before share of profit/(loss) of associated and minority interest | | 6,486.07 | 7,342.40 |
| 10. i Share in Profit of associates | | 91.23 | 58.04 |
| 11 Profit after tax before share of profit/(loss) attributable to minority interest (10 + 10i) | | | |
| 11. i Less: Share of profit attributable to Minority interest | | 227.65 | 279.17 |
| 12 Profit for the year attributable to the shareholders of the Company (10 - 11.i) | | 6,349.65 | 7,121.27 |
| 13 Earnings per share (of Rs.10/- each) | | | |
| Basic & Diluted | 26.5 | 40.45 | 45.37 |

See accompanying notes forming part of the financial statements 1-27

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
30.04.2016

For and on behalf of Board of Directors

| | |
|--|--|
| B. VIJAYAKUMAR Chairman cum Managing Director DIN: 00015583 | P. PRABAKARAN Deputy Managing Director DIN : 01709564 |
| M. LAKSHMI KANTH JOSHI General Manager cum Company Secretary | N. RENGARAJ Chief Financial Officer |

Notes forming part of the Consolidated financial statements

Note:1 Corporate Information

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

BCW V Tech India Private Limited is a Company established under the Flagship of L.G.Balakrishnan & Bros Limited in the year 2006. This Company is engaged in the manufacture of machined components and the same being used in the automobile sector. M /s.LGB-USA LLC, a subsidiary of M/s.L.G.Balakrishnan & Bros Limited were established in the year 2012 which includes its fellow subsidiaries i.e GFM Acquisition LLC and GFM LLC. The main activity of GFM LLC (Operating Company) is manufacture of Precision Stamped Metal Parts which are used in automobiles.

Note: 2 Significant accounting policies (consolidation)

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

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention

except for categories of fixed assets acquired before 1 April, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

a) Principles of consolidation:

The consolidated financial statements relate to L.G.Balakrishnan & Bros Limited (the 'Company'), its subsidiary companies and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016, except for certain subsidiary companies as mentioned in (ix) below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such financial statements and these consolidated financial statements.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and resultant unrealized profits or losses, unless cost cannot be recovered have been fully eliminated.
- (iii) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

- (iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital 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.
- (v) In case of the foreign subsidiary, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rate of prevailing at the year end. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- (vi) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of the Company.
- (vii) The difference between the cost of investment in the subsidiary and the share of net assets at the time of acquisition of shares in the subsidiary is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (viii) Goodwill arising on consolidation is not amortized but tested for impairment.
- (ix) The following subsidiary companies and associates have been considered in the preparation of consolidated financial statements:

| Sl. No | Name of Subsidiary Company | Relationship | Country of Incorporation | Ownership held by | Reporting date of the financial statements used in consolidation | % of holding directly or indirectly through subsidiary as at | |
|--------|---|-------------------------|--------------------------|---|--|--|------------|
| | | | | | | 31.03.2016 | 31.03.2015 |
| 1. | M/s.BCW V TECH INDIA P LTD | Wholly owned Subsidiary | INDIA | L.G. Balakrishnan & Bros Ltd | 31.03.2016 | 100% | 100% |
| 2. | LGB-USA, INC | Subsidiary | USA | L.G. Balakrishnan & Bros Ltd | 31.12.2015 | 77.01% | 74.19% |
| 3. | GFM Acquisition LLC (Formerly known as GFM Corporation) | Subsidiary | USA | LGB-USA, INC | 31.12.2015 | 90.97% | 90.97% |
| 4. | GFM LLC | Subsidiary | USA | GFM Acquisition LLC | 31.12.2015 | 100% | 100% |
| 5. | RENOLD CHAIN INDIA PRIVATE LTD | Associate | India | RENOLD Holding Limited & L.G. Balakrishnan & Bros Ltd | 31.03.2016 | 25% | 25% |

2.2 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the periods in which the results are known/materialize.

2.3 Inventories

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

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

2.4 Cash and cash equivalents (for the purpose of cash flow statement)

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

2.5 Cash flow statement

Cashflows are reported using the indirect method, whereby profit/(loss) before extra-ordinary items

and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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

Leasehold land is amortized over the duration of the lease.

Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto as per Companies Act, 2013.

Policy for amortization of Intangibles:

Intangible assets are amortized over their useful life as follows:

Technical knowhow - 10 years

Computer software - 2 - 3 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.7 Revenue recognition

Sale of goods:

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

Income from Service:

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

Export incentives:

Export incentive under various schemes notified by the Government has been recognized on the basis of Export of goods.

2.8 Other income

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

2.9 Tangible fixed assets:

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

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets:

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

2.11 Government grants and subsidies:

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

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

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

2.12 Investments

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

2.13 Employee benefits

(a) Short-term employee benefits:

All short-term employee benefits such as salaries, wages, bonus, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit and Loss.

(b) Post retirement:

Other long-term employee benefits such as leave salary is recognized as an expense in the Statement of profit and loss of the year in which the employee has rendered services. Provision for estimated liability is made on the based on the best estimate.

i) Provident Fund (Government PF)

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

ii) Superannuation Fund

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

iii) Gratuity Fund

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

2.14 Borrowing cost

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

2.15 Segment reporting

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

2.16 Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognised as assets of the Company on the date of acquisition

and depreciated over their estimated useful lives using the method and rates applicable to the class of asset as described in Para 2.6 above. Finance cost is treated as period cost using effective interest rate method and expensed. Rentals payable under operating leases are charged to Statement of Profit & Loss of the period to which it relates.

2.17 Earnings per share

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

Diluted earnings per share reflect the potential dilution that could occur if securities or contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the year and dilutive potential equity shares outstanding at year end.

2.18 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using

the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such asset items can be realised.

2.19 Research and development expenses

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

2.20 Impairment of assets

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

2.21 Provisions, contingent liabilities and contingent assets

A Provision is recognized, in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' notified by the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be reliably estimated. Provision is not discounted to

its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

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

Contingent Assets are not recognised in the financial statements.

2.22 Service tax input credit

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

2.23 Operating cycle

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

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | Number of Shares | ₹ in lakhs | Number of Shares | ₹ in lakhs |
| 3 SHARE CAPITAL | | | | |
| (a) Authorised | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| | 20,000,000 | 2,000.00 | 20,000,000 | 2,000.00 |
| (b) Issued | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |
| | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |
| (c) Subscribed and fully paid-up | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |
| Total | 15,696,208 | 1,569.62 | 15,696,208 | 1,569.62 |

Notes:
3 (i) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by Board of Directors is subject to approval by the Shareholders at the ensuing Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

3 (ii) Aggregate number of equity shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the Balance Sheet date.

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| Equity shares with voting rights Fully paid-up by way of bonus shares | 7,848,104 | 7,848,104 |

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

| Particulars | Opening balance | Fresh Issue | Bonus/ ESOP | Conversion/ Buyback | Closing balance |
|---|--------------------|----------------|----------------|------------------------|--------------------|
| Equity Shares with voting rights Year ended 31st March, 2016 | | | | | |
| Number of shares | 15,696,208 | - | - | - | 15,696,208 |
| Amount (₹ in lakhs) | 1,569.62 | - | - | - | 1,569.62 |
| Year ended 31st March, 2015 | | | | | |
| Number of shares | 7,848,104 | - | 7,848,104 | - | 15,696,208 |
| Amount (₹ in lakhs) | 784.81 | - | 784.81 | - | 1,569.62 |

Notes forming part of the Consolidated financial statements
3 (iv) Details of shares held by each shareholder holding more than 5% shares

| Name of the Shareholder | As at 31 March 2016 | | As at 31 March 2015 | |
|---|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares with voting rights | | | | |
| B. Vijayakumar | 2,507,000 | 15.97 | 2,507,000 | 15.97 |
| V. Rajvirdhan | 2,198,586 | 14.01 | 2,198,586 | 14.01 |
| V. Rajsri | 1,089,576 | 6.94 | 1,089,576 | 6.94 |
| Reliance Capital Trustees Co. Ltd A/c. Reliance Small Cap Fund | 966,672 | 6.16 | 921,336 | 5.87 |
| LGB Auto Products (P) Ltd | 862,500 | 5.49 | - | - |

