



LGB FORGE LIMITED

Admin Office : 8/1238, Trichy Road,
Coimbatore - 641 018.
Tel : 0422 4951884

BSE Limited Phiroze Jeejeeboy Towers Dalal Street Mumbai 400 001 Script Code: 533007	The National Stock Exchange Of India Ltd "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai 400 051 Symbol: LGBFORGE
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LGBFORGE/SECRETARIAL/EXCHANGE

September 06, 2021

Dear Sirs,

Sub: Submission of Annual Report for the financial year 31.03.2021

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report along with the Notice of 15th Annual General Meeting of the Company and other Statutory Reports for the Financial Year 2020-21, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/Depositories.

The same is also available on the website of the Company www.lgbforge.com

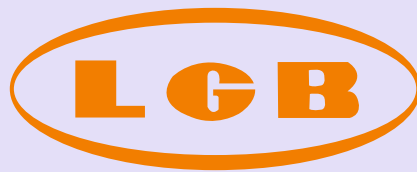
Kindly take the same on record.

Thanking You,

Yours faithfully,
For LGB Forge Limited

R. Ravi
Company Secretary & Compliance Officer
ACS No: 23125

LGB FORGE LIMITED



**15th
ANNUAL REPORT
2020 - 2021**

Corporate Information

BOARD OF DIRECTORS

Sri. B. Vijayakumar
Chairman

Sri. V. Rajvirdhan
Managing Director

Sri. K.N.V. Ramani

Sri. P. Shanmugasundaram

Sri. P.V. Ramakrishnan

Ms. Aishwarya Rao

CHIEF FINANCIAL OFFICER

Sri. R. Vinothkumar

COMPANY SECRETARY

Sri. R. Ravi

BANKERS & FINANCIAL INSTITUTIONS

Axis Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Bajaj Finance Limited

STATUTORY AUDITORS

M/s. N.R. Doraiswami & Co
Chartered Accountants
No.48, "MANCHILLU"
Race Course, Coimbatore - 641018.
Phone No. 0422 - 2223780
Mail: nrdoff@gmail.com

SECRETARIAL AUDITORS

M/s. P. Eswaramoorthy, Company Secretaries
No.44 & 44/1, 5th Street, Ramalinga Jothi Nagar,
Near Corporation Office, Nanjundapuram Road,
Ramanathapuram, Coimbatore-641045
Phone No. 0422- 2322333

REGISTRAR AND SHARE TRANSFER AGENTS

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

LISTED - STOCK EXCHANGES

BSE Ltd.

National Stock Exchange of India Ltd.

REGISTERED OFFICE

6/16/13, Krishnarayapuram Road,
Ganapathy, Coimbatore - 641 006.
CIN : L27310TZ2006PLC012830
Email : secretarial@lgbforge.com
Website: www.lgbforge.com
Phone: 0422 2532325 Fax: 0422 2532333

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15th ANNUAL GENERAL MEETING

Date : 30th September, 2021
Day : Thursday
Time : 03.30 P.M. (IST)

NOTICE OF 15th ANNUAL GENERAL MEETING

Notice is hereby given that the 15th (Fifteenth) Annual General Meeting (“AGM”) of the Members of the Company will be held on 30th September, 2021, Thursday at 03:30 P.M. (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the in-person presence of members at a common venue to transact the following businesses:

AGENDA**Ordinary business**

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto.
2. To appoint a Director in the place of Sri V. Rajvirdhan (DIN: 00156787), who retires by rotation and being eligible, seeks re-appointment.

Special business

3. To consider and to pass the following resolution as Special Resolution

RESOLVED THAT pursuant to the provisions of Sections 196,197,203 and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time or any other law for the time being in force (including any statutory modifications or amendment thereto or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded for the re-appointment of Sri V Rajvirdhan (DIN: 00156787) as Managing Director, of the Company for a further period of 3 (Three) years with effect from January 29th, 2021 to January 28th, 2024, and he shall have the right to manage the day-to-day business affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company”.

RESOLVED FURTHER THAT Pursuant to the provisions of Section 197 read with Part I and Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company, recommendation of the Nomination and Remuneration Committee and Audit Committee be and is hereby given for remuneration of Mr. V. Rajvirdhan (DIN: 00156787) as Rs.3,00,000/- p.m (Rupees Three Lakhs per month).

RESOLVED FURTHER THAT the Board of Directors be and hereby authorised to change the terms of payment of the remuneration (including monetary values) within the limit approved by the Shareholders.

RESOLVED FURTHER THAT Sri V Rajvirdhan shall have the right to exercise such powers of Management of the Company as may be delegated to him by the Board of Directors, from time to time”.

Brief particulars of the terms appointment of and remuneration payable to Sri V Rajvirdhan are as under:

Sl. No	Particulars
A	Remuneration: Rs.3,00,000/- p.m (Rupees Three lakhs per month)
B	The Managing Director shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.
C	The Managing Director shall act in accordance with the Articles of Association, of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors
D	The Managing Director shall adhere to the Company’s Code of Conduct for Directors and Senior Management Personnel

E	Mr. V Rajvirdhan satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196 (3) of the Act for being eligible for his Appointment.
F	He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.
Item No.3

The Board of Directors of the Company at its meeting held on 12th November 2020 has appointed Sri. V. Rajvirdhan as Managing Director of the Company subject to the approval of Shareholders for a period of 3 years w.e.f. 29.01.2021 at the remuneration of Rs.3,00,000/- p.m (Rupees Three Lakhs per month) in accordance with norms laid down in Schedule V and other applicable provisions if any of the Companies Act, 2013.

The Board recommends this resolution set out in Item No.3 for approval of the members. None of the Directors except Sri. B. Vijayakumar & Sri. V. Rajvirdhan are concerned or interested in this resolution. This may be treated as an abstract of variation pursuant to Section 190 of the Companies Act, 2013.

NOTES:

1. The Explanatory Statement pursuant to the provisions of section 102 of the Companies Act, 2013 (“the Act”), and the and the Secretarial Standards on General Meetings (SS-2), in respect of the businesses under Item No. 3 of the Notice is annexed hereto. The Board of Directors (“the Board”) have considered and decided to include Item No. 3 given above as special business in the Fifteenth Annual General Meeting (“AGM”), as they are unavoidable in nature.
2. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 (“MCA Circulars for General Meetings”) and SEBI vide its circulars dated May 12, 2020 and January 15, 2021 (“SEBI Circulars for General Meetings”), permitted the holding of the General

Meetings through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), MCA Circulars for General Meetings and SEBI Circulars for General Meetings, the AGM of the Company is being held through VC / OAVM.

As the AGM is being held pursuant to the MCA Circulars for General Meeting and SEBI Circulars for General Meetings through VC / OAVM, the facility to appoint proxy will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, a Body Corporate is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

3. Institutional /Corporate members (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy of (PDF / JPG format) its Board or governing body Resolution / Authorization etc. authorizing the representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to Sri. P. Eswaramoorthy of M/s. P. Eswaramoorthy and Company, Company Secretaries the Scrutinizer appointed by the Company, by e-mail on his registered e-mail address to eswarfcs@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
4. The register of members and share transfer books of the Company will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive), for the purpose of the AGM.
5. The Company has entered into agreements with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers

- several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.
6. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April, 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.
 7. 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 #1, Club House Road, Chennai 600 002, the Registrar and Share Transfer Agent of the Company.
 8. Non-Resident Indian (“NRI”) Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
 - a. the change in the residential status on return to India for permanent settlement or
 - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
 9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination forms in respect of their physical shareholdings. Any member willing to avail this facility may submit to the Company’s Registrar & Share transfer agent in the prescribed statutory form. Should any assistance be desired, members should get in touch with the Company’s Registrar and Share transfer agent.
 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 Agent, for consolidation into a single folio.
 11. Members are requested to forward their communications in connection with shares held by them directly to the Registrar and Share Transfer Agent of the Company M/s Cameo Corporate Services Limited #1, Club House Road, Chennai 600 002
 12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 13. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his / her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.
 14. In compliance with the MCA Circulars and SEBI Circulars, the Annual Report for FY 2020-21, the Notice of the 15th AGM and the Instructions for e-voting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / respective Depository Participants. Members may also note that the Annual Report for FY 2020-21 and the Notice convening the AGM are also available on the Company’s website www.lgbforge.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited (“CDSL”) (agency for providing the Remote e-voting facility) at www.evotingindia.com.
 15. Members may note that M/s. N.R.Doraiswami & Co., Chartered Accountants, Coimbatore, (FRN:000771S), the Statutory Auditors of the Company were appointed by the Shareholders at their Annual General Meeting (AGM) held on 30th August, 2018 to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2023. The Ministry of Corporate Affairs vide

notification dated 7th May 2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this 15th Annual General Meeting.

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

- i. The businesses as set out in the Notice may be transacted through electronic voting system.

In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Standard 8 of the Secretarial Standards on General Meetings, regulation 44 of the Listing Regulations and pursuant to MCA Circulars for General Meetings and SEBI Circulars for General Meetings, the Company is pleased to offer the facility of voting through electronic means, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with CDSL to facilitate the members to cast their votes from a place other than venue of the AGM ("remote e-voting"). The facility for voting shall be made available during the AGM through electronic voting and the members participating in the AGM who have not cast their vote by remote e-voting shall be able to exercise their right during the AGM. The facility of casting votes by a member using remote e-voting as well as venue e-voting system on the date of the AGM will be provided by CDSL.

In terms of provisions of Section 107 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.

- ii. In view of the massive outbreak of the COVID-19 pandemic, social distancing is still a norm to be followed and pursuant to MCA Circulars for General Meetings and SEBI Circulars for General Meetings, physical attendance of the

members at the AGM venue is not required and AGM can be held through VC / OAVM.

- iii. The members can join the AGM through VC / OAVM mode 30 minutes before the scheduled time of the AGM and within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will be in addition to large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- v. A person whose name is recorded in the Register of Members / List of Beneficial Owners maintained by the depositories as on Thursday, September 23, 2021, being the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the cut-off date, but have received this Notice, should treat receipt of this Notice for information purpose only.

The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.

The members whose names appear in the Register of Members / List of Beneficial Owners as on Thursday, September 23, 2021 are entitled to vote on the resolutions set forth in the Notice.

Eligible members who have acquired shares after sending the Notice electronically and

holding shares as on the cut-off date may approach the Company for issuance of the User Id and Password for exercising their right to vote by electronic means.

vi. Process for those members whose e-mail ids / mobile numbers are not registered with the Company / Depositories:

I. Members holding shares in physical mode-please provide necessary details like Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar Card (self-attested scanned copy of Aadhaar Card) by e-mail to Company/RTA e-mail id.

II. Members holding shares in demat mode-please update your e-mail ID and mobile number with your respective DP.

III. Individual members holding shares in demat mode-please update your e-mail ID and mobile number with your respective DP which is mandatory for e-voting and joining the AGM through VC / OAVM through Depository.

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

I. The remote e-voting period commences at 9:00 a.m. (IST) on Monday, September 27, 2021 and ends at 5:00 p.m. (IST) on Wednesday, September 29, 2021. During this period members of the Company, holding shares either in physical mode or in dematerialized mode, as on the cut-off date i.e. Thursday, September 23, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.

II. The members who have already voted prior to the AGM date would not be

entitled to vote during the AGM.

III. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, under regulation 44 of the Listing Regulations, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions.

Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members.

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

IV. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility. Pursuant to the aforesaid SEBI Circular dated December 9, 2020, login method for e-voting and joining virtual meetings for individual members holding shares in demat mode is given below:

Type of members	Login methods
Individual member holding shares in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login, the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL / NSDL / Karvy / Link Intime as per information provided by Issuer / Company. Additionally, we are providing links to ESPs, so that the user can visit the e-voting service providers' site directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail ID as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual member holding shares in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Type of members	Login methods
Individual member (holding shares in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/ CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.
Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.	

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

Login type	Helpdesk numbers
Individual members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

V. Login method for e-voting and joining AGM through VC / OAVM for members other than individual members holding shares in demat mode and physical members is as under:

1. The members should login on to the remote e-voting website www.evotingindia.com.
2. Click on Shareholders.

3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in physical mode should enter Folio Number registered with the Company

Or

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from login myeasi using your login credentials. Once you successfully login to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat mode 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.
6. If you are a first time user follow the steps given below:

For members holding shares in demat mode other than individual members and physical mode	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both, members holding shares in demat mode and members holding shares in physical mode).
Dividend Bank Details	Enter the Dividend Bank details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR	
Date of Birth (DOB)	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 (s)

7. After entering these details appropriately, click on “SUBMIT” tab.
8. Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat mode 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 also to be used by the demat holders for voting on resolutions of any other company in which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in the Notice.
10. Click on the EVSN for LGB FORGE LIMITED on which you choose to vote.
11. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
13. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the vote cast by clicking on “Click here to print” option on the Voting page.
16. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
17. Members can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.
18. Note for Non-Individual Members and Custodians:
 - Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login 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.
 - Alternatively Non-Individual members are required to send the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of

the duly authorised signatory who are authorised to vote, to the scrutinizer and to the Company, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

A member can opt for only one mode of voting i.e. either through remote e-voting or during the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

The Company has appointed Mr.P.Eswaramoorthy, Practicing Company Secretary (Membership No. FCS 6510) of P. Eswaramoorthy And Company., Company Secretaries, to act as the Scrutinizer for conducting the e-voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the resolutions at the AGM shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.

