

LGB FORGE LIMITED



**13th
ANNUAL REPORT
2018 - 2019**

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. Ramakrishnan (upto 14.03.2019)

GENERAL MANAGER & COMPANY SECRETARY

Sri. R. Ponmanikandan

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: audit@srinrd.in

SECRETARIAL AUDITORS

M/s. P. Eswaramoorthy and Company
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 : info@lgb.co.in Website: www.lgbforge.co.in
Phone: 0422 2532325 Fax: 0422 2532333

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13th ANNUAL GENERAL MEETING

Date : 18th July, 2019
Day : Thursday
Time : 09.30 A.M.
Venue : **Ardra Convention Centre**
Kaanchan,
9, North Huzur Road
Coimbatore- 641 018.

NOTICE OF 13th ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of the Company will be held on 18th July, 2019 at 09.30 A.M. at Ardra Convention Centre, "Kaanchan", 9, North Huzur Road, Coimbatore - 641 018, to transact the following businesses:

AGENDA**Ordinary business**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri B. Vijayakumar (DIN: 00015583), who retires by rotation and being eligible, seeks re-appointment.

Special business

3. Re-appointment of Mr. P.V.Ramakrishnan (DIN 00013441) as an Independent Director of the Company.

To consider and to pass the following resolution as Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended and as per the recommendations of the Nomination and Remuneration Committee, Mr. P.V.Ramakrishnan (DIN 00013441), who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of five consecutive years, with effect from September 1, 2019 upto August 31, 2024 and is not liable to retire by rotation."

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

4. Re-appointment of Mr. K.N.V Ramani (DIN 00007931) as an Independent Director of the Company.

To consider and to pass the following resolution as Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof read with Schedule IV of the Act and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and based on the recommendation of the Nomination and Remuneration Committee, Mr. K.N.V Ramani (DIN 00007931) who has already attained the age of 75 years and who qualifies for being re-appointed as an Independent Director of the Company to hold office for the second term, of 5 (five) consecutive years w.e.f. 9th July 2019 upto 8th July, 2024 and that he shall not be liable to retire by rotation.

5. Re-appointment of Mr. P. Shanmugasundaram (DIN 00119411) as an Independent Director of the Company.

To consider and to pass the following resolution as Special Resolution

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

Remuneration Committee, Sri.P.Shanmugasundaram (DIN 00119411), who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a term of five consecutive years, with effect from September 1, 2019 upto August 31, 2024 and is not liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), Sri.P.Shanmugasundaram on attaining the age of 75 (seventy five) years on the month of August, 2023, during the above term of re-appointment, the continuation of such appointment as an Independent Non-Executive Director of the Company for 5 years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018."

6. Revision in the remuneration of Mr. V. Rajvirdhan (DIN: 00156787), Managing Director of the Company.

To consider and to pass the following resolution as Special Resolution

"RESOLVED THAT Pursuant to the provisions of Section 197 read with Part I and Section I 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 and recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. V. Rajvirdhan (DIN: 00156787) as 3,00,000/- (Rupees Three Lakhs only) 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 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: ₹ 3,00,000 (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	Sri. 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 Directors in terms of Section 164 of the Act.

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

Item No.3, 4 & 5

Mr. P.V.Ramakrishnan (DIN 00013441), Mr. K.N.V Ramani (DIN 00007931) and Mr. P.Shanmugasundaram (DIN 00119411) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with

the stock exchanges. They hold office as Independent Directors of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended the reappointment of Mr. P.V.Ramakrishnan, Mr. K.N.V Ramani and Mr. P.Shanmugasundaram as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the background and experience and contributions made by them during their tenure, the continued association of Mr. P.V.Ramakrishnan, Mr. K.N.V Ramani and Mr. P.Shanmugasundaram would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to re-appoint Mr. P.V.Ramakrishnan, Mr. K.N.V Ramani and Mr. P.Shanmugasundaram as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. P.V.Ramakrishnan, Mr. K.N.V Ramani and Mr. P.Shanmugasundaram are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. P.V.Ramakrishnan, Mr. K.N.V Ramani and Mr. P.Shanmugasundaram for the office of Independent

Directors of the Company. The Company has also received declarations from Mr. P.V.Ramakrishnan, Mr. K.N.V Ramani and Mr. P.Shanmugasundaram that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. The relatives of Mr. P.V.Ramakrishnan, Mr. K.N.V Ramani and Mr. P.Shanmugasundaram may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out at Item Nos. 3, 4 and 5 of the Notice for approval by the members.