| Particulars | | As at 31.03.2016 ₹ in lakhs | As at 31.03.2015 ₹ in lakhs |
|--|--|-----------------------------------|-----------------------------------|
| 4 RESERVES AND SURPLUS | | | |
| (a) Capital Reserve | | | |
| Opening balance | | 30.00 | 30.00 |
| Closing balance | | 30.00 | 30.00 |
| (b) Securities premium account: | | | |
| Opening balance | | 3,100.61 | 3,100.61 |
| Closing balance | | 3,100.61 | 3,100.61 |
| (c) Revaluation reserve (Land) | | | |
| Opening balance | | 249.61 | 249.61 |
| (On account of acquisition of M/s.L.G.B.Industries Limited in 1998-138.91) | | | |
| (On account of revaluation of land held by BCW V Tech India (P) Ltd-110.70) | | | |
| Closing balance | | 249.61 | 249.61 |
| (d) General reserve | | | |
| Opening balance | | 26,288.71 | 22,288.71 |
| Less:Utilised / transferred for issue of Bonus shares during the year | | - | 784.81 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) | | - | 98.39 |
| Add: Transfer from surplus in Statement of Profit and Loss | | 4,500.00 | 4,883.20 |
| Closing balance | | 30,788.71 | 26,288.71 |
| (e) Foreign Currency Translation Reserve | | | |
| Opening balance | | (46.06) | (34.91) |
| Add: Adjustment for translation of Non integral Foreign operations | | (51.17) | (11.15) |
| Closing balance | | (97.23) | (46.06) |
| (f) Surplus in Statement of Profit and Loss | | | |
| Opening balance | | 5,272.24 | 4,354.78 |
| Add:Profit for the year ended | | 6,349.65 | 7,121.27 |
| Less:Interim Dividend | | 784.82 | 502.28 |
| Dividend proposed to be distributed to equity shareholders (₹ 1.00 per share; previous year ₹ 3.80 per share) | | 156.96 | 596.46 |
| Tax on Dividend | | 191.72 | 221.86 |
| Transferred to: | | | |
| General reserve | | 4,500.00 | 4,883.20 |
| Closing balance | | 5,988.39 | 5,272.24 |
| Total | | 40,060.09 | 34,895.11 |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 ₹ in lakhs | As at 31.03.2015 ₹ in lakhs |
|---|-----------------------------------|-----------------------------------|
| 5 LONG-TERM BORROWINGS | | |
| (a) Term loans : (Refer Note (i) below) | | |
| From banks | | |
| Secured | 8,188.62 | 9,930.54 |
| (b) Fixed deposits: | | |
| From other parties | | |
| Unsecured | 143.95 | - |
| From related | | |
| Unsecured | 1,155.00 | - |
| Total | 9,487.57 | 9,930.54 |

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

- (a) Term Loans from banks are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Chakkan Plant and Jalna Plant.
- (b) Interest rate relating to Term loans from banks is in the range of 9.70% to 10.40%
- (c) The Term Loan from The National Huntington Bank is secured by substantially all assets of GFM LLC and bears interest rate @ 1 month Libor + 2.75% (3.18% at December'2015)

5 (ii) Repayment schedule

(₹ in lakhs)

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|-----------|---------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| (a) Term loan from banks: | | | | |
| ICICI Bank | 3,375.00 | - | 4,875.00 | - |
| (Term of repayment : Repayable in 20 quarterly instalments of ₹ 375 Lakhs from July'14) | | | | |
| Hongkong and Shanghai Banking Corporation Ltd | 1,875.00 | - | 2,500.00 | - |
| (Term of repayment : Repayable in 16 quarterly instalments of ₹ 156.25 Lakhs from May'16) | | | | |
| HDFC Bank Ltd | 1,333.34 | - | 888.89 | - |
| (Term of repayment : Repayable in 18 quarterly instalments of ₹ 55.56 Lakhs from Dec'15) | | | | |
| The Huntington National Bank | 799.65 | - | 862.93 | - |
| (Term of repayment : Repayable in 48 monthly instalments of \$8980 from Dec'13) | | | | |
| The Huntington National Bank | 805.63 | - | 803.72 | - |
| (Term of repayment : Repayable in 60 monthly instalments of \$7393 from Dec'13) | | | | |
| Total - Term loans from banks | 8,188.62 | - | 9,930.54 | - |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | | As at 31.03.2015 (₹ in lakhs) | |
|---|-------------------------------------|-----------------|-------------------------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| 5 (ii) Repayment schedule (Contd.) | | | | |
| (b) Fixed Deposits: | | | | |
| From other parties | | 143.95 | | - |
| (Term of repayment : Repayable between 1 to 3 years) | | | | |
| Total - deposits from others | | 143.95 | | - |
| From related parties | | | | |
| (Term of repayment : Repayable between 1 to 3 years) | | | | |
| Sri.B.Vijayakumar | | 540.00 | | - |
| Mrs.D.Maheswari | | 5.00 | | - |
| Minor. Samriddhi Andal Rajiv | | 285.00 | | - |
| Minor. Vidhur Narayanan Rajiv | | 285.00 | | - |
| M/s.Silent Chain India (P) Limited | | 40.00 | | - |
| Total - deposits from related parties | | 1,155.00 | | - |
| Total - Long-term borrowings | 8,188.62 | 1,298.95 | 9,930.54 | - |

- 5 (iii) a. There was no default in the repayment of the loans and interest during the year
b. Interest rate relating to Fixed Deposits is in the range of 9.00% to 9.50%

| Particulars | As at 31.03.2016 (₹ in lakhs) | | As at 31.03.2015 (₹ in lakhs) | |
|---|-------------------------------------|-----------------|-------------------------------------|-----------------|
| | Secured | Unsecured | Secured | Unsecured |
| 6 SHORT-TERM BORROWINGS | | | | |
| (a) Loan repayable on demand | | | | |
| From banks - Secured | 2,764.88 | - | 3,793.18 | |
| (b) From Financial Institutions-Unsecured | | 500.00 | - | - |
| (c) Loan from Directors - Unsecured | | 1,151.00 | - | 1,595.75 |
| (d) Loan from Inter corporates-Unsecured | | 30.00 | - | 425.00 |
| | 2,764.88 | 1,681.00 | 3,793.18 | 2,020.75 |

6 (i) Details of security for short-term 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 Term loans from banks is in the range of 9.10% to 13.10%

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | | As at 31.03.2015 (₹ in lakhs) | |
|---|-------------------------------------|-----------------|-------------------------------------|-----------------|
| | Secured | Unsecured | Secured | Unsecured |
| 6 (i) Loan repayable on Demand | | | | |
| From Banks | | | | |
| Axis Bank Ltd | (1.60) | | 94.84 | |
| The Bank of Nova Scotia Ltd | - | | 1,000.00 | |
| Corporation Bank Ltd | (33.12) | | (71.44) | |
| HDFC Bank Ltd | 981.73 | | 460.42 | |
| ICICI Bank Ltd | 154.97 | | 470.79 | |
| IndusInd Bank Ltd | (1.72) | | (4.27) | |
| Industrial Development Bank of India Ltd | (77.42) | | 691.71 | |
| Union Bank of India | - | | (0.41) | |
| Hongkong Shanghai Banking | 1,000.00 | | 500.00 | |
| The Huntington National Bank | 742.04 | | 651.54 | |
| Total - Loan from banks | 2,764.88 | - | 3,793.18 | - |
| Loan from financial institution | | | | |
| M/s. Bajaj Finance Limited | - | 500.00 | - | - |
| | - | 500.00 | - | - |
| Loan from Directors | | | | |
| Mr. B. Vijayakumar | - | 726.00 | - | 883.75 |
| Mr. V. Rajvirdhan | - | 275.00 | - | 201.00 |
| Smt. V. Rajsri | - | 150.00 | - | 511.00 |
| Total - Loan from Directors | - | 1,151.00 | - | 1,595.75 |
| Loan from inter corporates | | | | |
| M/s. Tribe Investments and Services (P) Ltd | | 30.00 | | 70.00 |
| M/s. L.G. Farm Products (P) Limited | | - | | 20.00 |
| M/s. Elgi Automotive Services (P) Limited | | - | | 175.00 |
| M/s. L.G.B. Auto Products (P) Limited | | - | | 160.00 |
| Total - Loan from inter corporates | | 30.00 | | 425.00 |
| Total - Short-term borrowings | 2,764.88 | 1,681.00 | 3,793.18 | 2,020.75 |

6 (ii) (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 9.00% to 9.50%

| Particulars | As at 31.03.2016 ₹ in lakhs | As at 31.03.2015 ₹ in lakhs |
|--|-----------------------------------|-----------------------------------|
| 7 TRADE PAYABLES | | |
| (a) Other than acceptances | | |
| (i) Total outstanding dues of micro & small enterprises | 171.62 | 188.34 |
| (ii) Total outstanding dues other than micro & small enterprises | 18,815.93 | 18,134.17 |
| Total | 18,987.55 | 18,322.51 |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 ₹ in lakhs | As at 31.03.2015 ₹ in lakhs |
|---|-----------------------------------|-----------------------------------|
| 8 OTHER CURRENT LIABILITIES | | |
| (a) Current maturities of long-term debt (Refer Note (i) below) | 3,861.67 | 1,983.94 |
| (b) Interest accrued but not due on unsecured loans | 28.68 | 16.75 |
| (c) Interest accrued but not due on secured loans | 16.15 | - |
| (d) Unpaid bond interest | 0.22 | 0.35 |
| (e) Unclaimed Dividends | 80.96 | 52.51 |
| (f) Other payables: | | |
| (i) Statutory remittances | 1,329.84 | 1,071.46 |
| (ii) Payable on purchase of fixed assets | 1,742.82 | 2,464.71 |
| (iii) Interest accrued on deposits from customers | 33.29 | 29.46 |
| (iv) Advance and deposits from customers etc., | 791.45 | 768.01 |
| Total | 7,885.05 | 6,387.19 |

Note :

8 (i) Current maturities of Long-term debt:

Refer Note 5(i) for the details of Securities

| | | |
|---|-----------------|-----------------|
| Term Loan | | |
| From Banks - Secured | 2,775.17 | 1,983.94 |
| Total - Term Loan from banks | 2,775.17 | 1,983.94 |
| Fixed Deposits: | | |
| From Related - Unsecured | | |
| LG Farm Products Private Limited | 200.00 | - |
| L.G.B Auto Products (P) Ltd | 200.00 | - |
| Super Speeds (P) Ltd | 105.00 | - |
| LG Sports Ltd | 575.00 | - |
| Total - from related parties | 1080.00 | - |
| From others - Unsecured | 6.50 | - |
| Total - deposit from others | 6.50 | - |
| Total - Current maturities of Long-term debt | 3,861.67 | 1,983.94 |