The results declared along with the Scrutinizer’s Report, will be posted on the website of the Company www.lgbforge.com and on the website of CDSL www.cdslindia.com and will be displayed on the Notice Board of the Company at its registered office immediately after the declaration of the

results by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

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

- I. The procedure for attending the AGM and e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.
- II. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- III. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
- IV. Members are encouraged to join the AGM through Laptops /IPads for better experience.
- V. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- VI. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
- VII. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance at least 7 (seven) days prior to the AGM mentioning their name, demat account number / folio number, e-mail id, mobile number at the Company’s e-mail ID. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to the AGM mentioning their name, demat account

number / folio number, e-mail id, mobile number at the Company's e-mail ID. These queries will be replied to by the Company suitably by e-mail.

VIII. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

IX. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

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

REQUEST TO THE MEMBERS:

Members desiring any relevant information on the Audited Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 7 (seven) days in advance of the date of AGM through e-mail on secretarial@lgbforge.com. The same will be replied by the Company suitably.

Coimbatore
12.08.2021

By Order of the Board
R.Ravi
Company Secretary
Membership No.A23125

Details of Directors seeking Appointment / and re-appointment at the forthcoming Annual General Meeting.

Name	Sri.V.Rajvirdhan
Director Identification Number	00156787
Date of Birth	05.09.1983
Nationality	Indian
Date of Joining the Board	28-01-2010
Relationship with other directors	Sri.B.Vijayakumar - Father
Qualification	B.Sc.,IME
Expertise in area	More than 11 years experience as Industrialist
Number of shares held in the Company	6,77,63,768
List of Directorships held in other companies	Super Speeds Private Limited ELGI Automotive Services Pvt Ltd Rajvirdhan Private Limited Paatimaachi Private Limited LGB USA INC
Chairman/Member Committees of the Boards of other companies in which he/she is Director	NIL
Terms and Conditions of appointment / re-appointment	Liable to retire by rotation
Remuneration to be paid	3,00,000 p.m
No. of Board Meetings attended during the financial year 2020-21	4

DIRECTORS' REPORT
DEAR SHAREHOLDERS,

Your Directors take pleasure in presenting the Fifteenth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2021.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March, 2021 as compared to the previous year is as below:

Particulars	31.03.2021 (Rs.In Lakhs)	31.03.2020 (Rs.In Lakhs)
Total Revenue	9286.52	10196.16
Profit before interest, depreciation & Tax	995.27	631.37
Less: Interest	188.13	253.34
Depreciation	463.79	442.02
Profit Before Tax	343.35	(63.99)
Less : Provisions for Taxation	-	-
Current Income Tax / Mat	-	-
Deferred Tax	-	-
Add: Exceptional items	-	-
PROFIT AFTER TAX	343.35	(63.99)
Add: Balance brought forward	(4803.65)	(4739.66)
AVAILABLE FOR APPROPRIATION	(4460.30)	(4803.65)

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company had adopted Ind AS with effect from 1st April, 2017 pursuant to the Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

PERFORMANCE OF THE COMPANY

During the year under review, the total Revenue stood at Rs.9286.52 Lakhs as compared to Rs.10196.16 Lakhs for the previous year, profit before tax stood at Rs.343.35 Lakhs for the year under review as compared to Rs.(63.99) Lakhs for the previous year, profit after tax stood at Rs.343.35 Lakhs as compared to Rs.(63.99) Lakhs for the previous year.

TRANSFER TO RESERVES

The Company has not transferred any amount to Reserves during the year due to inadequacy of profit and hence no information as per the provisions of Section 134(3)(j) of the Companies Act, 2013 has been furnished.

DIVIDEND

The Board of Directors do not recommend any dividend for the year 2020-2021.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

The Company has not declared any dividend from the date of incorporation and hence unclaimed dividend liable to be transferred to IEPF is not applicable to the Company.

SHARE CAPITAL

The paid up share capital of the Company as at 31st March 2021 aggregates to Rs.238,202,463/- comprising of 238,202,463 equity shares of Rs.1/- each fully paid up.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Detailed composition of the Board and Board Committees namely Audit Committee, Nomination and Remuneration 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.

DECLARATION BY INDEPENDENT DIRECTORS

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

1. Sri.K.N.V.Ramani
2. Sri.P.Shanmugasundaram
3. Sri.P.V.Ramakrishnan
4. Ms.Aishwarya Rao

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually and the Committees of the Board.

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

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

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

FAMILIARIZATION PROGRAMMES

In compliance with the requirements of the Listing Regulations, the Company has put in place a

familiarization programme for the Independent Directors to familiarise them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model and so on. The same is also available on the Company website at www.lgbforge.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Sri.B.Vijayakumar (DIN: 00015583) director being longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and offers himself for re-appointment.

Sri.V.Rajviridhan, has been re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 29.01.2021 to January 28, 2024 subject to the approval of the Share holders.

A brief resume and particulars relating to them are given separately as an annexure to the AGM Notice.

During the year under review there is no change in Key Managerial Personnel.

SECRETARIAL STANDARDS

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

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, 2021, the Board of Directors hereby confirm that,

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departure;
- (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.

NOMINATION AND REMUNERATION POLICY

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

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) and rule 12(1) of the Companies (Management and Administration) Rules, 2014 the copy of annual return in the prescribed Form MGT-7 for FY 2020-21 is placed on the website of the company www.lgbforge.com.

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

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of The Companies Act, 2013.

AUDITORS STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Act and Rules there under, M/s.N R Doraiswami & Co, Chartered Accountants (Firm Registration No. 000771S), the Statutory Auditors of the Company, hold office up to the conclusion (Seventeenth) 17th Annual General Meeting.

The requirement for the annual ratification of Auditors' appointment in the AGM has been omitted pursuant to "Companies" (Amendment Act, 2017) notified on May 7, 2018.

The Auditors' Report for the financial year 2020-2021 does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr.P.Eswaramoorthy of M/s.P.Eswaramoorthy and Company, Company Secretaries as Secretarial Auditors' to conduct the Secretarial Audit of the Company for the Financial Year ended 31st March, 2021.

The Secretarial Audit Report for the Financial Year ended 31st March, 2021 in Form No.MR-3 is annexed to this Report as Annexure A.

The Secretarial Audit Report for the financial year 2020-2021 does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDITORS & MAINTENANCE OF COST RECORDS

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, no requirement for our company to appoint cost auditor.

However the Company has made and maintained cost records as prescribed by the Central Government under Section 148 of the Companies Act, 2013.

INTERNAL AUDITOR

Sri. G. Jawaharlal, Chartered Accountant, Salem, who is our Internal Auditor have carried out internal audit for the FY 2020-21. Their reports were reviewed by the audit committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

During the financial year ended 31st March, 2021, the Company has not given any Loan or made any investment or give any guarantee pursuant to the provision of Section 186 of the Companies Act, 2013.

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 CHANGE AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2021 AND THE DATE OF THE REPORT

There was no material changes and commitments affecting the financial position of the Company occurred between the end of financial year March 31, 2021 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 - B”.

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

According to Section 135 of the Companies Act, 2013, no requirement for our Company to constitute the CSR Committee and for framing the CSR Policy. Hence the requirement to furnish the details under Section 134(3) (o) of the Companies Act, 2013 there is no requirement.

DEPOSITS

During the year, the Company has not accepted or renew any Deposits and no Deposits remained unclaimed with the company as on 31st March, 2021.

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

No Significant and Material orders have been passed by any Regulatory 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 - C”

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 works 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:

The Company has no subsidiary, Joint Venture or Associate Company during the year under review and hence no information required to be furnished as per the provisions of rule 8(5)(iv) of the Companies (Accounts) Rules, 2014.

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, 2021, 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, 2021.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

LISTING OF EQUITY SHARES

The Company's equity shares are continuously listed at National Stock Exchange of India Limited and BSE Limited. We confirm that the Listing fee for the financial year 2021-2022 has been paid to them.

HUMAN RESOURCE

Your Company Firmly believes that employees are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company.

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

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

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

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

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions during the year under review.

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

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy

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29.06.2021

on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year 2020-21, the committee submitted its Annual Report as prescribed in the said Act and there was no complaint as regards of sexual harassment received by the Committee during the year.

ACKNOWLEDGEMENT

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

By Order of the Board

V.Rajvirdhan
Managing Director
DIN:00156787

P.Shanmugasundaram
Director
DIN:00119411

ADDENDUM TO THE DIRECTORS REPORT - FOR THE YEAR ENDED MARCH 31, 2021**TO THE SHAREHOLDERS OF THE COMPANY**

This addendum is to be read together with the Directors' Report of M/s. LGB Forge Limited dated June 29, 2021 for the Financial Year ended on March 31, 2021.

It is brought to the attention of Shareholders of the Company that, subsequent to the approval of the Directors Report by the Board of Directors of the Company at its Meeting held on June 29, 2021, Sri. B. Vijayakumar has resigned from the Office of Chairmanship and Directorship of the Company as well with effect from August 12, 2021 and the details provided under "Directors and Key Managerial Personnel" in the Page No.15 be amended/ revised and restated as follows:

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Sri. B. Vijayakumar (DIN: 00015583) Director being longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company. However, as he has resigned, Sri. V. Rajvirdhan, being longest in the Office after the resignation of Sri B.Vijayakumar, shall be liable to retire by rotation at the ensuing Annual General Meeting being eligible offered himself for reappointment. Accordingly, Annual General Meeting Notice has been Prepared.

Sri.V.Rajvirdhan, has been re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 29.01.2021 to January 28, 2024 subject to the approval of the Shareholders.

A brief particulars relating to Sri. V. Rajvirdhan is given separately as an Annexure to the AGM Notice dated August 12, 2021.

Except to the extent of changes stated above, there was no change in the board's report and annexures approved by the board of directors on June 29, 2021.

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By Order of the Board

V.Rajvirdhan	P.Shanmugasundaram
Managing Director	Director
DIN:00156787	DIN:00119411

Form No. MR - 3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

[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 of LGB Forge Limited
(CIN: L27310TZ2006PLC012830)
No 6/16/13, Krishnarayapuram Road,
Ganapathy Post, Coimbatore - 641 006
- I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LGB Forge 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 the Company’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, 2021**, 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 period ended 31st March, 2021 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Not applicable as the Company does not raise Capital during the Financial Year under review];
 - d. The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014 [Not applicable as the Company does not have any Scheme for share based employee benefits during the Financial Year under review];
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable as the Company has not issued and listed any debt securities during the Financial Year under review];
 - f. 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 [Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year under review];

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Equity Shares of the Company have not been delisted during the Financial Year under review];
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the Financial Year under review]
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. [Not applicable as the Company has not declared any Dividend from the date of incorporation under review];

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the other Laws and Regulations as applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

Place : Coimbatore
Date : 29.06.2021

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

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

I am informed that there were no dissenting members, on any of the matters, discussed at the Board Meetings during the Financial Year under review, whose views were required to be captured and recorded as part of the minutes.

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and on the review of the quarterly compliance reports submitted by the respective department heads and the Company Secretary which is taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period covered under the Audit, the Company has not made any specific events / actions having a major bearing on the Company's affairs in pursuance of laws, rules, regulations and guidelines referred to above.

P. ESWARAMOORTHY AND COMPANY
Company Secretaries

P. Eswaramoorthy
Proprietor
FCS No.: 6510, CP No.: 7069
UDIN : F006510C000539658
Peer Review Cert. No. 933/2020



ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE ISSUED BY COMPANY SECRETARY IN PRACTICE

To

The Members of LGB Forge Limited
(CIN: L27310TZ2006PLC012830)
No 6/16/13, Krishnarayapuram Road,
Ganapathy Post, Coimbatore - 641 006

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records, devising proper system to ensure compliance with the provisions of all applicable laws and regulations and ensuring that systems are adequate and operate effectively, are the responsibilities of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on 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's 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, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : 29.06.2021

P. ESWARAMOORTHY AND COMPANY
Company Secretaries

P. Eswaramoorthy
Proprietor
FCS No.: 6510, CP No.: 7069
UDIN : F006510C000539658
Peer Review Cert. No. 933/2020

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**I. The steps taken or impact on conservation of energy**

Steps have been initiated to ensure the better power consumption. Results are expected in next financial year.

II. The steps taken by the company for utilizing alternate sources of energy

No alternate source of energy was used during the financial year under review.

(i) The capital investment on energy conservation equipment

No specific investment made during the financial year on energy conservation equipment.

