



L.G. BALAKRISHNAN & BROS LIMITED

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

LGB/SEC/STK-2022

18.08.2022

Dear Sirs,

Sub: Business Responsibility Report – Disclosure under Reg 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: SEBI Circulars dated May 5, 2021 and May 10, 2021

The Company has, as a matter of good governance, voluntarily adopted the Business Responsibility Report for the financial year ended March 31, 2022, which forms part of the Annual Report FY 2021-22.

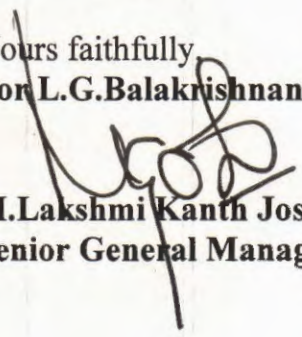
The same is also being made available on the website of the Company at <https://www.lgb.co.in>

Kindly take the same on record

Thanking You,

Yours faithfully,

For L.G.Balakrishnan & Bros Limited


M.Lakshmi Kanth Joshi

Senior General Manager (Legal) and Company Secretary

BUSINESS RESPONSIBILITY REPORT

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

Section A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L29191TZ1956PLC000257	
2	Name of the Company	L.G. Balakrishnan & Bros Limited	
3	Registered address	6/16/13 Krishnarayapuram road, Ganapathy Post, Coimbatore 641 006	
4	Website	https://www.lgb.co.in	
5	E-mail id	info@lgb.co.in	
6	Financial Year reported	March 31, 2022	
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code of product/service	
		Transmission	2814
		Metal Forming	2592
		Description: Manufacturing of Auto Components	
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Transmission Segment, Metal forming and allied Machining Segment, Rubber Belts and its accessories.	
9	Total number of locations where business activity is undertaken by the Company	International: The Company has one subsidiary and two stepdown overseas subsidiaries in United States of America National: The Company has 23 manufacturing facilities. For More Details, Please refer to Annual Report 2021-2022 Page No. 71 under the heading, Plant’s Location.	
10	Markets served by the Company - Local / State / National / International	The Company serves both internationally as well as domestic market with foothold and presence in more than 10 countries through either sales or alliance	

Section B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 313,924,160
2	Total Turnover	₹ 201,771.53 Lakhs
3	Total profit after taxes	₹ 23,911.04
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.20%
5	List of activities in which expenditure in 4 above has been incurred	Refer Annexure C to Director Report.

Section C: OTHER DETAILS

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

Section D: BR INFORMATION
1. Details of Director/Directors responsible for BR
a. Details of the Director responsible for the implementation of BR policy/policies

DIN Number	01709564
Name	P Prabakaran
Designation	Managing Director

b) Details of the BR Head:

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

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

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

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

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

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

3. Governance related to BR

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

Annually.

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

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

Section E: PRINCIPLE WISE PERFORMANCE

Principle 1 - Ethics, Transparency & Accountability Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors /NGOs / Others?	The Company believes in upholding the values of transparency, accountability and good governance. Apart from the Business Responsibility Policy, the Company has Code of Conduct' (inter alia covering Anti-Bribery and Anti-Corruption Directives) and an effective vigil mechanism and Whistle Blower Policy. The policies, rules and guidelines in the Code of Conduct apply to all employees / associates, including contractual employees of the Company and its subsidiaries. The Company also encourages its Suppliers / Contractors / Others to practice the same in a fair manner.
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints received.

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	Timing Chains, Drive Chains and Sprockets..
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	Enhancement of Machinery Efficiency resulting in savings in RM usage and consumption of Power. Pollution Control initiatives aimed at reduction of Carbon footprint are Product design with lesser use of parts and no castings. Avoidance of Polluting paints/surface coating
(a) Reduction during sourcing / production/ distribution achieved since the previous year throughout the value chain?	We have reduced as per our annual plan.
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Majority of Company's inputs by value are sourced from suppliers who adhere to sustainable sourcing principles. The suppliers include market leaders in India and overseas with an impressive track record.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes Preference shown to MSME's
5 Does the company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	We have a mechanism to recycle scrap/waste. Almost 100% of the scrap is recycled since the product are made from it, it is easy for the use to sell it as scrap to vendors.