8(ii) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

9 SHORT TERM PROVISIONS

| | | |
|--|---------------|---------------|
| (a) Provision - others: | | |
| (i) Provision for proposed equity Dividend | 156.96 | 596.46 |
| (ii) Provision for tax on proposed equity Dividend | 31.95 | 121.42 |
| (iii) Provision for compensated absences | 14.17 | - |
| Total | 203.08 | 717.88 |

| Notes forming part of the financial statements | | | | | | | | | | | | | ₹ in Lakhs | |
|--|--------------------------|------------------------|--------------------|-------------------|--------------------------|--------------------------|--|----------------------------------|--|-------------------|------------------------------|------------------------------|------------------------------|--|
| 10. FIXED ASSETS | | | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION AND IMPAIRMENT | | | | | NET BLOCK | | |
| Description of Assets | Balance as at 01.04.2015 | Additions | Disposals | Other Adjustments | Balance as at 31.03.2016 | Balance as at 01.04.2015 | Depreciation/amortisation expense for the year | Eliminated on Disposal of Assets | Transition adjustment recorded against General Reserve | Other Adjustments | Balance as at 31 March, 2016 | Balance as at 31 March, 2016 | Balance as at 31 March, 2015 | |
| A TANGIBLE ASSETS: | | | | | | | | | | | | | | |
| (a) Land | | | | | | | | | | | | | | |
| Free Hold | 2528.82 (2,175.97) | 237.60 (378.23) | - (25.38) | - (-) | 2766.42 (2,528.82) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | 2766.42 (2,528.82) | 2528.82 (2175.97) | |
| Lease Hold | 534.31 (538.31) | - (-) | - (4.00) | - (-) | 534.31 (534.31) | 23.62 (17.92) | 5.75 (5.73) | - (0.03) | - (-) | - (-) | 29.37 (23.62) | 505.14 (510.69) | 510.69 (516.63) | |
| (b) Buildings | | | | | | | | | | | | | | |
| Own use | 8760.15 (5,819.40) | 2201.04 (2,985.31) | 37.28 (44.56) | - (-) | 10923.92 (8,760.15) | 2398.61 (2,117.81) | 505.81 (311.39) | 10.03 (30.59) | - (-) | - (-) | 2,894.55 (2,398.61) | 8029.37 (6,361.54) | 6361.54 (2874.90) | |
| Given under operating Lease | 7.39 (7.39) | - (-) | - (-) | - (-) | 7.39 (7.39) | 2.94 (2.40) | 0.48 (0.54) | - (-) | - (-) | - (-) | 3.42 (2.94) | 3.97 (4.45) | 4.45 (4.99) | |
| (c) Plant and Equipment | | | | | | | | | | | | | | |
| Owned | 39989.91 (34,036.79) | 7225.17 (6,169.48) | 382.15 (199.85) | - (16.51) | 46832.93 (39,989.91) | 20985.97 (17768.95) | 3529.41 (3231.62) | 315.35 (141.50) | - (126.90) | (134.84) (-) | 24334.86 (20985.97) | 22498.07 (19,003.94) | 19003.94 (16133.76) | |
| Given under operating Lease | 288.54 (272.03) | 92.89 (-) | 1.83 (-) | - (16.51) | 379.60 (288.54) | 245.87 (205.84) | 61.84 (12.93) | 1.87 (9.93) | 0.00 (23.09) | 134.84 (23.09) | 171.00 (245.87) | 208.60 (42.67) | 42.67 (0.79) | |
| (d) Furniture and Fixtures | | | | | | | | | | | | | | |
| Owned | 335.89 (281.14) | 110.77 (55.31) | 3.30 (0.56) | - (-) | 443.37 (335.89) | 232.15 (198.35) | 44.31 (34.33) | 2.66 (0.54) | - (-) | - (-) | 273.80 (232.15) | 169.57 (-103.75) | 103.75 (79.27) | |
| (e) Vehicles | | | | | | | | | | | | | | |
| Owned | 321.71 (275.04) | 96.87 (119.83) | 27.55 (73.16) | - (-) | 391.03 (321.71) | 98.85 (106.65) | 38.07 (30.96) | 20.39 (38.76) | - (-) | - (-) | 116.53 (-98.85) | 274.50 (222.86) | 222.86 (159.23) | |
| (f) Office equipment | | | | | | | | | | | | | | |
| Owned | 240.28 (160.86) | 42.46 (83.55) | 5.38 (4.13) | - (-) | 277.36 (240.28) | 90.72 (52.70) | 37.74 (32.43) | 3.74 (3.50) | - (9.09) | - (-) | 124.72 (-90.72) | 152.64 (149.56) | 149.56 (89.98) | |
| (g) Electrical Fittings | | | | | | | | | | | | | | |
| Owned | 1479.78 (1,344.40) | 456.73 (139.08) | 5.59 (3.70) | - (-) | 1930.92 (1,479.78) | 962.15 (776.47) | 109.67 (77.81) | 4.90 (1.25) | - (-) | - (-) | 1066.92 (962.15) | 864.00 (517.63) | 517.63 (458.63) | |
| (h) Other Assets | | | | | | | | | | | | | | |
| Owned | 1530.48 (1,217.58) | 523.25 (329.20) | 157.75 (16.30) | - (-) | 1895.97 (1,530.48) | 1015.46 (897.95) | 161.54 (125.70) | 150.86 (17.86) | - (9.66) | - (-) | 1026.14 (-1015.46) | 869.84 (-515.02) | 515.02 (285.92) | |
| Total | 56017.26 (46128.91) | 10986.78 (10259.99) | 620.83 (371.64) | - (-) | 66383.20 (56017.26) | 26056.34 (22145.04) | 4494.61 (3863.45) | 509.80 (243.96) | - (145.65) | - (23.09) | 30041.13 (26056.34) | 36342.07 (29960.93) | 29960.93 (22780.07) | |
| Previous Year | | | | | | | | | | | | | | |

| Notes forming part of the consolidated financial statements | | | | | | | | | | | ₹ in Lakhs | |
|--|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|---|---|----------------------------------|--|-------------------|------------------------------|------------------------------|
| 10. FIXED ASSETS | | | GROSS BLOCK | | | ACCUMULATED DEPRECIATION AND IMPAIRMENT | | | | | NET BLOCK | |
| Description of Assets | Balance asat 01.04.2015 | Additions | Disposals | Other Adjustments | Balance as at 31.03.2016 | Balance as at 01.04.2015 | Depreciation/ amortisation expense for the year | Eliminated on Disposal of Assets | Transition adjustment recorded against General Reserve | Other Adjustments | Balance as at 31 March, 2016 | Balance as at 31 March, 2015 |
| (a) Computer - Software | 535.92 (483.28) | 49.48 (52.64) | 5.19 | 0.00 | 580.21 (535.92) | 450.89 (412.12) | 49.10 (38.77) | 4.59 | 0.00 | 0.00 | 495.40 (450.89) | 84.80 (85.03) |
| (b) Technical Know-How | 734.08 (687.80) | 61.02 (46.28) | 0.00 | 0.00 | 795.10 (734.08) | 493.32 (448.85) | 49.31 (44.47) | 0.00 | 0.00 | 0.00 | 542.63 (493.32) | 252.47 (240.76) |
| Total | 1270.00 (1,171.08) | 110.50 (98.92) | 5.19 | 0.00 | 1375.31 (1,270.00) | 944.21 (860.97) | 98.41 (83.24) | 4.59 | 0.00 | 0.00 | 1038.03 (944.21) | 337.27 (325.79) |
| Previous Year | | | - | - | | | | - | - | - | | (324.13) |
| C) Depreciation and amortisation relating to continuing operations: | | | | | | | | | | | | |
| Particulars | | | | | | | | | | | | |
| Depreciation and amortisation for the year on tangible assets as per note 10 A | | | | | | | | | | | | |
| Depreciation and amortisation for the year on intangible assets as per note 10 B | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |
| Notes: | | | | | | | | | | | | |
| (i) Details of revaluation of assets during the preceding 5 years | | | | | | | | | | | | |
| (₹ In Lakhs) | | | | | | | | | | | | |
| Particulars | For the year ended 31.03.2016 | | For the year ended 31.03.2015 | | For the year ended 31.03.2014 | | For the year ended 31.03.2013 | | For the year ended 31.03.2012 | | | |
| Land: | | | | | | | | | | | | |
| Opening balance | 110.70 | | 110.70 | | 110.70 | | - | | - | | - | |
| Added on revaluation | | | - | | - | | 110.70 | | 31.03.2012 | | | |
| Closing balance | 110.70 | | 110.70 | | 110.70 | | 110.70 | | 31.03.2012 | | | |