B. TECHNOLOGY ABSORPTION**(i) The efforts made towards technology absorption**

In house research and development activities are being continued.

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

Continuous value engineering activities is currently being undertaken for improving profitability.

(iii) In case imported technology (imported during the last three years reckoned from the beginning of the Financial year)**a. The details of technology imported:****b. The year of import:**

c. Whether the technology been fully absorbed: NIL

d. If not fully absorbed, areas where has not taken

Place and reasons thereof;

(iv) The expenditure incurred on Research and Development NIL**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earnings : Rs. 1651.35 Lakhs

Foreign Exchange used : Rs. 10.20 Lakhs

By Order of the Board

Coimbatore
29.06.2021

V.Rajvirdhan
Managing Director
DIN:00156787

P.Shanmugasundaram
Director
DIN:00119411

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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2021 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2021.

Sr.No	Director	Category	Remuneration (₹ In Lakhs)	Median Remuneration	Ratio
1	Sri.B.Vijayakumar	Non- Executive Promoter	-	NA	
2	Sri.V.Rajvirdhan	Managing Director	17.90	2.42	7.40:1
3	Sri.K.N.V.Ramani	Non- Executive Independent	-	NA	-
4	Sri.P.Shanmugasundaram	Non- Executive Independent	-	NA	-
5	Sri.P.V.Ramakrishnan	Non- Executive Independent	-	NA	-
6	Ms.Aishwarya Rao	Non- Executive Independent	-	NA	-
7	Sri.R.Vinothkumar	Chief Financial Officer	3.18	2.42	1.31:1
8	Sri.R.Ravi	Company Secretary	10.12	2.42	4.18:1

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

2.	Percentage increase in the median remuneration of employees in the financial year.	61.33
3.	Number of permanent employees on the rolls of Company as on 31st March, 2021.	235
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase of managerial remuneration.	61.33
5.	Affirmation that the remuneration is as per the remuneration policy of the company	Your directors affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.

Coimbatore
29.06.2021

By Order of the Board
V.Rajvirdhan
Managing Director
DIN:00156787

P.Shanmugasundaram
Director
DIN:00119411

II Statement containing the particulars of employees in accordance with Rule5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014:

Name of the Employee	Designation	Remuneration	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Share Held	Whether employee is a relative of any Director
V.Rajvirdhan	Managing Director	1789614	Permanent	B.Sc., IME	11	28-01-2010	38	Nil	28.45	Yes
RAVI R	Company Secretary	1012174	Permanent	ACS	33	09-09-2019	52	Sripathi Paper & Boards Pvt Ltd	-	No
V.BALU	Chief Operating Officer	999768	Permanent	BE	32	22-09-2020	50	Koyas	-	No
D.GOPAL- AKRISHNAN	Senior Manager - Manufacturing	842988	Permanent	DME	27	01-06-2018	46	Supreme Automech Private Ltd	-	No
M PUNNI- YAMURTHY	Senior Manager - Maintenance	705684	Permanent	BE	31	09-12-2018	52	Ramakrishna Forgings	-	No
M.RAJKUMAR	Assistant Manager -Marketing	648912	Permanent	BE	10	21-05-2018	31	Jayam Automotives	-	No
VIKRAM A R	Assistant Manager - IE	621600	Permanent	BE	9	18-10-2019	29	LMW	-	No
MALLARAD- DEPPA	Assistant Manger - Production	501588	Permanent	DME	15	22-11-2019	46	Sumukha Engineering	-	No
S.ANBU	Manager - Accounts	485064	Permanent	M.Com	15	18-02-2004	45	Supreme Automech Private Ltd	-	No
Y PRABU	Deputy Manager - Tool Room	480600	Permanent	DME	18	26-03-2015	43	Alfa Engineering	-	No

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

Coimbatore
29.06.2021

By Order of the Board
V.Rajvirdhan
Managing Director
DIN:00156787

P.Shanmugasundaram
Director
DIN:00119411

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE AND DEVELOPMENT:**

Our country's automotive industry is the mainstay of the Manufacturing Sector and provides employment to a large team of people. 2021 Financial year has been one of the hard-hitting years in the history of the automotive industry with COVID pandemic putting brakes on the development of the industry. Already hammered by a prolonged slow down before the corona virus pandemic, due to factors such as regulatory changes and movement to BS VI emission norms, liquidity constraints and weaker demand environment, this sector was brought to a standstill by the nationwide lockdown to curtail the spread of corona virus.

Even in the middle of the most turbulent time that the world has seen in over a century, we can look at LGB Forge Ltd performance with quite satisfaction. The Company did something differently when several other companies in our size were struggling. Primarily our Company was supported by able senior leadership of our Company which became more clients focussed. Our stable motivated leadership working quietly and became a partner of choice for some of the India's top automotive companies as they navigated through these uncertain and rapidly changing times.

OPPORTUNITIES:

The journey into the automotive future requires not just an understanding of new technologies, and new ways of working, but a deep appreciation of existing technology, business processes and practices. More Multinationals will follow this course which opens up new opportunities to our Country. India is hoping to attract companies that are looking for alternative manufacturing bases.

With top automakers worldwide embarking on a "China plus One" de-risking journey, India is eyeing for twin localisation benefits: slashing imports of critical vehicle components and ensuring a bigger future share of the global parts business. This is aimed at cutting 15-20% of imports.

THREATS AND RISK & CONCERNS:

The Pandemic Covid 19 is a worldwide humanitarian and health calamity, and it continues to impact all our stakeholders -employees, investors, customers, and communities we work in. Many countries are reporting the second and third waves of infections. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disturbance of people and businesses. While vaccines have been made available, there are delays in vaccinating larger populations, increased instances of variants and infections, and resulting stress on the healthcare sector. In responding to this calamity, our primary objective was to ensure the safety of our employees in various units, to deliver client commitments, and put in place the mechanisms to protect the financial well being of the Company and to guard its long term projections.

OUR STRENGTHS

During the year the Company took care of the aspects of physical and emotional well being of our employees in various units. We continued to optimize our cost structure and execute operational rigor. We improved liquidity and cash management with rigorous focus on working capital cycles, capital expenditures and cost optimisations.

The share price of LGB Forge Ltd has soared 4 times to Rs.9.80. Due to its robust compliance of all applicable laws; stock market pulse is favourably inclined. We have the ability to attract and retain high-quality management and technology professionals and sales personnel locally.

We maintain high ethical and corporate Governance standards to ensure honest and Professional business practices and protect the reputation of the Company and its customers.

SEGMENT:

Your Company operates in only one segment-Forging.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

In the opinion of the Management, LGBFL has an adequate internal audit and control systems to ensure that all transactions are authorised, recorded and reported correctly. The internal control systems comprise extensive internal and statutory audits. The Corporate Governance practices instituted by the Company are discussed in detail in the chapter on Corporate Governance which forms part of the Annual Report.

HEALTH, SAFETY, SECURITY ENVIRONMENT

The Company accords high priority to health, safety and environment. The Company has two manufacturing plants and two machining units in operation. The Company emphasizes on maintaining a healthy and safe environment in and around its factory. Safety awareness is inculcated through regular Safety awareness program.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Employer - employee relation remained cordial during the year. Training and development of employees continue to be an area of prime importance. The total number of people employed in the Company as on 31st March 2021 was 235.

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.

CORPORATE GOVERNANCE

In accordance with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'SEBI Listing Regulations'] read with the disclosure requirements relating to the Corporate Governance Report contained in Schedule V of the SEBI Listing Regulations, the details of compliance by the Company with the norms on Corporate Governance are as under:

1. Company's Philosophy on Corporate Governance:

LGB Forge is committed to the highest standards of business ethics and values. The Company has a strong history of fair, transparent and ethical governance practices and the Company has over the years consistently demonstrated good corporate governance practices. Good Corporate Governance is an integral part of the Company's value system and the Company Management places considerable emphasis on compliance therewith aimed at providing good governance. The Company is committed to do business in an efficient, responsible, honest and ethical manner and ensures fiscal accountability, operational excellence and fairness to all stakeholders including shareholders, employees, customers, suppliers and communities.

2. Board of Directors:

Your Board comprises optimal combination of Independent as well as Non-Executive Directors having in-depth knowledge of the business of the industry. The size and composition of the Board conforms to the requirements of the Corporate Governance code under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of Board, Directorship/ Committee positions in other companies as on 31st March 2021, number of meetings held and attended during the financial year are as follows:

Name of the Directors	Category	Attendance			Directorship / Mandatory Committee Memberships		
		No. of Board Meetings held during the year	No. of Board Meetings attended	Last AGM attendance	Directorship In other public companies*	Membership of mandatory Committees**	Chairmanship of mandatory committees
Sri.B.Vijayakumar Chairman	Non-Executive Promoter	4	4	Yes	2	2	0
Sri.V.Rajvirdhan Managing Director	Executive Promoter	4	4	Yes	0	2	0
Sri.K.N.V.Ramani	Non Executive Independent	4	2	Yes	6	1	5
Sri.P.Shanmugasundaram	Non Executive Independent	4	4	Yes	2	0	3
Sri.P.V.Ramakrishnan	Non Executive Independent	4	4	Yes	0	1	1
Ms.Aishwarya Rao	Non Executive Independent	4	4	Yes	0	0	0

* Exclude directorship in Private Companies and Foreign Companies.

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

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Sri.B.Vijayakumar DIN:00015583	L G BALAKRISHNAN & BROS LIMITED	Chairman and Managing Director
	Elgi Equipments Limited	Non-Executive Independent Director
Sri.V.Rajvirdhan DIN: 00156787	NIL	NA
Sri.P.Shanmugasundaram DIN: 00119411	L G BALAKRISHNAN & BROS LIMITED	Non-Executive Independent Director
	Pricol Limited	Non-Executive Independent Director
Sri.K.N.V.Ramani DIN: 00007931	Bannari Amman Spinning Mills Limited	Non-Executive Independent Director
	Shiva Texyarn Limited	
	K.G.Denim Limited	
	K.P.R.Mill Limited	
	Shiva Mills Limited	
Sri.P.V.Ramakrishnan DIN: 00013441	NIL	NA
Ms.Aishwarya Rao DIN: 07144139	NIL	NA

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

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

None of the Directors of the Company hold membership of more than ten Committees nor is a Chairperson of more than five committees (as specified in regulation 26), across all companies of which he / she is a director. Necessary disclosures regarding Committee positions in other Indian public companies as at March 31, 2021 have been made by the Directors.

Details of the Board meetings held during the financial year 2020-2021

Four meetings of the Board of Directors were held during the year, viz. on 20th June 2020, 14th August 2020, 12th November 2020 and 11th February 2021. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time.

Separate Meetings of Independent Directors

The Company's Independent Directors met on 29th March 2021, without the presence of the Chairman & the Non- Executive Non-Independent Directors and the Management Team. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Familiarization programme for Independent Directors

Guided by the principles laid down for Corporate Governance under the Listing Regulations and the Companies Act, 2013, Independent Directors are appraised through familiarisation programmes to provide insights into the Company, including; nature of Industry in which the Company operates, business model of the Company, relevant information on business processes and roles, responsibilities, duties and rights of Independent Directors.

The details of such familiarization programmes imparted to the Independent Directors are available on the website of the Company at www.lgbforge.com

Directors Inter-se Relationship:

Sri. B. Vijayakumar, Chairman is related to Sri. V. Rajviradhan, Managing Director. None of the other Directors are related to each other.

Key Board qualifications, expertise and attributes:

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

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

Industry Skills:

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

Governance Skills:

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

Personal Attributes / Qualities:

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

The Specific area of focus or expertise of individual Board members have been highlighted in the below chart. However, in the absence of mark against a Director does not necessarily mean that the member does not possess the said skill/expertise;

Name of the Directors	Industry Skills	Governance Skills	Personal Attributes/Qualities
Sri.B.Vijayakumar	✓	✓	✓
Sri.V.Rajvirdhan	✓	✓	✓
Sri.PK.N.V.Ramani	-	✓	✓
Sri.P.Shanmugasundaram	-	✓	✓
Sri.P.V.Ramakrishnan	✓	✓	✓
Ms.Aishwarya Rao	-	✓	✓

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. The Audit Committee comprises Two Non-Executive Independent Directors and one Executive Directors who are well-versed with financial matters and corporate laws.

3.1 Terms of Reference:-

Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

3.2 Composition & Meetings:-

During the financial year ended 31st March 2021, Four Audit Committee Meetings were held on 20th June 2020, 14th August 2020, 12th November 2020 and 11th February 2021. The necessary quorum was present at these meetings and the details of the composition and attendance at the aforementioned meetings are as follows:

Name of the Members	Category	Designation	No of Meetings attended
Sri.P.Shanmugasundaram	Independent	Chairman	4
Sri.P.V.Ramakrishnan	Independent	Member	4
Sri. V. Rajvirdhan	Executive Non Independent	Member	4

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

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

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) functions according to its charter that composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The broad terms of reference of the NRC are as follows:

4.1 Terms of Reference:-

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal.