Item No.6:

The Board of Directors of the Company at its meeting held on 30th April 2019 has revised the remuneration to the Managing Director of the Company as ₹ 3 Lakhs per month subject to the approval of shareholders 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.6 for approval of the members. None of the Directors except Sri. B. Vijayakumar & Sri. V. Rajvirdhan is interested or concerned in this resolution. This may be treated as an abstract of variation pursuant to Section 190 of the Companies Act, 2013.

NOTES:

- 1. A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty eight hours before the commencement of AGM. A Proxy Form for the AGM is enclosed herewith.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is

- proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate Members/ Societies intending to send their authorized representative to attend the AGM are requested to send a duly certified copy of the Board of Directors / Governing Board Resolutions authorizing their representative to attend and vote on their behalf at the AGM.
 3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No.3 to 6 of the Notice, is annexed hereto. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") & Secretarial Standard on General Meetings (SS-2) issued by ICSI, of the person seeking re-appointment as Director under Item No.3 to 5 of the Notice are also annexed.
 4. The register of members and the share transfer book of the Company shall remain closed from Friday, 12.07.2019 to Thursday 18.07.2019 (Both days inclusive)
 5. Members / proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
 6. Members are requested to bring their copies of the Annual Report and Attendance Slip signed at the time of attending the meeting.
 7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
 8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc., to their depository participant (DP).
Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agents, Cameo Corporate Services Limited to provide efficient and better services.
Members holding shares in physical form are requested to intimate such changes to M/s.Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai- 600 002.
 9. Pursuant to the provisions of Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and 6 in terms of Regulation 36 of the Listing Regulations, 2015, electronic copy of the Annual Report for 2019 is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copy of the Annual Report for 2019 is being sent in the permitted mode.
 10. Electronic copy of the Notice of the 13th AGM of the Company, inter alia, indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 13th AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
Members who require communication in physical form in addition to ecommunication, or have any other queries, may write to us at: r.ponmanikandan@lgb.co.in.
 11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding

- shares in physical form can submit their PAN details to M/s.Cameo Corporate Services Limited.
- As per Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 submission of a copy of PAN card of the transferor and transferee is mandatory for transfer of shares held in physical form.
12. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from April 1st, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
13. The Notice of AGM will be displayed on the website of the Company www.lgbforge.co.in.
14. Route Map showing directions to reach to the venue of the 13th AGM is attached to this Annual Report as per the requirement of the Secretarial Standard- 2 on "General Meetings" issued by the Institute of Company Secretaries of India.
15. Pursuant to Section 72 of the Act, Members holding shares in Physical form are advised to file nomination in the prescribed form SH-13 with the Company's RTA. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
- Votes cast by members who hold shares on the cutoff date viz 11-07-2019 alone will be counted.
- Instructions for Shareholders Voting Electronically are as under:
- i. The voting period begins on 15.07.2019 at 9.00 AM and ends on 17.07.2019 at 5.00 PM During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11.07.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. The shareholders should log on to the e-voting website www.evotingindia.com
 - iii. Click on Shareholders.
 - iv. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v. Next enter the Image Verification as displayed and Click on Login.
 - vi. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vii. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN

Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
 - viii. After entering these details appropriately, click on "SUBMIT" tab.
 - ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be

also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for 'LGB Forge Limited'.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you "assent" to the Resolution and option NO implies that you "dissent" to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the

app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- xix. Note for Non - Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xx. In case you have any queries or issues regarding e voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at helpdesk.evoting@cdslindia.com.

16. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 11.07.2019. P. Eswaramoorthy, Company Secretaries in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



17. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
18. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.lgbforge.co.in and on the website of CDSL immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
19. Members desirous of receiving any information on accounts or operations of the Company are requested to forward his / her queries to the Company at least ten working days prior to the meeting , so that the required information can be made available at the meeting.