Notes forming part of the financial statements
11. NON-CURRENT INVESTMENT

| Particulars | As at 31st March 2016 | | | | As at 31st March 2015 | | | |
|---|-----------------------|--------|-----------|----------|-----------------------|--------|-----------|----------|
| | Number of Shares | Quoted | Un Quoted | Total | Number of Shares | Quoted | Un Quoted | Total |
| Investments (At Cost) | | | | | | | | |
| A) Trade | | | | | | | | |
| (a) Investment in Equity instruments: | | | | | | | | |
| (i) Associate: | | | | | | | | |
| Renold Chain India P Ltd | 10250000 | | 1025.00 | 1055.61 | 10250000 | - | 964.38 | 964.38 |
| (iii) Others: | | | | | | | | |
| Supreme Rubber Reclaimers Ltd | 50 | 0.01 | - | 0.01 | 50 | 0.01 | - | 0.01 |
| Bharath Rubber Regenerating Co. Ltd | 200 | - | - | - | 200 | - | - | - |
| Elgi Equipments Ltd | 1229706 | 112.50 | - | 112.50 | 1229706 | 112.50 | - | 112.50 |
| LGB Forge Limited | 29000000 | 612.88 | - | 612.88 | 29000000 | 612.88 | - | 612.88 |
| Silent Chain India (P) Limited | 770 | - | 0.15 | 0.15 | 770 | - | 0.15 | 0.15 |
| LG Farm Products (P) Ltd | 10000 | - | 1.00 | 1.00 | 10000 | - | 1.00 | 1.00 |
| Rolon Fine Blank Limited | - | - | - | - | | | - | - |
| LGB Rolon Chain Limited | - | - | - | - | | | - | - |
| South Western Engineering India Limited | 537 | - | 65.52 | 65.52 | 537 | - | 65.52 | 65.52 |
| B. Non-trade | | | | | | | | |
| (a) Investment in Equity instruments: | | | | | | | | |
| (i) Others: | | | | | | | | |
| Super Spinning Mills Ltd | 10000 | 0.01 | - | 0.01 | 10000 | 0.01 | - | 0.01 |
| Tube Investments of India Ltd | 1100 | 0.01 | - | 0.01 | 1100 | 0.01 | - | 0.01 |
| Corporation Bank | 2400 | 1.92 | - | 1.92 | 2400 | 1.92 | - | 1.92 |
| Tata Refractory Ltd | 5000 | - | 2.01 | 2.01 | 5000 | - | 2.01 | 2.01 |
| Manish Commercial Premises Co-operative Society Ltd, Mumbai | 5 | | - | - | 5 | - | - | - |
| Kaveri Steels Ltd | 100 | | - | - | 100 | - | - | - |
| | | 727.34 | 1,124.29 | 1,851.62 | | 727.33 | 1,033.06 | 1,760.39 |

(₹ in lakhs)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| Aggregate amount of quoted investments | 727.33 | 727.33 |
| Aggregate market value of the listed and quoted investments | 3,220.15 | 3,636.89 |
| Aggregate value of listed but not quoted investments | - | - |
| Aggregate value of unquoted investments | 1,124.29 | 1,033.06 |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| 12 LONG-TERM LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD | | |
| (a) Capital advance | 289.82 | 1,071.69 |
| (b) Security and other deposits | 633.29 | 497.17 |
| (c) Advance income-tax (net of provision ₹ 7686.71 Lakhs) (As at 31.03.2015 ₹ 6182.67) | 498.05 | 252.30 |
| (e) Mat credit entitlement | 786.23 | 383.86 |
| (f) Other loans and advances | | |
| (i) Advance recoverable | 146.23 | 121.19 |
| (ii) Rent and other advances | 342.80 | 331.71 |
| Total | 2,696.42 | 2,657.92 |
| 13 OTHER NON-CURRENT ASSETS | | |
| (a) Unamortised expenses | | |
| (i) Ancillary Borrowing cost | 5.17 | 7.52 |
| (ii) Income and Claim Receivable | 37.83 | 37.83 |
| Total | 43.00 | 45.35 |
| 14 INVENTORIES | | |
| (At Lower of cost and net realisable value) | | |
| (a) Raw Materials | 3,954.95 | 5,232.40 |
| (b) Work-in-progress (Refer Note (i)) | 8,247.21 | 8,239.30 |
| (c) Finished products (Refer Note (ii)) | 6,321.55 | 5,281.53 |
| (d) Stock-in-trade (acquired for trading) | 368.28 | 787.88 |
| Goods in Transit | 249.72 | 207.97 |
| (e) Others | | |
| (i) Packing materials | 270.41 | 286.68 |
| (ii) Stores & spares | 1,866.82 | 1,765.31 |
| (iii) Loose tools | 1,506.51 | 1,249.11 |
| (iv) Agricultural produce | 2.53 | 4.35 |
| Total | 22,787.98 | 23,054.53 |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| 14 INVENTORIES (CONTD.) | | |
| Notes: | | |
| 14(i) Details of inventory of work-in-progress | | |
| Transmission | 5,523.75 | 5,390.65 |
| Metal forming | 2,268.85 | 1,772.44 |
| Others | 454.61 | 1,076.21 |
| Total | 8,247.21 | 8,239.30 |
| (ii) Details of inventory of (Finished goods) | | |
| Transmission | 5,163.90 | 4,116.63 |
| Metal forming | 756.46 | 940.28 |
| Others | 401.19 | 224.62 |
| Total | 6,321.55 | 5,281.53 |

| | | |
|--|------------------|------------------|
| 15 TRADE RECEIVABLE | | |
| (a) Trade Receivable outstanding for a period exceeding six months from the date they were due for payment | | |
| (i) Unsecured, considered good | 168.00 | 102.73 |
| (ii) Unsecured, considered doubtful | 75.48 | 85.35 |
| Less: Provision for doubtful trade receivables | 75.48 | 85.35 |
| (b) Other Trade receivable | | |
| (i) Unsecured, considered good | 15,084.48 | 14,552.71 |
| (ii) Unsecured, considered doubtful | 39.99 | 61.47 |
| Less: Provision for doubtful trade receivables | 39.99 | 61.47 |
| Total | 15,252.48 | 14,655.44 |
| Note: | | |
| 15(i) Trade Receivable include debt due from | | |
| Private companies in which any Director is a Director: | | |
| Super Speeds (P) Limited | 0.29 | 0.21 |
| Silent Chain India (P) Limited | 0.08 | 0.11 |
| Renold Chain India (P) Limited | 177.99 | 218.04 |
| Total | 178.36 | 218.36 |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| 16 CASH AND CASH EQUIVALENTS | | |
| A. Cash and Cash Equivalents (As per AS 3 Cash Flow Statements) | | |
| (a) Cash- on- Hand | 190.67 | 46.31 |
| (b) Balances with Banks | | |
| (i) In Current Account | 34.22 | 334.54 |
| (ii) In Collection Account | 188.41 | 241.52 |
| (iii) In Deposit Account | - | 12.00 |
| | 413.30 | 634.37 |
| B. Others | | |
| (a) In Fixed Deposits | - | 46.08 |
| (b) In Margin money with Banks | 309.75 | - |
| (c) In Earmarked Accounts | | |
| (i) Unpaid Dividend Account | 80.96 | 52.51 |
| (ii) Unpaid Interest Account | 0.22 | 0.35 |
| Total | 390.93 | 98.94 |
| Total Cash and Cash Equivalents (A+B) | 804.23 | 733.31 |

| | | |
|---|----------|----------|
| 17 SHORT TERM LOANS AND ADVANCES | | |
| (a) Loans and advances to employees | | |
| Unsecured and considered good | 63.27 | 46.25 |
| (b) Prepaid expenses | | |
| Unsecured and considered good | 184.67 | 212.49 |
| (c) Balance with govt authorities: | | |
| (i) Cenvat credit receivable | 1,506.95 | 927.85 |
| (ii) Vat credit receivable | 363.40 | 365.80 |
| (iii) Service tax credit receivable | 295.86 | 246.20 |
| (d) Advance recoverable | 524.38 | 481.82 |
| Unsecured and considered Good | | |
| (e) Miscellaneous Expenditure to extent not written off | - | 0.19 |
| Total | 2,938.53 | 2,280.60 |
| 18 OTHER CURRENT ASSETS | | |
| (a) Others | | |
| (i) Income and claims receivable | 559.10 | 120.05 |
| (ii) Interest accrued on Deposits | 8.19 | 4.31 |
| Total | 567.29 | 124.36 |

Notes forming part of the Consolidated financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|---|--|--|
| 19 REVENUE FROM OPERATIONS | | |
| a) Sale of products (Refer Note (i) below) | 125,697.61 | 121,007.23 |
| b) Sale of services (Refer Note (ii) below) | 384.07 | 390.17 |
| c) Other operating revenue (Refer Note (iii) below) | 6,469.68 | 6,831.90 |
| Revenue from Operations (Gross) | 132,551.36 | 128,229.30 |
| Less: Excise duty | 12,021.03 | 10,931.12 |
| Total | 120,530.33 | 117,298.18 |
| Note: | | |
| (i) Sale of products | | |
| Manufactured goods: | | |
| Chains | 91,262.46 | 84,213.64 |
| Metal Forming | 18,375.61 | 18,755.96 |
| Others | 11,588.57 | 13,109.58 |
| Total - sale of manufactured goods | 121,226.64 | 116,079.18 |
| Traded goods: | | |
| Light commercial vehicles | 4,470.97 | 4,928.05 |
| Total - Sale of traded goods | 4,470.97 | 4,928.05 |
| Total - Sale of products | 125,697.61 | 121,007.23 |
| (ii) Sale of services: | | |
| Service income on vehicles | 384.07 | 390.17 |
| Total - Sale of services | 384.07 | 390.17 |
| (iii) Other operating revenue: | | |
| Scrap sales | 6,309.81 | 6,716.38 |
| Duty drawback and other export incentives | 159.87 | 115.52 |
| Total - other operating revenue | 6,469.68 | 6,831.90 |
| Total | 132,551.36 | 128,229.30 |

| | | |
|--|---------------|---------------|
| 20 OTHER INCOME | | |
| a) Interest income (Refer Note (i) below) | 64.63 | 37.81 |
| b) Dividend income: from long-term investments | | |
| (i) Associates | - | - |
| (ii) Others | 18.02 | 17.85 |
| c) Other non-operating income | | |
| (i) Rental and lease income | 101.44 | 98.80 |
| (ii) Agricultural income | 9.65 | 10.89 |
| (iii) Profit on sale of assets (net) | 15.36 | 9.48 |
| (iv) Miscellaneous receipts | 183.00 | 44.01 |
| Total | 392.10 | 218.84 |