The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013

4.2 Composition and Attendance at the Meeting

The composition of the nomination and remuneration committee is in alignment with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Constitution of the Nomination and Remuneration Committee are as follows:

Name of the Members	Category	Designation
Sri.K.N.V Ramani	Independent, Non- Executive	Chairman
Sri.P.Shanmugasundaram	Independent, Non- Executive	Member
Sri.P.V.Ramakrishnan	Independent, Non- Executive	Member

The Committee met on 20.06.2020 and 12.11.2020 all the members were present at the meetings.

Remuneration payable to the Key Managerial Personnel of the Company is being considered/ discussed/ finalized after considering various factors such as financial position of the Company, trend in industry, and past remuneration etc., which is onward submitted to Board for respective approval(s).

Non-Executive Independent Directors of the Company do not have any pecuniary relationship or transaction with the Company. They do not draw any remuneration, except sitting fees for attending meetings of Board/ Committee.

4.3 Performance evaluation criteria for Independent Directors

Considering the Performance Evaluation Guidelines which were formulated by the Nomination and Remuneration Committee, the Board and Nomination and Remuneration Committee approved the framework for evaluating the performance, on an annual basis, of the Board, its Committees and each director.

Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Performance Evaluation Guidelines of the Company, the Board of Directors / Independent Directors / Nomination and Remuneration Committee has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors including Independent Directors based on various parameters relating to attendance, roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. The results of such evaluation are presented to the Nomination and Remuneration Committee and the Board of Directors.

4.4. Remuneration Policy

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

5. Remuneration of Directors

5.1 Remuneration paid to the executive directors for the financial year ended March 31, 2021 is given as under:

Name of Directors	Service Contract	Salary & Allowances Rs in Lakhs	Commission	Employee Stock Option Plan	Total Rs in Lakhs
Sri.V.Rajvirdhan	Appointed as Managing Director w.e.f. 29.01.2021	17.90	-	-	17.90

Remuneration includes salary, Company's contribution to Provident Fund, reimbursement of medical expenses and other perquisites.

5.2 Remuneration paid to the non-executive directors for the financial year ended March 31, 2021 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.B.Vijayakumar	16000	-	-	16000
Sri.P.Shanmugasundaram	20000	-	-	20000
Sri.K.N.V.Ramani	8000	-	-	8000
Sri.P.V.Ramakrishnan	20000	-	-	20000
Ms.Aishwarya Rao	16000	-	-	16000
Total	80000	-	-	80000

Statement showing number of Equity Shares of Rs.1/- each of the Company held by the present Non-Executive Directors as on March 31, 2021:

Name	No. of shares held as on 31.03.2021	% of Holding
Sri.B.Vijayakumar	15,000,000	6.30
Sri.K.N.V.Ramani	0	0.00
Sri.P.Shanmugasundaram	0	0.00
Sri.P.V.Ramakrishnan	0	0.00
Ms.Aishwarya Rao	0	0.00

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

The Company currently does not have any stock option scheme.

6. Stakeholders' Relationship Committee:

The Board has Stakeholder's Relationship Committee (SRC) pursuant to section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 to look into the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of

shares, transfer/transmission as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

a) Composition and names of members and chairperson

Name of the Members	Category	Status
Sri.P.V.Ramakrishnan	Independent	Chairman
Sri.B.Vijayakumar	Non Executive Promoter	Member
Sri.V.Rajvirdhan	Executive Promoter	Member

During the year under review, the Committee met 8 times to deliberate on various matters referred above and for redressal of investors complaints.

Sri.R.Ravi, 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, 2021, the Company has not received any complaints from investors and also no investor complaint was pending on 31st March 2021.

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

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

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

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

In terms of Regulation 39(4) of Securities of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style "LGB Forge 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	435	322960
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31st March, 2021	435	322960

The voting rights on the outstanding unclaimed shares as on 31st March, 2021 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

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

7. Management Discussion and Analysis Report

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

8. General Body Meetings:

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

Year	Date	Time	Venue	Special Resolution Passed
2018	30.08.2018	9.00 Am	Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018	<ol style="list-style-type: none"> 1.To Fill the casual vacancy of Statutory Auditors. 2.To Consider Appointment of Statutory Auditors. 3.Approval for continuation of Directorship of Sri.K.N.V.Ramani till the completion of his term of 5 years beyond 75 years. 4.To Appoint Sri.V.Rajvirdhan (DIN 00156787), as Managing Director of the Company for a period of 3 years i.e. upto 28th January,2021. 5.Increase in Authorized Capital 6.Alteration of Capital Clause of Memorandum of Association. 7.Alteration of Capital Clause and Board of Directors Clause of Articles of Association. 8.Approval of Right Issue for further issue of Shares on Rights Basis. 9.Approval for service of Documents by specific mode of delivery.
2019	18.07.2019	9.30 AM	Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore-641 018	<ol style="list-style-type: none"> 1.Re-appointment of Mr. P.V.Ramakrishnan (DIN 00013441) as an Independent Director of the Company. 2. Re-appointment of Mr. K.N.V Ramani (DIN 00007931) as an Independent Director of the Company. 3. Re-appointment of Mr. P. Shanmugasundaram (DIN 00119411) as an Independent Director of the Company. 4.Revision in the remuneration of Mr. V. Rajvirdhan (DIN: 00156787), Managing Director of the Company.
2020	17.09.2020	03.30 PM	Held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Re-appointment of Ms.Aishwarya Rao(DIN 07144139) as an Independent Director of the Company.

No Extra-Ordinary General Meeting of shareholders was held during the year

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.lgbforge.com. The copies are also sent to concerned stock exchanges immediately after they are approved by the Board so as to enable them to display them on their notice board/ website and also published in one widely circulated English Newspaper (Financial Express) and a Vernacular (Tamil) Newspaper (Malaimalar). The Company has a dedicated help desk with email ID: secretarial@lgbforge.com in the Secretarial Department for providing necessary information to the investors.
Official News Releases:	Official news releases are made whenever it is considered necessary
The presentation made to institutional investors or to the analysts	There was no specific presentation made to the investors or analysts during the year.

10. General Shareholders' Information

Annual General Meeting	Annual General Meeting is proposed to be held at 03.30 PM on 30th September 2021 at 6/16/13 Krishnarayapuram road, Ganapathy Post, Coimbatore - 641 006 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM").	
Financial Calendar	April to March For the year ended 31st March, 2021, results were announced on 29.06.2021	
Financial Year 2021 - 2022	Quarter ending June 30, 2021	End of July 2021*
	Quarter ending September 30, 2021	End of October 2021*
	Quarter ending December 31, 2021	End of January 2022*
	Year ending 31st March, 2022	End of April 2022*
* Tentative		

Date of Book Closure	The dates of Book Closure are from 11th September 2020 to 17th September 2020 (both days inclusive) to determine the members	
a) Listing on Stock Exchanges:	BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited. Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	
b) Securities Code	BSE Ltd Equity - 533007 The National Stock Exchange of India Ltd - LGBFORGE	
The International Security Identification Number (ISIN)	INE201J01017	

The Company has paid the Listing Fees for the year 2020 - 2021 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 2020-2021

SHARE MARKET DETAILS	NSE			BSE			TOTAL SHARES TRADE
	HIGH Rs.	LOW Rs.	QTY	HIGH Rs.	LOW Rs.	QTY	
April (2020)	2.30	1.65	832390	2.39	1.62	50179	882569
May	2.00	1.75	754820	2.10	1.74	100048	854868
June	3.30	2.00	1351605	3.29	2.10	399682	1751287
July	2.95	2.15	1156152	3.00	2.20	329725	1485877
August	2.80	2.25	2444880	2.82	2.25	690360	3135240
September	2.95	2.25	1910010	2.95	2.30	923372	2833382
October	2.90	2.15	752102	2.80	2.17	214823	966925
November	2.85	2.30	1616677	2.84	2.40	344470	1961147
December	4.65	2.65	3829147	4.60	2.71	1141554	4970701
January (2021)	4.25	3.50	4703532	4.61	3.49	1835549	6539081
February	5.35	3.45	3759025	5.41	3.46	10879397	14638422
March	4.35	3.50	6368720	4.40	3.45	2868905	9237625

(Source: BSE and NSE website)

Registrar & Transfer Agents	M/s.Cameo Corporate Services Limited, Subramanian Building” No.1 Club House Road, Chennai - 600 002
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Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Distribution of Shareholding:

The shareholding distribution of the equity shares as on 31st March, 2021 is given below:-

Range	No. Of Holders	No. of Shares	% of Shares
1-100	4258	236259	0.10
101-500	4713	1553963	0.65
501-1000	2740	2414777	1.01
1001-2000	1741	3830299	1.19
2001-3000	765	2012647	0.85
3001-4000	439	1600050	0.67
4001-5000	446	2142934	0.90
5001-10000	778	6021784	2.53
10001-and above	847	219389750	92.10
Total	16727	238202463	100.00

Pattern of Shareholding as on 31st March 2021

Sl. No.	Category	No. of Holders	No. of Shares held	% to paid-up capital
1	Promoters and promoter group	16	176684469	74.17
2	Financial Institutions/Banks	2	16020	0.01
3	Insurance Companies	-	-	-
4	Foreign Institutional Investors /NRI/OCB	112	600381	0.25
5	Bodies Corporate	149	1742357	0.73
6	Public	16448	59159236	24.84
7	Total	16727	238202463	100.00

Dematerialization of Shares and Liquidity

Particulars	No. of Shares	% (in Share Capital)
National Securities Depository Limited	219612836	92.20
Central Depository Services (India) Limited	16436854	6.90
Physical	2152773	0.90
Total	238202463	100.00

Shareholders, who continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). The system for getting the shares dematerialized is as under:

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

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

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

Commodity Price Risk/ Foreign Exchange Risk and Hedging

The Company did not engage in hedging activities.

Plant Location & Addresses

1.Cold Forging Unit K.palayam Plant,Pillayar Kovil Street, Near Power House,Kodayampalayam, Kottaipalayam(Post), Coimbatore-641110, Tamilnadu.	2.Hot Forging Unit Mysore Plant,Plot 80&81, 5th Mile,KRS Road, Metagalli Post,My- sore-570016 Karnataka.	3.Puducherry Machining Unit R.S.No.74/2B,Madukarai Main Road, Mangalam, Villianur Com- mune, Puducherry - 605110
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Address for Correspondence

R. Ravi
Company Secretary
6/16/13, Krishnarayapuram Road
Ganapathy Post, Coimbatore - 641 006
Phone No.0422-4611199 Fax No: 0422-4611163
Email: secretarial@lgbforge.com

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

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.lgbforge.com/images/pdfs/related-party-transactions-policy.pdf>

b. Strictures and Penalties

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

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.lgbforge.com>.

f. Commodity price risks and Commodity hedging activities

During the financial year ended 31st March, 2021 the company did not engage in commodity hedging activities.

g. The Company has paid a sum of Rs. 5.20 Lakhs as fees to the Statutory Auditors for the services rendered by them.

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

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 29th June, 2021 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. DECLARATION - CODE OF CONDUCT**

I, V.Rajvirdhan, Managing Director of LGB Forge Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended 31st March, 2021 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Coimbatore
29.06.2021

V. Rajvirdhan
Managing Director
DIN : 00156787

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Under regulation 34(3) read with Part C (10) (i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of LGB Forge Limited
(CIN: L27310TZ2006PLC012830)
No 6/16/13, Krishnarayapuram Road,
Ganapathy Post, Coimbatore - 641 006

As required by Regulation 34(3) read with Part C (10) (i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that none of the Directors on the Board of LGB Forge Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

P. ESWARAMOORTHY AND COMPANY
Company Secretaries

Place : Coimbatore
Date : 29.06.2021

P.Eswaramoorthy
Practicing Company Secretary
C.P No. 7069 (FCS 6510)
UDIN : F006510C000540197
Peer Review Cert. No. 933/2020



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of LGB Forge Limited
(CIN: L27310TZ2006PLC012830)
No. 6/16/13, Krishnarayapuram Post,
Ganapathy Post
Coimbatore - 641 006

I have examined all the relevant records of LGB Forge Limited (“hereinafter called as the “Company”) for the purpose of certifying compliance with the conditions of Corporate Governance stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31st March, 2021. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance with the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance.