Principle 3 Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees	2274
2. Please indicate the Total number of employees hired on temporary /contractual/ casual basis.	8749 (including trainees)
3. Please indicate the Number of permanent women employees.	80
4. Please indicate the Number of permanent employees with disabilities	5

5. Do you have an employee association that is recognized by management	Yes
6. What percentage of your permanent employees is members of this recognized employee association?	100%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
1. Child Labour / forced labour / involuntary labour	NIL
2. Sexual Harassment	NIL
3. Discriminatory employment	NIL
4. No of Complaints filed during the financial year	NIL
5. No of Complaints pending as on end of the financial year	NIL
8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?	
(a) Permanent Employees	Workman 100% Staff 100%
(b) Permanent Women Employees	100%
(c) Employees with Disabilities	100%
Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	
1. Has the company mapped its internal and external stakeholders? Yes/No	Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>At LGB, our broader objective is to contribute to the well-being of the communities and society. The Company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities around its manufacturing locations and focusing on key areas like promoting education amongst Children in rural areas, promoting health care including preventive health care and sanitation and Disaster Management and contributing its CSR funds towards combating COVID Pandemic.</p> <p>The detailed report on the same is mentioned in Annexure C to our Annual Report.</p>

Principle 5 Human Rights Businesses should respect and promote human rights	
1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures /Suppliers /Contractors/NGOs/ Others?	Yes, through LGB Code of Conduct.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any Stakeholders complaints during the Financial Year 2021-2022 under this principle.
Principle 6 Business should respect, protect, and make efforts to restore the environment	
1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers /Contractors/NGOs/others	Yes. The policy extends to the Group/Suppliers/ Contractors/others
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If Yes, please give hyperlink for webpage etc	Yes. We have initiatives in our Environmental Policy.
3. Does the company identify and assess potential environmental risks? Y/N	Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company currently does not have any projects related to Clean Development Mechanism.
5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If Yes, please give hyperlink for web page etc.	The Company continuously endeavour to use the latest energy efficient technologies to ensure optimal utilisation of the resources without having to compromise with the quality of its products. The Company has in place an Environment Management Systems (EMS) which deals with preventing, mitigating and controlling environmental damages and disasters and also devises plans to deal with contingencies
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	All Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year & are being reported accordingly.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	
1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	<p>The Company is a member of many trade/chamber/associations. Some of them are</p> <ol style="list-style-type: none"> 1. Confederation of Indian Industry 2. Federation of Indian Chamber of Commerce and Industry. 3. Federation of Indian Export Organisation 4. Indian Chamber of Commerce and Industry. 5. Indian Machine Tools Manufactures Association. 6. Indian Wind power Associations 7. International Auto Manufacture Federation. 8. Indo America Chamber of Commerce 9. Indo German Chamber of Commerce 10. Indo Srilanka Chamber of Commerce
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if Yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes Wherever necessary.
Principle 8 Businesses should support inclusive growth and equitable development	
1. Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If Yes details thereof	Yes. For more details on our CSR Initiatives, please refer Annexure C to the Directors' Report.
2. Are the programmes / projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?	The Company's Social Responsibility projects are implemented through an Internal Team headed by CMD as well as Intermediaries.
3. Have you done any impact assessment of your initiative?	The Company reviews outcomes of the various interventions on a continuous basis and monitors gains to the community arising out of all its CSR activities. Feedback is sought from beneficiaries and partners.
4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?	Refer Annual Report Page no 44

<p>5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</p>	<p>Community participation is an integral part of all our social projects. The Company's initiatives are based on critical and felt needs of the community and the focus of the CSR policy is on health, education, and environment. Consultations are undertaken with the community, gram panchayats and other local bodies to understand the need. This ensures active participation by the community, and efforts are also put in to ensure that the development initiatives are successfully adopted by the community.</p> <p>In FY 2021-22, the community development initiatives were focused on COVID-19 pandemic relief and benefitted numerous beneficiaries.</p>
<p>Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner</p>	
<p>1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.</p>	<p>There were no customer complaints / consumer cases pending as at the end of Financial Year 2021-22.</p>
<p>2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)</p>	<p>Yes. The Company adheres to all the applicable statutory laws regarding product labelling and displays relevant information on product label.</p>
<p>3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.</p>	<p>There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company during the last five years and as at the end of Financial Year 2021-22.</p>
<p>4. Did your company carry out any consumer survey/ consumer satisfaction trends?</p>	<p>Yes. Customer satisfaction surveys are being conducted frequently for betterment of the products, feedback and improving delivering mechanism.</p>