Notes forming part of the Consolidated financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--------------------------------------|--|--|
| Note : (i) Interest Income | | |
| Interest on fixed deposit with banks | 32.58 | 7.81 |
| Interest on deposit with TNEB | 32.05 | 30.00 |
| Total - Interest income | 64.63 | 37.81 |

| | | |
|---------------------------------------|------------------|------------------|
| 21a COST OF MATERIALS CONSUMED | | |
| Opening Stock: | 5,519.08 | 4,791.13 |
| Add: Purchases | 49,461.06 | 52,688.25 |
| Less: Closing Stock | 4,225.36 | 5,519.08 |
| Cost of material consumed | 50,754.78 | 51,960.30 |
| Material consumed comprises: | | |
| Steel Strips, Wires, rods, bars | 33,418.06 | 32,975.19 |
| Blanks, 'O' Rings and others | 13,226.37 | 15,390.39 |
| Rubber and Chemicals | 459.16 | 453.20 |
| Packing Materials | 3,651.19 | 3,031.72 |
| Total | 50,754.78 | 51,850.50 |

| | | |
|--------------------------------------|-----------------|-----------------|
| 21b PURCHASE OF TRADED GOODS | | |
| Purchase of light commercial vehicle | 3,738.32 | 4,171.05 |
| Total | 3,738.32 | 4,171.05 |

| | | |
|--|------------------|-------------------|
| 21c CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | |
| Inventories at the end of the year ended | | |
| Finished goods | 6,321.55 | 5,281.53 |
| Work-in-progress | 8,247.21 | 8,239.30 |
| Stock-in-trade | 618.00 | 995.85 |
| Total | 15,186.76 | 14,516.68 |
| Inventories at the beginning of the year ended | | |
| Finished goods | 5,281.53 | 4,512.54 |
| Work-in-progress | 8,239.29 | 7,614.60 |
| Stock-in-trade | 995.85 | 1,254.14 |
| Total | 14,516.67 | 13,381.28 |
| Net (increase)/ decrease | (670.09) | (1,135.39) |

| | | |
|---|------------------|------------------|
| 22 EMPLOYEE BENEFITS EXPENSES | | |
| (a) Salaries and wages | 15,181.16 | 13,070.75 |
| (b) Contribution to provident and other funds | 1,159.92 | 972.06 |
| (c) Staff welfare expenses | 969.06 | 939.51 |
| Total | 17,310.14 | 14,982.32 |

Notes forming part of the Consolidated financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|---|--|--|
| 23 FINANCE COST | | |
| (a) Interest expenses: | | |
| (i) On borrowings: | 1,599.73 | 1,530.87 |
| (b) Other borrowing cost | 189.19 | 239.17 |
| Total | 1,788.92 | 1,770.04 |
| 24 OTHER EXPENSES | | |
| (a) Consumption of stores and spare parts | 9,380.67 | 8,667.89 |
| (b) Processing charges | 6,450.33 | 6,647.72 |
| (c) Power, fuel and lighting | 5,047.07 | 4,543.07 |
| (d) Rent including lease rentals | 624.36 | 659.43 |
| (e) Repairs & maintenance of | | |
| (i) Buildings | 190.00 | 237.41 |
| (ii) Machinery | 2,190.15 | 1,911.19 |
| (iii) Other assets | 896.19 | 847.72 |
| (f) Insurance | 381.02 | 340.13 |
| (g) Rates and taxes | 157.42 | 187.34 |
| (h) Travelling and conveyance | 868.25 | 839.80 |
| (i) Printing and stationery | 76.61 | 86.86 |
| (j) Postage, telegram and telephones | 191.93 | 202.43 |
| (k) Freight, packing & forwarding | 4,329.23 | 3,998.54 |
| (l) Advertisement, publicity and selling expenses | 504.47 | 481.63 |
| (m) Trade discount | 2,840.99 | 1,936.85 |
| (n) Donations | 0.26 | 2.50 |
| (o) Expenditure on Corporate Social Responsibility | 127.65 | 116.41 |
| (p) Legal and professional charges | 191.14 | 205.90 |
| (q) Payment to auditors (Refer note (i) below) | 18.39 | 16.89 |
| (r) Assets condemned & written off | 78.01 | 19.93 |
| (s) Provision for doubtful debts / advances | - | 23.72 |
| (t) Loss on foreign currency transactions and translation | 135.62 | 68.30 |
| (u) Sales-tax, entry tax & octroi | 199.63 | 217.09 |
| (v) Sitting fees | 9.15 | 6.60 |
| (w) Watch and Ward | 599.60 | 516.85 |
| (x) Agricultural expenses | 13.25 | 7.40 |
| (y) Loss on sale of assets | 0.76 | - |
| (z) Miscellaneous expenses | 127.30 | 301.79 |
| (aa) Preliminary expenses written off | 0.19 | 0.19 |
| | 35,629.64 | 33,091.58 |
| Note | | |
| (i) Payment to auditors comprises (net of service tax input credit wherever applicable) | | |
| (a) To Statutory Auditors : | | |
| For statutory audit | 10.89 | 9.89 |
| For taxation matters | 3.50 | 3.00 |
| For certification and other services | 2.50 | 2.50 |
| (b) To cost auditors for cost audit | 1.50 | 1.50 |
| Total | 18.39 | 16.89 |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| 25 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENT | | |
| 25.1 Contingent liabilities and commitments (to the extent not provided for) | | |
| (i) Contingent liabilities: | | |
| (a) Claims against the Company, not acknowledged as debt - disputed tax liability. (Refer note below) | | |
| i. Central Excise | 637.91 | 624.28 |
| ii. Entry Tax | 428.29 | 428.29 |
| iii. Service tax | 183.70 | 10.02 |
| iv. VAT / CST | 423.28 | 434.40 |
| Total | 1,673.18 | 1,496.99 |
| (b) Guarantee given by Bankers and outstanding | 381.25 | 38.36 |
| (c) Corporate guarantee given for others | 2,700.00 | 4,450.00 |
| (d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied. | 1,557.41 | 1,784.97 |

Note : Future Cash outflows in respect of the above matters are determinable only on receipt of Judgements/decisions pending at various forums / authorities.

(ii) Commitments:

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets | 2,535.67 | 7,886.59 |
| 25.2 Details of government grants | | |
| Government grants received by the Company during the year towards Duty drawback and other export incentives | 155.29 | 113.57 |
| Total | 155.29 | 113.57 |

26.1 Employee benefit plans
Defined Contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 727.51 Lakhs (Year ended 31 March, 2015 ₹ 530.20 Lakhs) for Provident Fund contributions and ₹ 8.61 Lakhs (Year ended 31 March, 2015 ₹ 8.49 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.

Notes forming part of the financial statements

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--|--|--|
| Components of employer expenses | | |
| Current service cost | 131.71 | 125.17 |
| Interest cost | 103.23 | 65.84 |
| Expected return on Plan Assets | (136.32) | (116.64) |
| Actuarial (gains) / losses | (1.07) | 37.69 |
| Past service cost | | |
| Total expense recognized in Statement of Profit and Loss* | 97.55 | 112.06 |
| Actual contribution and the benefit payments for the year | | |
| Actual benefit payments | (94.83) | (64.64) |
| Actual contribution | 5.28 | 286.42 |
| Net Asset/(Liability) recognized in the Balance Sheet | | |
| Present value of benefit obligation | 1,540.78 | 1,391.49 |
| Fair value of plan assets | 1,871.67 | 1,814.65 |
| Funded Status [Surplus/(Deficit)] * | 330.89 | 423.16 |
| Unrecognised past service cost | - | - |
| Net Asset/ (Liability) recognized in the Balance Sheet | 330.89 | 423.16 |
| Change in defined benefit obligations(DBO) during the year | | |
| Present value of DBO at beginning of the year | 1391.49 | 877.43 |
| Current service cost | 131.71 | 125.17 |
| Interest cost | 103.23 | 65.84 |
| Actuarial (gain) / loss on obligation | 9.18 | 387.69 |
| Benefits paid | (94.83) | (64.64) |
| Present value of DBO at the end of the year | 1,540.78 | 1,391.49 |
| Change in the Fair Value of assets during the year | | |
| Plan Assets at beginning of the year | 1,814.65 | 1,126.22 |
| Acquisition adjustment | | |
| Expected return on Plan Assets | 136.32 | 116.64 |
| Contributions by the employer | 5.28 | 286.43 |
| Actuarial gain / (loss) | 10.25 | 350.00 |
| Benefits paid | (94.83) | (64.64) |
| Plan Assets at the end of the year | 1,871.67 | 1,814.65 |
| Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets: | | |
| Closing PV of Obligation | 1,540.78 | 1,391.49 |
| Closing FV of Plan Assets | 1,871.67 | 1,814.65 |
| Funded Status [Surplus/(Deficit)] * | 330.89 | 423.16 |