This certificate 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.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

P. ESWARAMOORTHY AND COMPANY

Company Secretaries

Place : Coimbatore
Date : 29.06.2021

P.Eswaramoorthy
Practicing Company Secretary
C.P No. 7069 (FCS 6510)
UDIN : F006510C000539801
Peer Review Cert. No. 933/2020

INDEPENDENT AUDITOR'S REPORT
To the Members of LGB Forge Limited
Report on the Audit of the Ind AS Financial Statements:
Opinion

We have audited the accompanying Ind AS financial statements of LGB FORGE LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2021, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor’s Response
1	<p>Adoption of IND AS 116 - Leases</p> <p>As per IND AS 116, a right of use asset and lease liability were recognized in the balance sheet. Lease liability is initially recognized at the present value of future lease payment during the lease term. This standard requires usage of significant judgements and estimation in recognizing the leases.</p> <p>The standard mandates detailed note on impact of leases.</p> <p>Reference is drawn to note 38 to the Standalone financial statements.</p>	<p>Principal Audit Procedures:</p> <p>We have performed the following audit procedures:</p> <p>a) We have reviewed various judgements and controls applied by the management in classifying the leases based on contractual agreements.</p> <p>b) We have verified the reconciliation prepared between short term or low value leases and leases where IND AS 116 was applied.</p> <p>c) We have verified the recognition of right of use assets and lease liability including the estimates such as discount rates and lease term.</p> <p>d) Assessed and verified the presentation and disclosures of leases as per IND AS 116 including the disclosure requirements of transition period</p>

Emphasis of Matter

Without qualifying our report, we draw attention to note 46 to the financial statements, which describes the impact of Covid-19 pandemic, and its possible consequential implications, on the company's operations.

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

Information other than the Ind AS Financial Statements and the Auditor's report thereon

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

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

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

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

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted

in India. 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 judgements 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in Annexure 1, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 2”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 Ind AS Financial Statements - Refer Note No.36 on Contingent Liability to the Ind AS Financial statements;
- ii. The company did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Coimbatore
Date :29.06.2021
UDIN: 20207893AAAAJI1535

For **N.R.DORAISWAMI & CO.**
Chartered Accountants
Firm Registration No. : 0007715

(SUGUNA RAVICHANDRAN)
Partner
Membership No. : 207893

ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of LGB Forge Limited on the financial statements for the year ended 31-03-2021]

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for the details given below:

Particulars	Total number of cases	Lease hold/ Free hold	Gross Block as on March 31, 2021	Net Block as on March 31, 2021	Remarks
Land & Building Mysore	1	Freehold	80.26	78.29	The Land & Building is in the name of L.G. Balakrishnan & Bros Limited for which the ownership is established by way of demerger vide court order dated 21.04.2008 sanctioning the scheme of demerger.

- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year
- iii. As informed, 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 Act. Accordingly, paragraph 3 (iii)(a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year within the provisions of section 73 to 76 of the Act and the rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii. (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Goods and Service Tax, Customs duty, Cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Goods and Service tax, Customs duty, Cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Due	Amount Disputed (Rs.)	Amount Unpaid (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand raised u/s. 201(1)	11,86,252	2,76,675	A.Y.2011-12	Commissioner of Income tax (Appeals), Chennai.
Income Tax Act, 1961	Demand raised u/s. 201(1)	4,78,244	4,78,244	A.Y.2012-13	Commissioner of Income tax (Appeals), Chennai.

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- ix. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. The company did not raise any money by way of Initial Public Offer or further public offer including debt instruments during the year.
- x. To the best of our knowledge and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, the transactions with the related parties are in compliance with section 177 and 188 of the Act wherever applicable.
The details of transactions with the related parties have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the company.
- xv. In our opinion and according to the 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 to its directors and hence paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **N.R.DORAISWAMI & CO.**

Chartered Accountants

Firm Registration No. : 0007715

Place: Coimbatore

Date :29.06.2021

UDIN: 20207893AAAAJI1535

(SUGUNA RAVICHANDRAN)

Partner

Membership No. : 207893

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of LGB Forge Limited on the Financial Statements for the year ended 31-03-2021]

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 LGB Forge Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Board of directors of the Company 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 ("ICAI"). 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 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 ICAI 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 judgment, 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 March 31, 2021, 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 ICAI.

Place: Coimbatore
Date :29.06.2021
UDIN: 20207893AAAAJI1535

For **N.R.DORAISWAMI & CO.**
Chartered Accountants
Firm Registration No. : 0007715

(SUGUNA RAVICHANDRAN)
Partner
Membership No. : 207893

BALANCE SHEET AS AT 31.03.2021

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
A ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	2, 316.66	2,588.46
(b) Capital work-in-progress	4	50.44	14.20
(c) Intangible assets	3	101.26	123.72
(d) Financial Assets			
(i) Other financial assets	5	82.25	80.95
(e) Other Non-current assets	6	75.80	75.77
Total non-current assets		2, 626.41	2,883.10
(2) Current Assets			
(a) Inventories	7	1, 886.18	1,884.96
(b) Financial Assets			
(i) Trade receivables	8	3, 400.32	2,146.72
(ii) Cash and cash equivalents	9	1.03	11.40
(iii) Bank balances other than (ii) above	10	16.78	16.04
(iv) Loans	11	7.78	7.89
(v) Others	12	37.65	27.32
(c) Current Tax Assets (Net)	13	46.43	60.31
(d) Other current assets	14	14.26	70.23
Total current assets		5, 410.63	4,224.87
Total Assets		8, 036.84	7,107.97
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	15	2, 382.02	2,382.02
(b) Other equity	16	1, 191.14	803.49
Total equity		3, 573.16	3,185.51
(2) Liabilities			
A. Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	51.28	143.58
(ii) Lease liabilities	38	234.81	292.06
(b) Provisions	18	42.20	80.24
Total Non - current liabilities		328.29	515.88

BALANCE SHEET AS AT 31.03.2021 (CONTD..)

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
B. Current liabilities			
(a) Financial liabilities			
i) Borrowings	19	933.25	800.90
ii) Trade payables			
- total outstanding dues of micro & small enterprises		349.60	132.83
- total outstanding dues other than micro & small enterprises		2,301.18	1,892.93
iii) Other financial liabilities	20	528.75	562.42
(b) Other current liabilities	21	7.88	7.24
(c) Provision	22	14.73	10.26
Total current liabilities		4, 135.39	3,406.58
Total liabilities		4, 463.68	3,922.46
Total Equity and Liabilities		8, 036.84	7,107.97

Significant Accounting Policies 1

Notes on Financial Statements 2-48

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our Report of even date
For **N.R.Doraiswami & Co.,**
Chartered Accountants
Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN

Partner
Membership No.: 207893

Coimbatore
29.06.2021

For and on behalf of the Board of Directors

V.RAJVIRDHAN
Managing Director
DIN : 00156787

P.SHANMUGASUNDARAM
Director
DIN : 00119411

R. VINOTH KUMAR
Chief Financial Officer

R. RAVI
Company Secretary
Membership No. A23125

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
I. Revenue from Operations	23	9, 212.60	10,114.10
II. Other Income	24	73.92	82.06
III. Total Revenue (I + II)		9, 286.52	10,196.16
IV. Expenses			
a) Cost of material consumed	25	3, 900.12	4,483.98
b) Changes in inventories of finished goods, Stock in trade and work in progress	26	282.37	436.46
c) Employees benefits expense	27	1, 591.85	1,808.71
d) Finance Costs	28	188.13	253.34
e) Depreciation and amortisation expense	29	463.79	442.02
f) Other expenses	30	2, 516.91	2,835.64
Total Expenses		8, 943.17	10,260.15
V. Profit/(Loss) before Exceptional item and tax (III-IV)		343.35	(63.99)
VI. Exceptional items			-
VII. Profit/(Loss) before tax (V-VI)		343.35	(63.99)
VIII. Tax expense		-	
a) Current tax		-	-
b) Deferred tax		-	-
IX. Profit / (Loss) for the year (VII-VIII)		343.35	(63.99)
X. Other comprehensive income net of income tax			
Items that will not be reclassified to profit or loss			
a) Remeasurement of defined benefit plans		44.30	64.54
b) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income net of income tax		44.30	64.54
XI. Total comprehensive income for the period (IX+X)		387.65	0.55
XII. Earning per Equity share (In Rs)			
Basic / Diluted (Face Value of Rs.1 Each)	31	0.14	(0.03)

Significant Accounting Policies 1

Notes on Financial Statements 2-48

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

 As per our Report of even date
 For **N.R.Doraiswami & Co.**,
 Chartered Accountants
 Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
 Partner
 Membership No.: 207893

 Coimbatore
 29.06.2021

For and on behalf of the Board of Directors

V.RAJVIRDHAN
 Managing Director
 DIN : 00156787

R. VINOTH KUMAR
 Chief Financial Officer

P.SHANMUGASUNDARAM
 Director
 DIN : 00119411

R. RAVI
 Company Secretary
 Membership No. A23125

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2021

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
Cash Flows from Operating Activities		
Profit Before Income tax	343.35	(63.99)
Adjustment for		
Depreciation and amortisation expense	463.79	442.02
Net (gain)/ loss on foreign exchange restatement	(21.84)	(50.12)
Profit on sale of fixed assets	(14.53)	(2.55)
Assets Condemned / Written off	2.13	0.19
Interest Income	(7.88)	(7.02)
Lease payment	71.13	55.67
Finance Cost	188.13	253.34
	1024.27	627.54
Change in operating assets and liabilities		
(Increase) / Decrease in Inventories	(1.22)	631.50
(Increase) / Decrease in Trade Receivables	(1231.77)	453.15
(Increase) / Decrease in Other Assets	44.42	337.33
Increase / (Decrease) in Trade Payables	625.02	(1,323.75)
Increase / (Decrease) in Other liabilities	(79.54)	(165.33)
Cash Generated from operations	381.17	504.76
Less: Income Tax paid (net of refunds)	13.87	(26.07)
Net Cash from/ (used in) operating activities (A)	395.04	534.36
Cash Flows from Investing Activities		
Purchase of PPE (including changes in CWIP)	(214.92)	(329.44)
Sale proceeds of PPE	21.55	13.35
Fixed Deposit with Banks	(0.74)	1.05
Interest income	7.88	7.02
Net Cash from/ (used in) investing activities (B)	(186.23)	(308.02)
Cash Flows from Financing Activities		
Repayment of Borrowings	40.06	88.91
Lease payment	(71.13)	(55.67)
Lease Finance charges	(32.61)	(32.64)
Finance Cost	(155.52)	(220.70)
Net Cash from/ (used in) financing activities (C)	(219.20)	(164.43)
Net decrease in cash and cash equivalents (A+B+C)	(10.38)	6.25
Cash and cash equivalents at the beginning of the financial year	11.40	5.15
Cash and cash equivalents at the end of the financial year	1.03	11.40

The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Statement of Cash Flows".

The significant accounting policies and the accompanying notes form an integral part of the financial statements."

'As per our Report of even date"

For and on behalf of the Board of Directors

For **N.R.Doraiswami & Co.,**

Chartered Accountants

Firm Registration No.: 000771S

V.RAJVIRDHAN
Managing Director
DIN : 00156787

P.SHANMUGASUNDARAM
Director
DIN : 00119411

SUGUNA RAVICHANDRAN

Partner

Membership No.: 207893

Coimbatore

29.06.2021

R. VINOTH KUMAR
Chief Financial Officer

R. RAVI
Company Secretary
Membership No. A23125

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
STATEMENT OF CHANGES IN EQUITY

Particulars

A. Equity Share Capital (Rs. in Lakhs)

Balance at the end of March 31, 2020	2,382.02
Changes in equity capital during the year	-
Balance at the end of March 31, 2021	2,382.02

B. Other Equity (Rs. in Lakhs)

Particulars	Capital Reserve	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance as at 31.03.2019	2,898.85	2,639.03	(4,739.66)	4.72	802.94
Profit / (loss) for the year	-	-	(63.99)	-	(63.99)
Addition / (Deletion) for the year		-	-		-
Other Comprehensive Income for the year (Net of tax)	-	-	-	64.54	64.54
Balance as at 31.03.2020	2,898.85	2,639.03	(4,803.65)	69.26	803.49
Profit / (loss) for the year	-	-	343.35	-	343.35
Addition / (Deletion) for the year	-		-	-	-
Other Comprehensive Income for the year	-	-	-	44.30	44.30
Balance as at 31.03.2021	2,898.85	2,639.03	(4,460.30)	113.56	1,191.14

Significant Accounting Policies 1

Notes on Financial Statements 2-48

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our Report of even date
 For **N.R.Doraiswami & Co.,**
 Chartered Accountants
 Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN
 Partner
 Membership No.: 207893

Coimbatore
 29.06.2021

For and on behalf of the Board of Directors

V.RAJVIRDHAN
 Managing Director
 DIN : 00156787

R. VINOTH KUMAR
 Chief Financial Officer

P.SHANMUGASUNDARAM
 Director
 DIN : 00119411

R. RAVI
 Company Secretary
 Membership No. A23125

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**Note No. 1****A Corporate Information**

LGB Forge Limited was incorporated on 07.06.2006. The company is into manufacturing of Cold and Hot forged components and has its manufacturing unit at Tamilnadu, Karnataka and Pondicherry. The company concentrates in manufacturing high volume Auto, Electrical & Transmission forged components for automobiles, non automotive segments like Valve Industry and infrastructure equipment industry including machining for customers in automotive, off-road and non-automotive segments.