Coimbatore
30.04.2019

By Order of The Board
R.Ponmanikandan
General Manager
and Company Secretary

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

Name	Sri B.Vijayakumar
Director Identification Number	00015583
Date of Birth	22.01.1953
Nationality	Indian
Date of Joining the Board	07.06.2006
Relationship with other Director	Father of Sri. V.Rajvirdhan
Qualification	B.Sc. ,
Expertise in area	More than 49 years as an Industrialist and More than 10 years experience as the Chairman of the Company.
Number of shares held in the Company	15,000,000
List of Directorships held in Companies	<ol style="list-style-type: none"> 1. L.G.Balakrishnan and Bros Limited 2. Super Spinning Mills Limited 3. Elgi Equipments Limited 4. LG Sports Limited 5. Super Speeds Private Limited 6. South Western Engineering India Limited 7. Super Transports Private Limited 8. LG Farm Products Private Limited 9. LGB Auto Products Private Limited 10. Renold Chain India Private Limited 11. Federation of Motor Sports Club of India Private Limited 12. LGB Forge Limited 13. LGB USA INC 14. GFM LLC (USA)
Chairman/Member Committees of the Boards of other companies in which he is Director	<p>Member of Nomination and Remuneration Committee L.G.Balakrishnan & Bros Limited Super Spinning Mills Limited</p> <p>Member of Stakeholders Relationship Committee LGB Forge Limited L.G.Balakrishnan & Bros Limited</p>

DIRECTORS' REPORT

Dear Shareholders,

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

FINANCIAL RESULTS

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

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Total Revenue	13308.79	10258.96
Profit before interest, depreciation & Tax	1015.39	196.45
Less : Interest	489.21	312.62
Depreciation	320.47	201.79
Profit Before Tax	205.71	(317.96)
Less : Provisions for Taxation	-	-
Current Income Tax / Mat	-	-
Deferred Tax (Credit / charge)	-	-
Add : Exceptional items	-	-
PROFIT AFTER TAX	205.71	(317.96)
Add: Balance brought forward	(4946.62)	(4628.66)
AVAILABLE FOR APPROPRIATION	(4740.91)	(4946.62)

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. 13308.79 Lakhs as compared to Rs.10258.96 Lakhs for the previous year, profit before tax stood at Rs.1015.39 Lakhs for the year under review as compared to Rs.196.45 Lakhs for the previous year, profit after tax stood at Rs.205.71 Lakhs as compared to the loss of Rs.(317.96 Lakhs) for the previous year.

TRANSFER TO RESERVES

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

DIVIDEND

In view of the previous losses, incurred to the Company, your Directors regret their inability to pay dividend for the year 2018-19.

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 2019 aggregates to Rs.238,202,463/- comprising of 238,202,463 equity shares of Rs.1/- each fully paid up.

During the year the Company has issued 8,82,00,912 Equity Shares under Rights Issue at a price of Rs.3 per share (including the premium of Rs.2).

UTILISATION OF ISSUE PROCEEDS

There has been no deviation in the utilization of Rights Issue proceeds from the objects as stated in the Letter of Offer dated January 17, 2019.

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 familiarisation 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.co.in.

DIRECTORS

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 being eligible has offered himself for re-appointment. Necessary resolution for his re-appointment is included in the Notice of AGM for seeking approval of Members. The Directors recommend his re-appointment for your approval.

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

Key Managerial Personnel

During the year under review the following change occurred in the Key Managerial Personnel.

- Sri.R.Ramakrishnan, Chief Financial Officer of the company has resigned with effect from 14th March, 2019. The Board of Directors has placed on record their sincere appreciation for the contribution made by him during his tenure. Pursuant to the provisions of Section 203 of Companies Act, 2013 the vacancy will be filled up for due compliance

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the

Company for the year ended on 31st March, 2019, the Board of Directors hereby confirms that,

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

NOMINATION AND REMUNERATION POLICY

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

EXTRACT OF ANNUAL RETURN

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

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 Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

The Auditors' Report for the financial year 2019 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, 2019.