* - Included under the head "Employee Benefits" in Schedule 22

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|--|--|--|
| Composition of the Plan assets is as follows: | | |
| Equity instruments | - | - |
| Debt instruments | - | - |
| Property | - | - |
| Insurer managed asset* | | |

* - The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.

| Particulars | Year ended 31.03.2016 (₹ in lakhs) | Year ended 31.03.2015 (₹ in lakhs) |
|---|--|--|
| Actuarial assumptions | | |
| Discount Rate (per annum) | 7.68% | 7.79% |
| Rate of increase in compensation levels (per annum) | 11.00% | 10.00% |
| Expected return on plan assets (per annum) | 7.68% | 8.00% |

* - Included in "Contribution to Provident & Other Funds"
in Note 22 - Employee Costs

Experience adjustments

| | | | | | |
|---|---------|----------|-------|--------|--------|
| Actuarial (Gains) and Losses on Obligation | 9.18 | 387.69 | 50.78 | 62.00 | 135.34 |
| Actuarial (Gains) and Losses due to change in Assumptions | - | - | - | - | 24.59 |
| Actuarial (Gains) and Losses on Plan assets | (10.25) | (350.00) | 7.73 | (9.52) | (7.89) |
| Total (Gain) / and Losses for the year | (1.07) | 37.69 | 58.51 | 52.48 | 152.04 |
| Actuarial (Gains) and Losses Recognised in the year | (1.07) | 37.69 | 58.51 | 52.48 | 152.04 |
| Unrecognised 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 term of the obligations.

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

Notes forming part of the Consolidated financial statements

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 ₹ 156.12 Lakhs (Year ended 31 March, 2015 ₹ 161.96 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.

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

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

i) Enterprise over which the Company may exercise significant influence

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

ii) Associates

Renold Chain India Private Limited

iii) Key Management Personnel

| | |
|---|--|
| a. Sri. B. Vijayakumar, Chairman & Managing Director | b. Sri. P. Prabakaran, Deputy Managing Director |
|---|--|

iv) Relatives of Key Management Personnel

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

Notes forming part of the Consolidated financial statements

| Nature of transactions | Associates / Others | Key Managerial Personnel | Relatives of Key Managerial Personnel | Total |
|---|---------------------|--------------------------|---------------------------------------|-----------|
| Managerial Remuneration | | | | |
| B. Vijayakumar | - | 223.03 | - | 223.03 |
| | - | (233.63) | - | (233.63) |
| P. Prabakaran | - | 55.69 | - | 55.69 |
| | - | (58.03) | - | (58.03) |
| Loan Receipts (Borrowings) | 1834.00 | 739.25 | 430.00 | 3003.25 |
| | (135.00) | (1305.00) | (1086.00) | (2526.00) |
| Loan Repayment (Borrowings) | 2229.00 | 897.00 | 717.00 | 3843.00 |
| | (185.00) | (1057.25) | (428.00) | (1670.25) |
| Interest Expenses | 66.45 | 57.49 | 82.53 | 206.47 |
| | (39.19) | (55.41) | (37.09) | (131.69) |
| Dividend Receipts | 5.43 | - | - | 5.43 |
| | (0.59) | (-) | (-) | (0.59) |
| Dividend Payments | 121.26 | 220.65 | 289.36 | 631.27 |
| | (89.11) | (168.00) | (243.83) | (491.94) |
| Rent Income | 62.62 | - | - | 62.62 |
| | (76.67) | (-) | (-) | (76.67) |
| Rent / Lease Expenses | 12.74 | - | - | 12.74 |
| | (16.67) | (-) | (-) | (16.67) |
| Purchase of Materials, Spares & power | 978.63 | - | - | 979.83 |
| | (2318.76) | (-) | (-) | (2318.76) |
| Processing/Conversion Cgs Payment | 209.65 | - | - | 209.65 |
| | (44.50) | (-) | (-) | (44.50) |
| Sale of Materials, Stores and Service Charges | 1094.77 | - | - | 1094.77 |
| | (1533.20) | (-) | (-) | (1533.20) |
| Processing charges Receipts | 71.82 | - | - | 71.82 |
| | (58.31) | (-) | (-) | (58.31) |
| Sale of Fixed Assets | 5.25 | - | - | 5.25 |
| | (10.87) | (-) | (-) | (10.87) |
| Purchase of Fixed Assets | 260.12 | - | - | 260.12 |
| | (325.27) | (-) | (-) | (325.27) |
| Balance outstanding at the end of the year | | | | |
| Receivable balance | 199.82 | - | - | 199.82 |
| | (230.93) | (-) | (-) | (230.93) |
| Payable balance | 74.43 | - | - | 74.43 |
| | (185.57) | (-) | (-) | (185.57) |
| Unsecured borrowings balance | 10.00 | 276.00 | 425.00 | 711.00 |
| | (405.00) | (433.75) | (712.00) | (1550.75) |

- Note** : 1) Figures in bracket relate to the previous year
2) None of the balances due to or receivable from related parties has been adjusted for written-off during this period.

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| LOAN RECEIPTS: | | |
| Associates/Others: | | |
| Tribe Investments & Services (P) Limited | 500.00 | - |
| LG Sports Limited | 810.00 | - |
| L.G.B.Auto Products Private Limited | 312.00 | - |
| Key managerial personnel: | | |
| Sri.B.Vijayakumar | 739.25 | 1,305.00 |
| Relatives of key managerial personnel: | | |
| Sri.V.Rajvirdhan | 200.00 | 410.00 |
| Smt.V.Rajsri | 131.00 | - |
| Minor.Vidhur Narayanan Rajiv | 61.00 | - |
| LOAN REPAYMENT: | | |
| Associates: | | |
| Tribe Investments & Services (P) Limited | 550.00 | - |
| LG Sports Limited | 472.00 | - |
| L.G.B.Auto Products Private Limited | 810.00 | - |
| Key managerial personnel: | | |
| Sri.B.Vijayakumar | 897.00 | 1,057.25 |
| Relatives of key managerial personnel: | | |
| Sri.V.Rajvirdhan | 126.00 | 215.00 |
| Smt.V.Rajsri | 41.00 | 213.00 |
| Minor.Vidhur Narayanan Rajiv | 275.00 | - |
| Minor.Samridhi Andal Rajiv | 275.00 | - |
| Interest expense: | | |
| Associates/Others: | | |
| Elgi Automotive Services Private Limited | 19.42 | 14.85 |
| LG Sports Limited | 31.34 | - |
| Key managerial personnel: | | |
| Sri.B.Vijayakumar | 57.48 | 55.41 |
| Relatives of key managerial personnel: | | |
| Sri.V.Rajvirdhan | 30.24 | 15.61 |
| Smt.V.Rajsri | 12.33 | - |
| Minor.Vidhur Narayanan Rajiv | 19.15 | - |
| Minor.Samridhi Andal Rajiv | 20.81 | - |
| DIVIDEND PAYMENT: | | |
| Associates/Others: | | |
| L.G.B.Auto Products Limited | - | 50.92 |
| Key managerial personnel: | | |
| Sri.B.Vijayakumar | 220.62 | 167.97 |
| Relatives of key managerial personnel: | | |
| Sri.V.Rajvirdhan | 193.48 | 73.00 |
| Smt.V.Rajsri | 95.88 | 147.31 |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|---|-------------------------------------|-------------------------------------|
| PURCHASE OF FIXED ASSETS: | | |
| Associates/Others: | | |
| L.G.B. Auto Products Private Limited | 26.77 | - |
| LGB.Forge Limited | 217.80 | 324.02 |
| RENT INCOME | | |
| Associates/Others: | | |
| LGB Forge Limited | 42.38 | 49.03 |
| RENT /LEASE PAYMENT | | |
| Associates/Others: | | |
| South Western Engineering India Limited | 12.74 | 11.76 |
| PURCHASE OF MATERIAL, SPARES & POWER | | |
| Associates/Others: | | |
| Renold Chain India Private Limited | 278.21 | 1655.08 |
| L.G. Balakrishnan & Bros, Karur | 73.88 | - |
| LGB Forge Limited | 590.09 | 282.07 |
| PROCESSING/CONVERSION CHARGES PAYMENT | | |
| Associates/Others: | | |
| South West Engineering (P) Limited | 164.82 | - |
| Silent Chain India (P) Limited | 44.83 | 44.50 |
| PROCESSING RECEIPTS | | |
| Associates/Others: | | |
| LGB Forge Limited | 71.82 | 56.99 |
| SALE OF MATERIAL, STORES AND SERVICE CHARGES | | |
| Associates/Others: | | |
| Renold Chain India Private Limited | 883.73 | 1404.71 |
| LGB Forge Limited | 186.52 | - |

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|------------------------------------|-------------------------------------|-------------------------------------|
| 26.3. SEGMENT REPORTING | | |
| Primary Segment Information | | |
| (Business Segments): | | |
| A. Segment Revenue: | | |
| Transmission | 85,946.76 | 79,977.88 |
| Metal Forming | 18,090.67 | 18,459.69 |
| Others | 16,492.90 | 18,860.61 |
| Total | 120,530.33 | 117,298.18 |
| B. Segment Results: | | |
| Transmission | 6,880.94 | 7,784.70 |
| Metal Forming | 1,814.47 | 2,329.15 |
| Others | 871.21 | 386.62 |
| Total | 9566.62 | 10,500.47 |
| Unallocated corporate expenses | | |
| Interest Expenses | 1,788.92 | 1,770.04 |
| Net of unallocated income | - | 660.80 |
| Profit before tax | 7,777.70 | 9,391.23 |
| Provision for taxation | 1,291.63 | 2,048.83 |
| Profit after tax | 6,486.07 | 7,342.40 |