B SIGNIFICANT ACCOUNTING POLICIES:**I. General Information and Statement of compliance**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

II. Basis of preparation and presentation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability

in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

III. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require "significant accounting estimates involving complex and subjective Judgements and the use of assumptions" in these financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (upto two decimals). These financial statements are approved for issue by the Company's Board of Directors on 29th June, 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**IV. Current versus non - current classification**

The entity presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current, when:

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

V. Revenue Recognition Sale of goods

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

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Income from Service

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

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognized in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

generally when shareholders approve the dividend.

VI. Property, Plant and Equipment

Property, Plant and Equipment (PPE) being fixed assets are tangible items held for use or for administrative purposes and are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Financing costs relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Items of stores and spares that meet the definition of PPE are capitalized at cost and depreciated over its useful life. The Carrying amount of an item of PPE is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. Depreciation on Property, Plant and Equipment (PPE) are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for building and medical equipments, which are depreciated over the useful life as estimated by the management. The management believes that the useful life adopted reflect the expected pattern of consumption of future economic benefit:

Particulars	Useful life
Factory Building	30 Years
Plant and Equipment	7.5 Years (Triple Shift)
Furniture and Fittings	10 Years
Vehicles	8 Years
Other Equipment	15 Years

Where the cost of a part of the PPE is significant to the total cost of the PPE and if that part of the PPE has a different useful life than the main PPE, the useful life of that part is determined separately for depreciation.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The depreciation method applied to an asset is reviewed at each financial year-end and if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged to reflect the changed pattern.

VII. Intangible Assets

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset. Other software is amortised, on a straight line method, over a period of three years based on management's assessment of useful life.

In June 2018, the company has acquired a unit from Supreme Automech Private Limited in Pondicherry. During the course of acquisition, the company incurred Goodwill and Business Intellectual Property Rights which is amortised

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

on a straight line method, over a period of five years based on management's assessment of useful life.

Useful lives of Intangible Assets

Class of Assets	Years
Software	3 Years
Goodwill	5 Years
Intellectual Property Rights	5 Years

VIII. Impairment of Property, Plant and Equipment and Intangible Assets

The carrying amounts of its tangible and intangible assets are reviewed, as at each balance sheet date, to determine if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows as a cash generating unit are discounted to the present value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an extent occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

IX. Inventories

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

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

X. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Subsequent measurement For purposes of subsequent measurement, financial assets are classified in four categories:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise to specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within

the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

De-recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when: The rights to receive cash flows from the asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**b) Financial Liabilities****Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de- LGB FORGE LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

ii. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless

designated as fair value through profit and loss at the inception.

iii. Other financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

De-recognition of Financial Liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de- recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Compound Financial Instruments

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

XI. Impairment of Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

XII. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most

advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participant's would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**XIII. Foreign currencies****a) Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Foreign currency monetary items are reported using closing foreign exchange rate. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

XIV. Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All the other borrowing costs are recognized in the statement of

profit and loss in the period in which they are incurred.

XV. Employee benefits**a) Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Liabilities with regard to the Gratuity plan AND Long term Compensated absences are determined by actuarial valuation, performed by an independent actuary, at each Balance sheet date using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

Service cost (including current service cost, past service cost, as well as gains losses on curtailments and settlements);

Net interest expense or income; and

Re-measurement of actuarial gain/losses.

The Company presents the first twocomponents of defined benefit costs in

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

the statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

b) Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liability recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

XVI. Leases

The company has adopted Ind AS 116 "Leases" with effect from 1st April 2019. The company has measured Right-to-use Asset and Lease Liability based on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for

a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future least payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cashflows.

XVII. Taxation

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year.

a) Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments/appeals.

b) Deferred Tax

Deferred tax is recognized on temporary differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exist to set off current tax assets against current tax liabilities and deferred tax assets/deferred tax liabilities relate to same taxable entity and same taxation authority.

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

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.

XVIII. Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value unless otherwise required by the standard and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

XIX. Earnings per share

- a) Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.
- b) For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XX. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make Judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the company's accounting policies :

a) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Such lives are dependent upon an assessment of both the technical lives of the asset and also their economic lives based on various internal and external factors including efficiency and operating costs. Accordingly depreciation lives are reviewed annually using the best information available to the management.

b) Evaluation of indicators for impairment of assets

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets

c) Recognition of deferred tax liability

Significant management judgement is required to determine the amount of deferred tax asset that can be recognized based on the likely timing and the level of future taxable profits together with future tax planning strategies.

d) Provision and contingent liability

Provisions and liabilities are recognized in the period when it becomes probable that there will be future outflows of funds from past events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies, the likelihood of which is remote, are not disclosed in the financial statements.

e) Defined benefit obligation

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

f) Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Non Current Assets
2 Property, Plant and Equipment

₹ in Lakhs

Particulars	Tangible Assets									
	Land	Build- ing	Plant and Equip- ment	Fur- niture and Fit- tings	Elec- trical Fittings	Vehi- cles	Office Equip- ment	Other Assets	Right of Use Asset	Total
Cost as at March 31, 2020	218.15	51.60	2,814.28	24.43	76.53	13.85	60.88	52.91	347.73	3,660.36
Additions	-	19.74	95.93	4.53	8.06	-	10.08	8.26	13.87	160.47
Disposals			197.77	-	0.16	-	0.86	-	-	198.80
Cost as at March 31, 2021	218.15	71.34	2,12.43	28.96	84.43	13.85	70.10	61.17	361.60	3,622.03
Depreciation as at March 31, 2020	-	9.82	931.03	15.39	19.94	6.47	3.30	17.88	68.07	1,071.90
Charge for the year	-	2.33	294.54	-	48.16	1.71	-	6.16	82.27	435.17
Disposals/ Transfers	-	-	189.29	-	0.15	-	0.80	11.43	-	201.68
Depreciation as at March 31, 2021	-	12.15	1,036.27	15.39	67.95	8.18	2.50	12.60	150.34	1,305.39
Net Block										
As at March 31, 2020	218.15	41.78	1,883.25	9.04	56.59	7.38	57.58	35.03	279.66	2,588.46
As at March 31, 2021	218.15	59.18	1,676.16	13.57	16.49	5.67	67.60	48.56	211.27	2,316.66

3 Intangible Assets

₹ in Lakhs

Particulars	Computer Software	Goodwill	IP Rights	Total Intangible Assets
As at March 31, 2020	36.20	31.50	111.63	179.33
Additions	18.20	-	-	18.20
Disposals	14.12	-	-	14.12
As at March 31, 2021	40.28	31.50	111.63	183.41
Depreciation as at March 31, 2020	3.00	11.61	41.00	55.61
Charge for the year	-	6.30	22.33	28.63
Withdrawals	2.09	-	-	2.09
Depreciation as at March 31, 2021	0.91	17.91	63.33	82.15
Net Block				
As at March 31, 2020	33.20	19.89	70.63	123.72
As at March 31, 2021	39.37	13.59	48.30	101.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
4 CAPITAL WORK IN PROGRESS		
Capital Work-in-progress	50.44	14.20
Total	50.44	14.20

5 FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

Security and other Deposits	82.25	80.95
Total	82.25	80.95

6 OTHER NON CURRENT ASSETS

Rent and other advances	14.55	14.52
Preliminary Expenses	61.25	61.25
Total	75.80	75.77

CURRENT ASSETS
7 INVENTORIES

Raw Materials	1,143.18	839.78
Work-in-progress	474.39	591.23
Finished goods	117.63	283.16
Others		
Stores and spares	111.82	138.33
Loose Tools	39.16	32.46
Total	1,886.18	1,884.96

Notes:

- There are no Goods in Transit as on 31/03/2021
- For method of valuation of inventories, refer Note No.1.B.IX
- Inventories with the above carrying value, pledged as security against borrowings, are stated in Note No.19
- Cost of Inventory recognised as expenditure

Particulars	2020-21	2019-20
Raw Materials	3,900.12	4,483.98
Others *	389.19	416.31
Total	4,289.31	4,900.29

* Others include Stores and Spares, Loose Tools

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
8 FINANCIAL ASSETS: TRADE RECEIVABLES

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Unsecured Considered good	3,400.32	2,146.72
Unsecured, considered doubtful	10.74	10.74
Less: Allowance for doubtful debts	(10.74)	(10.74)
Total	3,400.32	2,146.72

Notes:

a) Allowance for ECL

In determining the allowances for doubtful trade receivables, the company uses ECL allowance method. Expected credit losses are accounted after taking into account historical credit loss experiences of the company.

Movement in allowance for ECL	2020-21	2019-20
Opening balance	10.74	23.11
Additions	-	25.09
Reversals	-	(37.46)
Closing balance	10.74	10.74

b) Trade receivables with the above carrying value, pledged as security against borrowings, are stated in Note No 19.

c) Credit period offered to customers varies between 30 to 90 days.

9 FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS

Cash on hand	0.44	10.26
Balance with Bank		
-In current accounts	0.59	1.14
Total	1.03	11.40

10 FINANCIAL ASSETS: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

-In Earmarked balances		
Margin money deposit	16.78	16.04
Total	16.78	16.04

* Earmarked bank balances are restricted in use in the form of margin money towards Letter of Credit and Bank Guarantee

11 FINANCIAL ASSETS: LOANS

Unsecured, considered good		
Loans and advances to Employees	7.78	7.89
Total	7.78	7.89

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
12 FINANCIAL ASSETS: OTHERS

Prepaid expenses	21.30	23.97
Balances with statutory authorities	1.35	1.35
Unamortized interest expenses	15.00	2.00
Total	37.65	27.32

13 CURRENT TAX ASSETS

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Advance taxes (net of provision)	46.43	60.31
Total	46.43	60.31

14 OTHER CURRENT ASSETS

GST Input tax credit (Net)	14.26	70.23
Total	14.26	70.23

15 EQUITY SHARE CAPITAL

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
Authorized Share Capital				
Equity shares of Rs.1/- each	25,00,00,000.00	2,500.00	25,00,00,000.00	2,500.00
	25,00,00,000.00	2,500.00	25,00,00,000.00	2,500.00
Issued, Subscribed and paid up capital	23,82,02,463.00	2,382.02	23,82,02,463.00	2,382.02
Total	23,82,02,463.00	2,382.02	23,82,02,463.00	2,382.02

Notes:

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

Particulars	Opening Balance	Fresh Issue	Bonus/ Rights Issue	Conversion/ Buyback	Closing Balance
Equity shares with voting rights Year ended 31st March, 2021					
Number of shares	23,82,02,463.00	-	-	-	23,82,02,463.00
Amount (Rs. in lakhs)	2,382.02	-	-	-	2,382.02
Year ended 31st March, 2020					
Number of shares	23,82,02,463.00	-	-	-	23,82,02,463.00
Amount (Rs. in lakhs)	2,382.02	-	-	-	2,380.02

b. Terms/ Rights attached to the Equity Shares

- i. The Company has only one class of Equity Shares having par value of Re.1/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ii. The dividend Proposed is as recommended by the Board of Directors and subject to the approval of the Shareholders in the Annual General Meeting.

iii. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. The Company does not have any holding company or ultimate holding company as on 31.03.2021

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

Name of the shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares with voting rights				
L.G. Balakrishnan & Bros Limited	2,90,00,000	12.17	2,90,00,000	12.17
Smt. V. Rajsri	1,50,00,000	6.30	1,50,00,000	6.30
Sri. B. Vijaykumar	1,50,00,000	6.30	1,50,00,000	6.30
Sri. V. Rajvidhan	6,77,63,768	28.45	5,93,25,818	24.91
Elgi Automotive Services P Ltd	2,26,66,666	9.52	3,11,04,616	13.06
LGB Auto Products P Ltd	1,41,58,510	5.94	1,41,58,510	5.94

16 OTHER EQUITY

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
(a). Securities Premium	2,639.03	2,639.03
(b). Capital Reserve	2,898.85	2,898.85
(c). Other Comprehensive Income	113.56	69.26
(d). Retained Earnings	(4,460.30)	(4,803.65)
Total	1,191.14	803.49

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
(a). Securities Premium		
Opening Balance	2,639.03	2,639.03
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
Closing Balance	2,639.03	2,639.03
(b). Capital Reserve		
Opening Balance	2,898.85	2,898.85
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
Closing Balance	2,898.85	2,898.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
(c). Other Comprehensive Income		
Opening Balance	69.26	4.72
Add: Additions during the year	-	-
Remeasurement of Actuarial gains / losses (net of tax)	44.30	64.54
Less: Deletions during the year	-	-
Closing Balance	113.56	69.26
(d). Retained Earnings		
Opening Balance	(4,803.65)	(4,739.66)
Add: Additions/(Deletions) during the year	-	-
Add: Profit During the Year	343.35	(63.99)
Transfer from OCI	-	-
Closing Balance	(4,460.30)	(4,803.65)
TOTAL	1,191.14	803.49

Capital Reserves:

LGB Forge Ltd was demerged from LG Balakrishnan and Bros Ltd in the year 2008. At the time of demerger, on 21.04.2008, reserves on the date of demerger were transferred to Capital Reserves to the extent of the demerged portion.