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

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

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

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

There were no material changes and commitments affecting the financial position of the Company occurred between the end of financial year (March 31, 2019) to which this financial statements relate and the date of this Report.

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

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

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY

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 does not arise.

FIXED DEPOSITS

During the year, the Company did not accept or renew any Fixed Deposits and no Fixed Deposits remained unclaimed with the company as on 31st March, 2019.

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

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

Adequacy of Internal Financial Controls with reference to the Financial Statements

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

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

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

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

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 Companies 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, 2019, 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, 2019.

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 continue to be listed at National Stock Exchange of India Limited and BSE Limited. We confirm that the Listing fee for the financial year 2019-2020 has been paid to them.

HUMAN RESOURCE

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

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

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

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



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

During the financial year 2018-19, 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

Coimbatore
30.04.2019

V.RAJVIRDHAN
Managing Director
DIN: 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2019
[Pursuant to Section92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

FORM NO. MGT - 9

1.	REGISTRATION AND OTHER DETAILS:	
i)	CIN	L27310TZ2006PLC012830
ii)	Registration Date	07/06/2006
iii)	Name of the Company	LGB FORGE LIMITED
iv)	Category / Sub-Category of the company	Company having Share Capital
v)	Address of the Registered office and contact details	6/16/13 Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006 Tel: 0422-2532325 Fax: 0422 - 2532333
vi)	Whether listed Company Yes / No	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	M/s.Cameo Corporate Services Limited "Subramanian Building" No.1, Club House Road Chennai - 600 002 Phone No. 044 - 28460390

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1.	Manufacture of Forging Components	25910	100%

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

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
		- NIL -			

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	43096215	0	43096215	28.73	91922033	0	91922033	38.59	9.86
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	53153195	0	53153195	35.44	86486527	0	86486527	36.31	0.87
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	96249410	0	96249410	64.17	178408560	0	178408560	74.90	10.73
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	96249410	0	96249410	64.17	178408560	0	178408560	74.90	10.73
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	20	20	0.00	16000	20	16020	0.006	0.006
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	3000	6500	9500	0.006	3000	6500	9500	0.004	-0.002
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
	Any Other (specify)									
	Sub-Total (B)(1)	3000	6520	9520	0.006	19000	6520	25520	0.01	0.004

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

i) Category-wise Share Holding (Contd.)

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(2)	Non-institutions									
(a)	Bodies Corporate	2803073	13821	2816894	1.87	2841173	13821	2854994	1.2	-0.68
(b)	Individuals -									
	(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	29710569	2901423	32611992	21.74	32358283	2287428	34645531	14.54	-7.19
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	15161483	109320	15270803	10.18	18030725	119100	18149825	7.62	-2.56
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d)	Any Other (specify)									
	NRIs/OCBs									
	Clearing Member	0	0	0	0	0	0	0	0	0
	Directors & Relatives	270755	1000	271755	0.18	771755	0	771755	0.32	0.14
	Hindu Undivided Families	2253491	0	2253491	1.50	0	0	0	0	-1.5
	Non Resident Indians	515826	1860	517686	0.34	533289	1860	535149	0.22	-0.12
	Resident HUF	0	0	0	0	2811129	0	2811129	1.18	1.18
	Others	3040072	2860	3042932	2.03	4116173	1860	4118033	1.73	-0.30
	Sub-Total (B)(2)	50715197	3027424	53742621	35.83	57346354	2422029	59768383	25.09	-10.74
	Total Public Shareholding									
	(B)= (B)(1)+(B)(2)	50718197	3033944	53752141	35.83	57365354	2428549	59793903	25.10	-10.73
(C)	TOTAL (A)+(B)	146967607	3033944	150001551	100	235773914	2428549	238202463	100	0
	Shares held by Custodians and against which Depository Receipts have been issued									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	146967607	3033944	150001551	100	235773914	2428549	238202463	100	0