C. Other Information:

| Particulars | As at 31.03.2016 | | | | |
|---------------|------------------|---------------------|---------------------|--------------|---|
| | Segment Assets | Segment Liabilities | Capital Expenditure | Depreciation | Non-cash expenditure excluding depreciation |
| Transmission | 45882.82 | 15974.69 | 7544.17 | 2518.86 | 59.40 |
| | (39956.08) | (14827.80) | (8159.65) | (1690.82) | (30.35) |
| Metal Forming | 22355.82 | 5052.56 | 1432.62 | 1565.72 | (12.21) |
| | (20865.41) | (3881.11) | (702.12) | (1669.80) | (33.53) |
| Others | 15431.76 | 2186.78 | 2120.49 | 508.44 | 2.00 |
| | (8990.32) | (3446.24) | (413.75) | (373.06) | (2.60) |
| Unallocated | 2349.66 | 21176.32 | - | - | - |
| | (3722.50) | (16284.37) | (-) | (-) | (-) |

Note: Components of business segments are as under:

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

Notes forming part of the Consolidated financial statements

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| A. Secondary Segment Information (Geographical Segment) | | |
| 1) Segment Revenue: | | |
| Within India | 100,731.91 | 95,054.34 |
| Outside India | 19,798.42 | 22,243.84 |
| Total | 120,530.33 | 117,298.18 |
| 2) Segment Assets: | | |
| Within India | 76,885.98 | 70,320.98 |
| Outside India | 9,134.08 | 10,246.20 |
| Total | 86,020.06 | 80,567.18 |
| 3) Capital Expenditure: | | |
| Within India | 11,097.27 | 10,358.91 |
| Outside India | - | - |
| Total Capital Expenditure | 11,097.27 | 10,358.91 |
| 26.4 Details of leasing arrangements | | |
| As Lessor | | |
| 26.4.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 | 101.44 | 98.80 |
| As Lessee | | |
| 26.4.b The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and may be renewed based on mutual agreement of the parties. | | |
| Future minimum lease payments | | |
| not later than one year | 138.57 | 198.83 |
| later than one year and not later than five years | 146.27 | 34.85 |
| later than five years | - | - |
| Lease payments recognized in the Statement of Profit and Loss | 624.36 | 659.43 |
| 26.5 Earnings per share | | |
| Basic & Diluted: | | |
| Continuing operations: | | |
| Net profit after tax from continuing operations - (₹ in lakhs) | 6,349.65 | 7,121.27 |
| Profit attributable to Equity Shareholders - (₹ in lakhs) (A) | 6,349.65 | 7,121.27 |
| Total number of Equity Shares outstanding at Balance Sheet date. | 15,696,208 | 15,696,208 |
| Weighted average number of Equity Shares outstanding, considered for the purpose of computing Basic EPS (B) | 15,696,208 | 15,696,208 |
| Nominal value of Equity Shares - in ₹ | 10 | 10 |
| Basic and Diluted Earnings Per Share-in ₹ (A/B) | 40.45 | 45.37 |

Notes forming part of the Consolidated financial statements
26.6 Deferred tax liability/Asset:

| Particulars | As at 31.03.2016 (₹ in lakhs) | As at 31.03.2015 (₹ in lakhs) |
|--|-------------------------------------|-------------------------------------|
| Tax effect of items constituting deferred tax Liability: | | |
| On difference between book balance and tax balance of fixed assets | 1,962.29 | 1,721.00 |
| On account of provision for doubtful debts | (39.96) | - |
| Total Deferred Tax Liability | 1,922.33 | 1,721.00 |
| Tax effect of items constituting deferred tax Asset: | | |
| On difference between book balance and tax balance of fixed assets | 73.04 | 69.66 |

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

For and on behalf of Board of Directors
B. VIJAYAKUMAR

Chairman cum Managing Director

DIN: 00015583

P. PRABAKARAN

Deputy Managing Director

DIN : 01709564

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

Coimbatore

30.04.2016

Consolidated Cash Flow Statement for the year ended 31.03.2016

| PARTICULARS | 31.03.2016 (₹ in Lakhs) | 31.03.2015 (₹ in Lakhs) |
|--|----------------------------|----------------------------|
| A. Cash flow from operating activities | | |
| Net Profit before Tax | 7,777.70 | 9,391.23 |
| Adjustments for | | |
| Depreciation and amortization expense | 4,593.02 | 3,946.69 |
| Asset Condemned and written off | 78.01 | 19.93 |
| Profit on sale of assets | (14.60) | (670.28) |
| Finance costs | 1,788.92 | 1,770.04 |
| Interest income | (64.63) | (37.81) |
| Dividend income | (18.02) | (17.85) |
| Provision for doubtful trade receivables | - | 23.72 |
| Preliminary expenses | 0.19 | 0.19 |
| Net unrealised foreign exchange loss | 50.51 | 49.81 |
| Operating profit before working capital changes | 14,191.10 | 14,475.67 |
| Changes in Working Capital | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | |
| Inventories | 266.55 | (2,302.22) |
| Trade Receivables | (573.21) | (132.40) |
| Short term Loans and advances | (658.12) | (936.19) |
| Long term Loans and advances | (172.27) | (172.40) |
| Other Current Assets excluding Advance Tax | (439.04) | - |
| Other Non- current assets | 2.35 | 2.36 |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | |
| Trade Payables | 590.71 | 3697.10 |
| Other current Liabilities | 314.11 | (2,798.79) |
| Other non-current Liabilities | 14.17 | - |
| Cash generated from operations | 13,536.35 | 12,177.93 |
| Income tax paid, net of refunds received | (1,738.77) | (1,990.74) |
| Net Cash from operating activities (A) | 11,797.58 | 10,187.19 |
| B. Cash flow from Investing activities | | |
| Capital Expenditure including Capital advances | (8,405.67) | (10,476.99) |
| Proceeds from sale of fixed assets | 48.22 | 778.03 |
| Purchase of Investments | (91.23) | (57.05) |
| Bank balances not considered as Cash and cash equivalents | | |
| Fixed Deposit with banks matures more than 3 months | (291.99) | 1.13 |
| Dividend received | | |
| from associates | 5.43 | 5.43 |
| from others | 12.59 | 12.42 |
| Interest received | | |
| from others | 60.75 | 37.03 |
| Net cash used in Investing activities (B) | (8,661.90) | (9,700.00) |

Consolidated Cash Flow Statement for the year ended 31.03.2016

| PARTICULARS | 31.03.2016 (₹ in Lakhs) | 31.03.2015 (₹ in Lakhs) |
|---|----------------------------|----------------------------|
| C. Cash flow from financing activities | | |
| Proceeds of Long Term Borrowings | 4,385.45 | 5,000.00 |
| Repayment of Long Term Borrowings | (2,950.71) | (1,768.55) |
| Proceeds of Short Term Borrowings | (1,368.06) | (536.36) |
| Interest paid | (1,760.97) | (1,851.92) |
| Dividend paid, including Divident Distribution Tax | (1,662.47) | (1,245.45) |
| Net cash used in financing activities (C) | (3,356.75) | (402.28) |
| Net decrease in cash and cash equivalents (A) + (B) + (C) | (221.07) | 84.91 |
| Cash and Cash Equivalents at the beginning of the year | 634.37 | 549.46 |
| Cash and Cash Equivalents at the end of the year | 413.30 | 634.37 |
| Reconciliation of Cash and cash equivalent with the Balance Sheet | | |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | |
| comprises | | |
| (a) Cash- on- Hand | 190.67 | 46.31 |
| (b) Cheque and Demand Drafts on Hand | - | - |
| (c) Balances with Banks | | |
| (i) In Current Account | 34.22 | 334.54 |
| (ii) In Collection Account | 188.41 | 241.52 |
| (iii) In Deposit Account | - | 12.00 |
| | 413.30 | 634.37 |

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
30.04.2016

For and on behalf of Board of Directors

B. VIJAYAKUMAR
Chairman cum Managing Director
DIN: 00015583

M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary

P. PRABAKARAN
Deputy Managing Director
DIN : 01709564

N. RENGARAJ
Chief Financial Officer

Information regarding Subsidiary Companies

Statement pursuant to general exemption received under Section 129(3) of the Companies Act, 2013 relating to Subsidiary Companies

| Name of the Subsidiary Company | | BCW V Tech India Private Limited | LGB USA INC & its Subsidiaries |
|---|-------------------------------------|----------------------------------|--------------------------------|
| Currency | | INR | USD |
| Share Capital | Foreign Currency Indian Currency | 499.99 | 32.90 2,084.05 |
| Reserves & surplus | Foreign Currency Indian Currency | 143.45 | 38.86 2,483.17 |
| Total Liabilities | Foreign Currency Indian Currency | 681.48 | 61.30 3,936.57 |
| Total Assets | Foreign Currency Indian Currency | 1,324.92 | 133.06 8,503.79 |
| Investments (Excl'd. Investment in Sudidiaries) | Foreign Currency Indian Currency | NIL NIL | NIL NIL |
| Turnover and other income | Foreign Currency Indian Currency | 1,176.64 | 162.42 10,419.07 |
| Profit / (Loss) before Taxation | Foreign Currency | | 12.15 |
| Provision for Tax (Incl. Deferred Tax) | Indian Currency Foreign Currency | (82.52) | 822.88 Nil |
| Profit / (Loss) after Taxation | Indian Currency Foreign Currency | (0.35) | Nil 12.15 |
| Proposed Dividend | Indian Currency Foreign Currency | (82.17) | 822.88 NIL |
| % of share holding | Indian Currency | Nil 100 | Nil 77.01 |