NON CURRENT LIABILITIES
17 BORROWINGS

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Secured at amortised cost		
Term loans from Others- Bajaj Finance Ltd.	51.28	143.58
Less: Unamortised interest	-	-
Total	51.28	143.58

- 1) The company has not defaulted in the repayment of loans and interest as at the balance sheet date.
- 2) Repayment and interest terms:
 - i) Term Loan from Bajaj Finance Limited is repayable in 20 quarterly instalments of Rs. 50 lakhs each. Interest rate: 'PLR minus 8.75 %', payable on monthly basis.
 - ii) Term Loan from Bajaj Finance Limited repayable in 20 quarterly instalments of Rs. 10 lakhs each. Interest rate : 'PLR minus 7.50 %', payable on monthly basis.
- 3) Security Details

The loan is secured by way of :

 - a) Factory Land and Building at No. 80 & 81, 5th Mile, Matagalli post, KRS Road, Mysore, Karnataka and
 - b) Charge on all Movable Fixed Assets of the Company both present and future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
18 LONG TERM PROVISIONS

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Provision for Gratuity (Refer Note No. 45)	14.05	39.11
Provision for Leave encashment	8.05	21.03
Provision for Decommissioning Liability	20.10	20.10
Total	42.20	80.24

CURRENT LIABILITIES
19 BORROWINGS

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Secured Loans repayable on demand		
-From banks	433.25	300.90
- From others	500.00	500.00
Total	933.25	800.90

Terms and conditions of short term loans taken from banks and financial institutions:

- 1) Cash Credit from Axis Bank carries an interest rate of “3 Months MCLR +1 %” payable at monthly intervals and are secured by first pari passu charge on entire current assets and second pari passu charge on the entire movable fixed assets of the Company, both present and future.
- 2) Cash Credit from ICICI Bank carries interest rate of “6 Months MCLR + 1 %” payable at monthly intervals and are secured by first charge of the Company’s entire stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, ranking pari passu with other participating bank.
- 3) Cash Credit from IDBI bank carries interest rate of “11.75 %” payable at monthly intervals and are secured by pari passu first charge over the current assets of the Company, Collateral pari passu second charge over the fixed assets of the company except those that are exclusively charged to term lenders.
- 4) Working Capital Loans from Bajaj Finance Limited carry interest of 11.75% and 13% and is secured by way of :
 - a) Factory Land and Building at No. 80 & 81, 5th Mile, Matagalli post, KRS road, Mysore Karnataka and
 - b) a charge on all Movable Fixed Assets of the company both present and future.
- 5) The above loans are further secured by Corporate Guarantee by L.G. Balakrishnan & Bros Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
20 OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Current maturities of long-term debt	90.00	240.00
Interest accrued but not due on borrowings	3.38	12.17
Accrued Employee Benefits	242.44	143.82
Expense payable	192.93	166.43
Total	528.75	562.42

21 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Statutory Remittances	7.88	7.24
Total	7.88	7.24

22 SHORT TERM PROVISIONS

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Provision for Gratuity (Refer Note No. 45)	11.20	9.05
Provision for leave encashment (Refer Note No.45)	3.53	1.21
Total	14.73	10.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
23 REVENUE FROM OPERATIONS

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
A. Sale of products		
Domestic	6,963.73	8,431.03
Exports	1,651.35	1,220.22
B. Other Operating Revenue.		
Scrap Sales	570.52	402.14
Other Operating Revenue	27.00	60.71
Revenue from operations	9,212.60	10,114.10

24 OTHER INCOME

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Interest Income	8.74	7.02
Profit on sale of assets (Net)	14.53	2.57
Foreign Exchange Gain (Net)	21.84	50.12
Export incentive	28.81	19.47
Miscellaneous Receipts	-	2.88
Total	73.92	82.06

25 COST OF MATERIALS CONSUMED

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Raw Materials Consumption		
Opening Stock	839.78	1,003.05
Add: Purchases	4,203.52	4,320.71
Less : Closing Stock	1,143.18	839.78
Total	3,900.12	4,483.98
Details of Raw Materials and components consumed		
Rods, Coils and bars:		
Imported	-	18.06
Indigenous	3,900.12	4,465.92
Total	3,900.12	4,483.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Inventory at the end of the year		
Finished Goods	117.63	283.16
Work in Progress	474.39	591.23
Total Inventory at the end of the year	592.02	874.39
Inventory at the beginning of the year		
Finished Goods	283.16	744.89
Work in Progress	591.23	565.96
Total Inventory at the beginning of the year	874.39	1,310.85
Total (increase)/Decrease in inventories	282.371	436.46

27 EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Salaries, Wages and Bonus	1,446.71	1,530.64
Contributions to Provident fund and other funds	63.72	136.87
Staff welfare expenses	81.42	141.20
Total	1,591.85	1,808.71

28 FINANCE COST

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Interest	155.52	220.69
Lease liability	32.61	32.65
Total	188.13	253.34

29 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Depreciation (Refer Note No. 2)	435.17	413.25
Amortization (Refer Note No. 3)	28.63	28.77
Total	463.79	442.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
30 OTHER EXPENSES

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Consumptions of Store and Spare Parts	389.19	416.30
Processing Charges	564.92	674.00
Power and Fuel	669.61	819.82
Rent	2.95	21.19
Repairs and Maintenance		
Buildings	85.09	76.28
Machinery	182.34	118.17
Others	54.24	67.04
Insurance	16.98	6.72
Rates and Taxes	19.44	17.63
Travelling and Conveyance	30.72	54.22
Printing and Stationery	7.82	11.30
Postage, Telegram and telephone	22.68	7.82
Freight, packing and forwarding	322.59	318.59
Advertisement, publicity and selling expenses	19.97	27.00
Bank charges	25.01	28.42
Legal and Professional charges	12.10	69.68
Audit fees (Refer Note No. 30A)	6.49	5.65
Assets Condemned & written off	2.13	0.19
Sitting fees	0.80	1.02
Watch and Ward	78.83	72.55
Loss on sale of assets	-	0.02
Miscellaneous Expenses	3.01	22.03
Total	2,516.91	2,835.64

30 A AUDITORS' REMUNERATION

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Statutory audit	5.20	5.20
Other certification charges	1.29	0.45
Total	6.49	5.65

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
31 EARNINGS PER SHARE

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Profit/(Loss) for the year attributable to owners of the Company (Rs. in Lakhs)	343.35	(63.99)
Weighted Average Number of Equity Shares outstanding during the year for the purpose of Basic Earnings/Diluted Earnings per Share (Nos. in Lakhs)	2,382.02	2,382.02
Basic & Diluted Earnings Per Share in Rs.	0.14	(0.03)

32 DEFERRED TAX ASSET

Deferred tax asset has not been recognised in respect of the following items because it is not probable that future taxable profits will be available against which the company can use the benefits thereon.

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Losses that shall expire		
Business Loss	44.83	99.64
Losses that shall not expire		
Depreciation Loss	2,689.40	2,696.42
Total	2,734.22	2,796.06

a) The above figures are based on the last published balance sheet

33 EARNINGS IN FOREIGN CURRENCY

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
- FOB Value of Exports	1,651.35	1,220.22
Total	1,651.35	1,220.22

34 EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Others	10.20	4.87
Total	10.20	4.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
35 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSME ACT, 2006

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
a) Principal amount remaining unpaid to any supplier as at the end of each accounting year	349.60	132.83
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	NIL	NIL
c) 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
d) 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
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
f) 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

* This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the Auditors.

36 COMMITMENTS AND CONTINGENT LIABILITIES

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Bank Guarantees	98.56	40.00
Claims anticipated towards termination of Employee challenged by appeal	9.30	9.30
Letter of credits	770.36	503.60

37 OPERATING SEGMENTS

The Company is engaged in the business of "Manufacture of Forged and Machined Components" and therefore, has only one reportable segment in accordance with IND AS 108 'Operating Segments'

a) Revenue from External customers		
Within India	6,963.73	8,431.03
Outside India	1,651.35	1,220.22
Total	8,615.08	9,651.25
b) Non Current Assets		
All the noncurrent assets of the Company are located in India	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

c) Information about major customers		
Number of external customers each contributing more than 10% of Total Revenue	2 Nos	2 Nos
Total Revenue from the above customers	3,139.14	4,221.32

38 LEASES

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2021 are as follows:

Particulars	ROU Assets As at March 31, 2021 Rs. in Lakhs	Lease Liabilities As at March 31, 2020 Rs. in Lakhs
Opening balance	279.66	292.06
Add : Additions during the year	13.87	13.87
Add : Interest cost during the year	-	32.61
Less : Deletions during the year	-	-
Less : Depreciation during the year	82.27	-
Less : Payment of Lease Liabilities	-	103.74
Closing Balance	211.27	234.81

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the ROU asset, and finance cost for interest accrued on lease liability.

Lease payments of Rs.2.95 lakhs relating to leases with a term of 12 months or less and low value leases are charged to statement of profit and loss.

39 GOVERNMENT GRANTS

Particulars	For the Year ended 31.03.2021 Rs. in Lakhs	For the Year ended 31.03.2020 Rs. in Lakhs
Duty Drawback on Exports	28.81	19.47
Total	28.81	19.47

40 CORPORATE SOCIAL RESPONSIBILITY

The average net profit of the immediately preceding three financial years is negative, accordingly, the company is not mandated to spend any amount towards CSR activities for the financial year 2020-21.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
41 Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR) Regulations, 2015

Loans and advances to firms / companies in which directors are interested - Rs. NIL (previous year Rs. NIL)

42 DISCLOSURE IN RELATION TO SECTION 186(4) OF THE COMPANIES ACT, 2013

Rs. NIL (Previous year Rs.NIL)

43 FINANCIAL INSTRUMENTS
A. Capital Management

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

The Company determines the amount of capital required on the basis of annual operating plans and long term product and other strategic investment plans. the funding requirements are met through equity, Long term and Short term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. Debt includes Long term loans and Short term loans.

The following table summarizes the capital of the Company:

Particulars	As at 31.03.2021 Rs. in Lakhs	As at 31.03.2020 Rs. in Lakhs
Debts	1,077.91	1,196.65
Less: Cash and Bank Balances	1.03	11.40
Net Debt	1,076.88	1,185.25
Total Equity	3,573.16	3,185.51
Gearing Ratio	30.14%	37.21%

B. Categories of Financial Instruments

Particulars	Note No.	As at 31.03.2021 Rs. in Lakhs		As at 31.03.2020 Rs. in Lakhs	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets					
a. Measured at amortised cost					
Non current Loans	5	82.25	82.25	80.95	80.95
Trade receivables	8	3,400.32	3,400.32	2,146.72	2,146.72
Cash and cash equivalents	9	1.03	1.03	11.40	11.40
Bank balances other than above	10	16.78	16.78	16.04	16.04
Loans	11	7.78	7.78	7.89	7.89
Other Financial Assets	12	37.65	37.65	27.32	27.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	As at 31.03.2021 Rs. in Lakhs		As at 31.03.2020 Rs. in Lakhs	
		Carrying Value	Fair Value	Carrying Value	Fair Value
b. Measured at fair value through P&L		-	-	-	-
c. Measured at fair value through OCI		-	-	-	-
Financial Liabilities					
a. Measured at amortised cost					
Long term borrowings	17	51.28	51.28	143.58	143.58
Short term borrowings	19	933.25	933.25	800.90	800.90
Trade Payables		2,650.78	2,650.78	2,025.76	2,025.76
Other Financial Liabilities	20	528.75	528.75	562.42	562.42
b. Measured at fair value through P&L		-	-	-	-
c. Measured at fair value through OCI		-	-	-	-

C. Financial risk management objectives

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's activities expose it to credit risk, liquidity risk, market risk - interest rate risk and foreign currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk -Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Foreign Currency risk	Recognised financial assets and liabilities not denominated in functional currency	Cash flow forecasting, Sensitivity analysis

i. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

Credit Risk Management

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Assets Group	Description of category	Particulars	Provision for expected credit loss *
Low credit risk	Assets where the counter- party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets.	12 month expected credit loss/life time expected credit loss.
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong.	Nil	12 month expected credit loss/life time expected credit loss.
High credit risk	Assets where there is a high probability of default.	Nil	12 month expected credit loss/life time expected credit loss.