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

S. No.	Shareholders Name	No. of Shares held at the beginning of the year 01.04.2018			No. of Shares held at the end of the year 31.03.2019 *			% change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	V RAJVIRDHAN	10500000	7.00	0	59325818	24.91	0	20.50
2	ELGI AUTOMOTIVE SERVICE PVT LTD	8437950	5.63	0	31104616	13.06	0	9.52
3	L G BALAKRISHNAN AND BROS LTD	29000000	19.33	0	29000000	12.17	0	0
4	V RAJSRI	15000000	10.00	0	15000000	6.30	0	0
5	B VIJAYAKUMAR	15000000	10.00	0	15000000	6.30	0	0
6	LGB AUTO PRODUCTS PRIVATE LIMITED	7158510	4.77	0	14158510	5.94	0	2.94
7	LG FARM PRODUCTS PRIVATE LIMITED	4657800	3.11	0	8324466	3.49	0	1.54
8	SUPER TRANSPORTS PRIVATE LIMITED	1725000	1.15	0	1725000	0.72	0	0
9	SUPER SPEEDS PRIVATE LIMITED	1639235	1.09	0	1639235	0.69	0	0
10	VIJAYSHREE VIJAYAKUMAR	1501000	1.00	0	1501000	0.63	0	0
10	VIJAYSHREE VIJAYAKUMAR	61250	0.04	0	61250	0.03	0	0
11	K ARJUN	508520	0.34	0	508520	0.21	0	0
12	K NITHIN	507000	0.34	0	507000	0.21	0	0
13	L G SPORTS LIMITED	506800	0.34	0	506800	0.21	0	0
14	RAJIV PARTHASARATHY	18445	0.01	0	18445	0.01	0	0
15	SILENT CHAIN INDIA PVT LTD	18000	0.01	0	18000	0.01	0	0
16	TRIBE INVESTMENTS AND SERVICES PVT LTD	9900	0.0065	0	9900	0.0041	0	0
	Total	96249410	64.17	0	178408560	74.90	0	34.49

* Increase in the number of shares was the effect of Rights Issue.

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

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sanjeev Vinodchandra Parekh JT 1: Daksha Sanjeev parekh At the beginning of the year 01-Apr-2018 At the end of the Year 30-Mar-2019	3085169 3085169	2.06 1.30	3085169 3085169	2.06 1.30
2	Chandrika Vinodchandra Parekh JT 1 : Vinodchandra Mansukhlal Parekh At the beginning of the year 01-Apr-2018 At the end of the Year 30-Mar-2019	1061091 1061091	0.71 0.45	1061091 1061091	0.71 0.45
3	Vinodchandra Mansukhlal Parekh JT 1: Sanjeev Vinodchandra Parekh At the beginning of the year 01-Apr-2018 At the end of the Year 30-Mar-2019	1036223 1036223	0.69 0.44	1036223 1036223	0.69 0.44
4	Pranav Kumarpal Parekh JT 1: Sanjeev Vinodchandra Parekh At the beginning of the year 01-Apr-2018 At the end of the Year 30-Mar-2019	848044 848044	0.57 0.36	848044 848044	0.57 0.36
5	Amit Laxmichand Patel JT1 : Sharmila Amit Patel At the beginning of the year 01-Apr-2018 Purchase 02-Mar-2019 Purchase 03-Mar-2019 Sale 01-Mar-2019 Purchase 15-Mar-2019 At the end of the Year 30-Mar-2019	325000 75000 325000 -400000 400000 725000	0.22 0.03 0.14 0.17 0.17 0.30	325000 400000 725000 325000 725000 725000	0.22 0.17 0.30 0.14 0.30 0.30
6	Anirudh Mohta At the beginning of the year 01-Apr-2018 Purchase 10-Aug-2018 Purchase 07-Sep-2018 Sale 02-Mar-2019 Purchase 03-Mar-2019 At the end of the Year 30-Mar-2019	570404 1000 6000 -577404 577404 577404	0.38 0.00 0.00 0.24 0.24 0.24	570404 571404 577404 0 577404 577404	0.38 0.24 0.24 0 0.24 0.24
7	Daksha Sanjeev Parekh JT 1: Sanjeev Vinodchandra Parekh At the beginning of the year 01-Apr-2018 At the end of the Year 30-Mar-2019	510001 510001	0.34 0.21	510001 510001	0.34 0.21