* LGB USA INC. figures presented along with Subsidiaries

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III of the Companies Act, 2013.

| Name of the entity in the share of profit or loss Information | Net assets, ie., total assets minus total liabilities | | | |
|---|---|-------------------|-------------------------------------|-------------------|
| | As % of condolidated net assets | Amount ₹ in lakhs | As % of consolidated Profit or Loss | Amount ₹ in lakhs |
| L.G. Balakrishnan & Bros Limited | 92% | 39,708 | 85% | 5,413 |
| Subsidiaries | | | | |
| Indian : | | | | |
| BCW Tech Private Limited | 0.31% | 132 | (1%) | (82) |
| Foreign : | | | | |
| 1. LGB USA INC. * | 4.08% | 1,761 | 12% | 791 |
| 2. Minority Interest in all Subsidiaries | 3.54% | 1,531 | 4% | 228 |
| Associate Indian | | | | |
| Renold Chain India Private Limited | 0.07% | 30 | - | - |
| Total | 100% | 43,162 | 100% | 6,350 |

* LGB USA Inc. figures presented along with Subsidiaries

ATTENDANCE SLIP**L.G. BALAKRISHNAN & BROS LIMITED**

CIN : L29191TZ1956PLC000257

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

Email: info@lgb.co.in, Website: www.lgb.co.in

Phone: 0422 2532325, Fax: 0422 2532333

60th ANNUAL GENERAL MEETING

| | |
|-----------|---------------|
| DP ID | Folio No. |
| Client ID | No. of Shares |

| |
|--------------------|
| Name of the Member |
|--------------------|

| |
|-------------------|
| Name of the Proxy |
|-------------------|

I hereby record my presence at the 60th **ANNUAL GENERAL MEETING** of the Company held on **Thursday, July 14th, 2016 at 10.30 A.M.** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for FY 2015-16 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

**E-VOTING PARTICULARS**

| EVS (Electronic Voting Sequence Number) | USED ID | PASSWORD* |
|--|-----------------------|---|
| 1606016008 | Folio No. / Client ID | PAN Number / Bank Account No / Date of Birth |

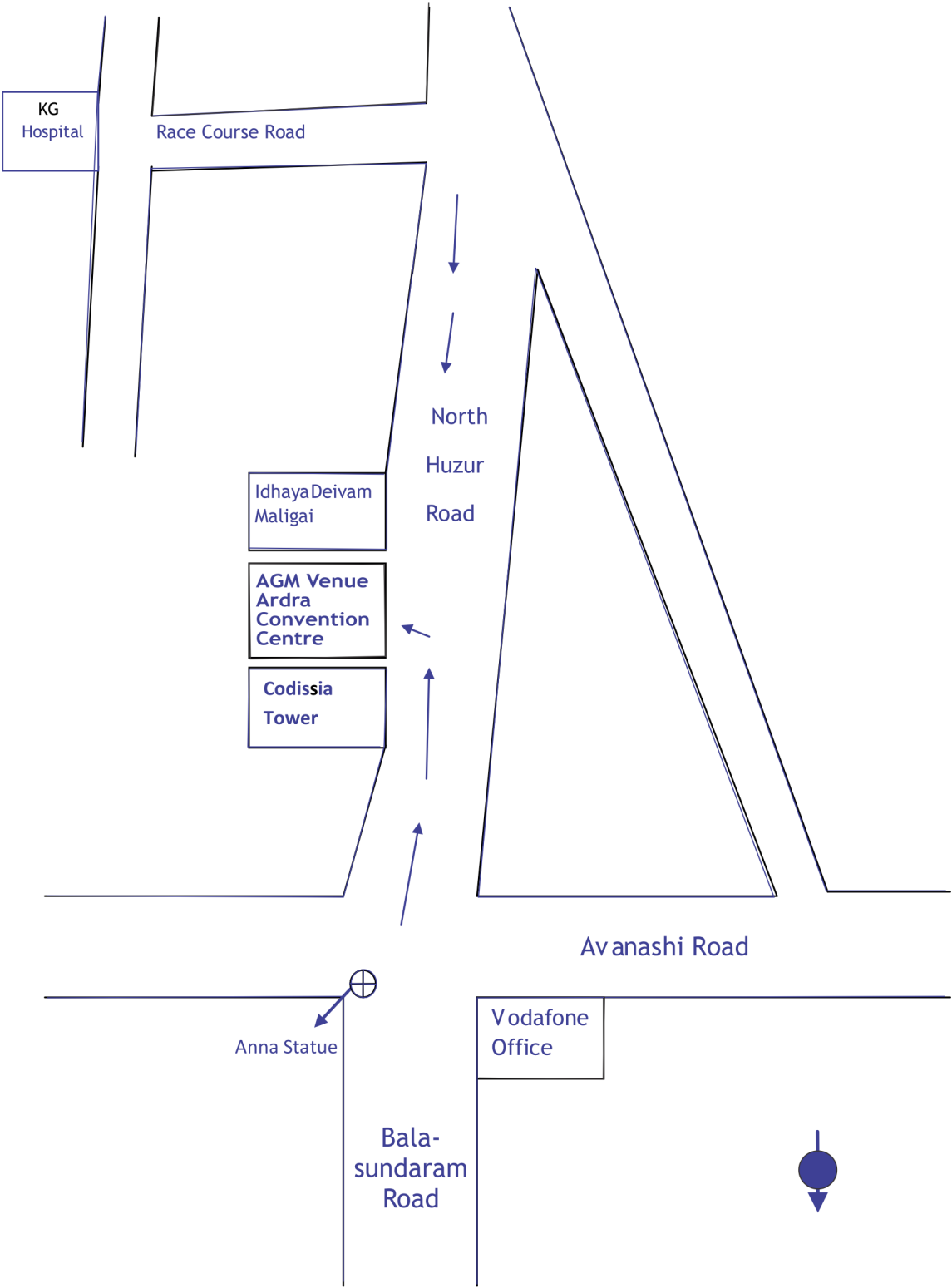
* Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting.

The e-voting facility will be available during the following voting period:

| Commencement of e-voting | End of e-voting |
|---|--|
| Monday, 11th July, 2016 (from 9.00 A.M) | Wednesday, 13th July, 2016 (upto 5.00 P.M) |

Note : Please refer the details and instructions form integral part of the Notice for the Annual General Meeting.

Route map of AGM Venue



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



L.G. BALAKRISHNAN & BROS LIMITED



CIN : L29191TZ1956PLC000257

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

Email: info@lgb.co.in, Website: www.lgb.co.in

Phone: 0422 2532325, Fax: 0422 2532333

60th ANNUAL GENERAL MEETING 14th July, 2016

Name of the member(s):

Registered address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We being the member(s) of _____ shares of L.G. Balakrishnan & Bros Limited, hereby appoint:

1) Name:..... Address.....

Email ID.....Signature.....or failing him;

2) Name:..... Address.....

Email ID.....Signature.....or failing him;

3) Name:..... Address.....

Email ID.....Signature.....or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 60th Annual General Meeting of the Company, to be held on **Thursday, July 14, 2016 at 10.30 A.M** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.

| S.No | Resolutions |
|--------------------------|---|
| Ordinary Business | |
| 1 | To receive, consider and adopt the Audited Financial Statements of the Company along with Consolidated Financial Statements for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon. |
| 2 | To confirm the Interim Dividend already paid and declare Final Dividend on the Equity Shares for the financial year ended 31 st March, 2016. |
| 3 | To appoint a Director in place of Sri. V. Rajvirdhan (DIN 00156787, who retires by rotation and being eligible, seeks re-appointment. |
| 4 | To appoint a Director in place of Sri.S. Sivakumar (DIN 00016040), who retires by rotation and being eligible, seeks re-appointment. |
| 5 | Appointment of Statutory Auditor |
| 6 | Re appointment of Deputy Managing Director |
| 7 | Appointment of Cost Auditor |

Signed this day of 2016

Affix
Revenue
Stamp not
less than
₹ 1/-

Signature of Shareholder

Notes

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 60th Annual General Meeting

To

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

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

1. Particulars of the shareholder

a) Regd. Folio No. :

b) Name of the first Regd.
Holder (in block letters) :

2. Particulars of the Bank

a) Name of the Bank :

b) Address of the Branch :

:

c) Account No. :
(As appearing in the cheque book)

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

| Please Tick relevant box | | |
|--------------------------|---------|-------------|
| SAVINGS | CURRENT | CASH CREDIT |

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

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DECLARATION

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

(Signature of the first Regd. holder)

(Signature of the second holder)

Place : Name :

Date : Address :

.....Pincode

Phone :

Email:.....

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



To (Your Depository Participant)

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

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

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

Please Tick relevant box

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

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DECLARATION

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

(Signature of the First (regd.) holder)

Place :

Date :

Phone :

Email:.....

Note : Please send this form to your Depository participant.



[illegible]

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

If Undelivered Please Return to :



L.G. BALAKRISHNAN & BROS LIMITED

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

Tel : 0422 - 2532325, Fax : 0422 - 2532333

CIN : L29191TZ1956PLC000257

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