*Life time expected credit loss/fully provided for trade receivables

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

Classification of financial assets among risk categories:

Credit rating	Particulars	31.03.2021 Rs. in Lakhs	31.03.2020 Rs. in Lakhs
Low Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets.	3,463.56	2,209.37
Moderate Credit risk	Nil	-	-
High Credit risk	Nil	-	-

The loss allowances for trade receivables using expected credit lossess for different ageing periods as at 31st March 2021 are as follows :

Particulars	Rs. in Lakhs		
	Less than 6 months	More than 6 months	Total
Gross carrying amount	2818.69	592.37	3411.06
Loss allowance provision	-	(10.74)	(10.74)
Net	2818.69	581.63	3400.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The loss allowances for trade receivables using expected credit losses for different ageing periods as at 31st March 2020 are as follows :

Rs. in Lakhs

Particulars	Less than 6 months	More than 6 months	Total
Gross carrying amount	1,836.66	320.80	2,157.46
Loss allowance provision	-	(10.74)	(10.74)
Net	1,836.66	310.06	2,146.72

Exposure to customers having more than 5% of outstanding in respect of Trade Receivables

Particulars	31.03.2021 Rs. in Lakhs	31.03.2020 Rs. in Lakhs
Denso india P Ltd	308.64	318.00
Lucas TVS Limited	208.96	208.00
Poclain Hydraulics Pvt. Ltd.	247.70	186.00
Danfoss Power Solutions India Pvt. Ltd.	175.04	123.00
GKN Drive Line India Limited	-	108.00
Borgwarner Power Drive Systems Inc	494.67	342.00
L.G.Balakrishnan & Bros Ltd	674.40	-
Elgi Equipments Ltd	2,109.41	1,285.00
Total	1,285.00	1,471.00

As per simplified approach, the Company makes provision of expected credit losses on trade receivables based on past experiences to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

ii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity Risk Management

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rs. in Lakhs

Particulars	Less than 1 Year	1 - 5 years	More than 5 years	Carrying amount
31st March 2021				
Financial Liabilities				
Trade Payables	2,650.78	-	-	2,650.78
Borrowings	90.00	51.28	-	141.28
	2,740.78	51.28	-	2,792.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Rs. in Lakhs

	Less than 1 Year	1 - 5 years	More than 5 years	Carrying amount
31st March 2020				
Financial Liabilities				
Trade Payables	2,025.74	-	-	2,025.74
Borrowings	240.00	143.58	-	383.58
	2,265.74	143.58	-	2,409.32

iii. Market risk

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

Interest Rate risk

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

Particulars	31.03.2021 Rs. in Lakhs	31.03.2020 Rs. in Lakhs
Floating rate loans	1,077.91	1,196.65
Fixed rate loans	-	-
Total Borrowings	1,077.91	1,196.65

Interest rate sensitivity analysis

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would decrease / increase by Rs.3.01 Lakhs (for the year ended 31 March 2019: decrease / increase by Rs. 2.51 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

iv. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

As on 31st March 2021 (all amounts are in equivalent INR Lakhs)

Particulars	Liability exposure on the Currency	Asset exposure on the Currency	Net asset / (liability) exposure on the currency
USD	-	11.03	11.03
SGD	0.19	-	(0.19)
In INR	10.20	839.04	828.84

As on 31st March 2020 (all amounts are in equivalent INR Lakhs)

USD	0.14	6.13	5.99
SGD	-	-	-
In INR	4.87	453.43	448.56

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant.

Particulars	Impact on Profit before tax			
	31.03.2021		31.03.2020	
	+0.50%	-0.50%	+0.47%	-0.47%
USD	4.08	-4.08	2.24	-2.24
SGD	0.05	-0.05	-	-

Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The three levels are explained as follows:

Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date. These quoted prices are unadjusted.

Level 2 - Inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly.”

Level 3 - Inputs are unobservable inputs for the asset or liability.

The table below categorises financial instruments and analyses those measured at fair value by the level into which the fair value measurement is categorised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Rs. in Lakhs

Categories of Financial Instruments	Level	As at 31.03.2021	As at 31.03.2020
Financial Liabilities			
a. Measured at amortised cost			
Long term borrowings	2	51.28	143.58
Short term borrowings	2	933.25	800.90

44 Related Party Disclosure

a) Name of related parties and nature of relationship

Holding Company	The Company does not have any holding Company
Subsidiaries and Associates	The Company does not have any Subsidiaries, associates and joint ventures
Other Related Companies	Enterprises over which the directors are interested
	L.G. Balakrishnan & Bros Limited
	Super Transports Private Limited
	South Western Engineering India Private Limited
	BV Medical Foundation
	L G Farm Products Private Limited
	L G B Auto Products Private Limited
	Silent Chain India Private Limited
	Super Speeds Private Limited
	ELGI Automotive Services Private Limited
	Rajvirdhan Private Limited
	Paatimaachi Private Limited
Key Management Personnel	Sri.V.Rajvirdhan - Managing Director
	Mr.R.Vinothkumar - Chief Financial Officer
	Mr.R. Ravi - Company Secretary
Relatives of Key Management Personnel	Sri.B.Vijayakumar
	Smt. V. Rajsri
	Smt. D. Sasikala

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
b) Transactions during the year
Rs. in Lakhs

S.No	Nature of Transactions	Name of the Payee	Description of Relationship	2020-21	2019-20
1	Managerial Remuneration	V.Rajvirdhan	Key Management Personnel	17.90	33.00
		R. Ravi		10.12	7.00
		R.Vinothkumar		3.18	3.52
		R.Ponmanikandan		-	1.60
2	Rent Payment	L.G. Balakrishnan & Bros. Limited	Companies in which directors are interested	46.74	49.69
3	Purchase of Power, Spares, Processing, Conversion, Service Charges Payments	L.G. Balakrishnan & Bros. Limited	Companies in which directors are interested	235.85	297.98
		Super Transports Private Limited		0.36	0.82
4	Sales of Power, Stores, Materials and Service Charges	L.G. Balakrishnan & Bros. Limited	Companies in which directors are interested	408.31	288.34
5	Sale of Assets	L.G. Balakrishnan & Bros. Limited	Companies in which directors are interested	-	5.95
6	Lease Payments	ELGI Automative Services Private Limited	Companies in which directors are interested	23.88	23.44

*Managerial remuneration does not include contribution made by the company towards Gratuity and Leave Encashment as the incremental liability has been accounted by the company as a whole and separate details for individual employee is not available.

c) Balances at the end of the Year
Rs. in Lakhs

S.No	Particulars	2020-21	2019-20
1	Other Related Companies		
	Amount Payable as on 31.03.2021 / 31.03.2020	516.88	244.68
	Amount Receivable as on 31.03.2021 / 31.03.2020	674.40	146.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
45 RETIREMENT BENEFIT PLANS
Defined contribution Plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund as well as Employee State Insurance Fund.

The expense recognised during the period towards this defined contribution plan is 48.75 Lakhs (March 31, 2020 - 111.57 Lakhs).

Defined benefit plans
(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations of all divisions were as follows:

Particulars	March 31, 2021	March 31, 2020
Mortality Table	Indian Assured Lives Mortality (2012-14) Ultimate	
Attrition Rate	5.00% p.a.	5.00% p.a.
Discount Rate	7.48% p.a.	6.86% p.a.
Rate of increase in compensation level	13.00% p.a. F5Y & 7.00% p.a. TA	13.00% p.a. F5Y & 7.00% p.a. TA
Rate of Return on Plan Assets	7.08% p.a.	6.86% p.a.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in profit and loss in respect of these defined benefit plans are as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Current service cost	9.06	11.64
Net interest expense on defined benefit obligations	8.78	10.64
Return on plan assets (excluding amounts included in net interest expense)	(5.73)	(4.23)
Components of defined benefit costs recognised in profit or loss	12.11	18.05
Remeasurement on the net defined benefit liability comprising:		
Return on plan assets (excluding amounts included in net interest expense)	0.52	(17.51)
Actuarial gains/losses arising from Demographic assumption changes	0	0.41
Actuarial gains/losses arising from changes in financial assumptions	(2.54)	13.76
Actuarial gains/losses arising from experience adjustments	(23.21)	(59.96)
Immediate recognition in Profit and Loss	-	-
Components of defined benefit costs recognised in other comprehensive income	(25.23)	(63.30)
Total Defined Benefit Cost	(13.12)	(45.25)

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

Net Asset/Liability recognised in Balance sheet in respect of Defined benefit plans are as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Present value of defined benefit obligation	111.79	128.30
Fair value of plan assets	(86.97)	(80.14)
Net liability/ (asset) arising from defined benefit obligation	24.82	48.16
Funded	24.82	48.16
Unfunded	-	-
	24.82	48.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 18] and 'Provision for employee benefits- gratuity' (short-term provisions) [Refer note 22].

Movements in the present value of the defined benefit obligation in the current year were as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Defined benefit obligation as at the beginning of the year (Other than Pondicherry)	128.30	158.22
Defined benefit obligation as at the beginning of the year (Pondicherry)	9.06	11.64
Current service cost	8.78	10.64
Interest on Defined benefit Obligation	(25.75)	(45.78)
Actuarial (gains)/losses on plan obligation	(8.60)	(6.41)
Benefits paid	111.79	128.31
Defined benefit obligation as at the end of the year	128.31	158.21

Movements in the fair value of the plan assets in the current year were as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Fair value of plan assets as at the beginning of the year	80.14	64.82
Difference in opening Value	0	16.57
Interest Income	5.73	4.23
Return on plan assets	-	-
Contributions	10.21	-
Benefits paid	(8.60)	(6.41)
Actuarial gains/(loss)	(0.52)	0.94
Fair value of plan assets as at the end of the year.	86.97	80.14

Sensitivity analysis

Assumptions	Change	% increase in DBO	Impact on Liability
Discount rate	+100 basic points	-9.42%	101.26
	-100 basic points	10.97%	124.06
Salary growth	+100 basic points	10.35%	123.36
	-100 basic points	-9.06%	101.67
Attrition rate	+100 basic points	-1.06%	110.61
	-100 basic points	1.14%	113.07
Mortality rate	+ 10 percentage	-0.03%	111.75

b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as leave encashment.

The design entitles the following risk

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

Amounts recognised in Profit and loss in respect of these defined benefit plans are as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Current service cost	6.83	12.73
Net interest expense	1.57	0.68
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/losses recognised during the period	(19.07)	(1.32)
Components of defined benefit costs recognised in profit or loss	(10.66)	12.09
Remeasurement on the net defined benefit liability comprising:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gains/losses arising from Demographic assumption changes	0	0.07
Actuarial gains/losses arising from changes in financial assumptions	(0.39)	3.03
Actuarial gains/losses arising from experience adjustments	(18.68)	(4.42)
Immediate recognition in Profit and Loss	19.07	1.32
Components of defined benefit costs recognised in other comprehensive income	-	-
Total Defined Benefit Cost	(10.66)	12.09

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Present value of defined benefit obligation	11.58	22.24
Fair value of plan assets	-	-
Net liability/ (asset) arising from defined benefit obligation	11.58	22.24
Funded	-	-
Unfunded	11.58	22.24
Total	11.58	22.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 18] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer note 22].

Movements in the present value of the Defined Benefit Obligation in the current year were as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Opening defined benefit obligation	22.24	10.15
Current service cost	6.83	12.73
Interest cost	1.57	0.68
Actuarial (gains)/losses	(19.07)	(1.32)
Benefits paid	-	-
Closing defined benefit obligation	11.57	22.24

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	-	-
Acquisition Adjustment	-	-
Interest Income	-	-
Return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gains/(loss)	-	-
Others	-	-
Closing fair value of plan assets	-	-

Sensitivity analysis- Leave salary

Assumptions	Change	% increase in DBO	Impact on Liability
Discount rate	+100 basic points	-8.35%	10.61
	-100 basic points	10.10%	12.75
Salary growth	+100 basic points	9.33%	12.66
	-100 basic points	-7.87%	10.67
Attrition rate	+100 basic points	-0.68%	11.50
	-100 basic points	0.75%	11.67
Mortality rate	+ 10 percentage	-0.01%	11.58

46 Covid-19 Impact

In assessing the recoverability of company's assets such as Property, Plant and Equipment, Investments, Trade Receivables, Inventories etc in view of Covid 19 outbreak, the company has considered available information upto the date of approval of these financial results to arrive at its estimates. The company has evaluated its liquidity position, recoverability of such assets and based on the current estimates expects that the carrying amount of these assets would be recovered.

47 Figures have been rounded of to the nearest Lakh and two decimals thereof.

48 The amounts and disclosures included in the financial statements of the previous year have been reclassified/ regrouped wherever necessary to conform to current year's classification.

Significant Accounting Policies 1

Notes on Financial Statements 2-48

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

'As per our Report of even date''

For **N.R.Doraiswami & Co.,**

Chartered Accountants

Firm Registration No.: 000771S

SUGUNA RAVICHANDRAN

Partner

Membership No.: 207893

Coimbatore

29.06.2021

For and on behalf of the Board of Directors

V.RAJVIRDHAN

Managing Director

DIN : 00156787

R. VINOTH KUMAR

Chief Financial Officer

P.SHANMUGASUNDARAM

Director

DIN : 00119411

R. RAVI

Company Secretary

Membership No. A23125