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

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	Girija Sadanandam				
	At the beginning of the year 01-Apr-2018	480000	0.32	480000	0.32
	Purchase 31-Aug-2018	320	0.00	480320	0.20
	Purchase 07-Sep-2018	17810	0.01	498130	0.21
	Sale 02-Mar-2019	-498130	0.21	0	0
	Purchase 03-Mar-2019	498130	0.21	498130	0.21
	At the end of the Year 30-Mar-2019	498130	0.21	498130	0.21
9	Pushpa Mansukhlal Parekh				
	JT 1: Sanjeev Vinodchandra Parekh				
	At the beginning of the year 01-Apr-2018	452399	0.30	452399	0.30
	At the end of the Year 30-Mar-2019	452399	0.19	452399	0.19
10	NIRMALA. K				
	At the beginning of the year 01-Apr-2018	113000	0.07	113000	0.07
	Sale 02-Mar-2019	-26000	0.01	87000	0.04
	Purchase 03-Mar-2019	113000	0.05	200000	0.08
	Sale 01-Mar-2019	-87000	0.04	113000	0.05
	Purchase 15-Mar-2019	87000	0.04	200000	0.08
	Purchase 29-Mar-2019	250000	0.10	450000	0.19
	At the end of the Year 30-Mar-2019	450000	0.19	450000	0.19
11	Vasudeo Rajendra Deshprabhu				
	JT 1: Pavitra Vasudeo Deshprabhu				
	At the beginning of the year 01-Apr-2018	408761	0.27	408761	0.27
	Sale 02-Mar-2019	-408761	0.17	0	0
	Purchase 03-Mar-2019	408761	0.17	408761	0.17
	Sale 29-Mar-2019	-408761	0.17	0	0
	At the end of the Year 30-Mar-2019	0	0	0	0
12	R. Srinivasan				
	At the beginning of the year 01-Apr-2018	405960	0.27	405960	0.27
	At the end of the Year 30-Mar-2019	405960	0.17	405960	0.17
	R. Srinivasan				
	At the beginning of the year 01-Apr-2018	219960	0.15	219960	0.15
	At the end of the Year 30-Mar-2019	219960	0.09	219960	0.09
	R. Srinivasan				
	At the beginning of the year 01-Apr-2018	108980	0.07	108980	0.07
	At the end of the Year 30-Mar-2019	108980	0.05	108980	0.05

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Sri. B. Vijayakumar	15000000	10.00	15000000	6.30
Sri. V. Rajvirdhan	10500000	7.00	59325818	24.91
Sri. K. N. V Ramani	-	-	-	-
Sri. P. Shanmugasundaram	-	-	-	-
Sri. P. V. Ramakrishnan	-	-	-	-
Sri. Harsha Lakshmikanth*	-	-	-	-
Ms. Aishwarya Rao	-	-	-	-
Sri. R. Ponmanikandaan (CS)	-	-	-	-
Sri. R. Ramakrishnan (CFO)**	-	-	-	-

* Resigned with effect from 12.05.2018

** Resigned with effect from 14.03.2019

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1654.05	2663.69	-	4317.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.34	-	-	9.34
Total (i+ii+iii)	1663.39	2663.69	-	4327.08
Change in Indebtedness during the financial year				
Addition	-	1222.36	-	1222.36
Reduction	8557.15	-	-	557.15
Net Change	(557.15)	1222.36	-	665.21
Indebtedness at the end of the financial year				
i) Principal Amount	1094.09	3886.05	-	4980.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.15	-	-	12.15
Total (i+ii+iii)	1106.24	3886.05	-	4992.29

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

₹ in Lakhs

Sl. No	Particulars of Remuneration	Sri. V. Rajvirdhan
	Gross Salary	
1	(a) Salary as per provisions contained in Section17(1) of the Income Tax Act, 1961	-
(b)	Value of perquisites under Section17(2) Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section17(3) Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	2.05
	- others, specify....	-
5	Others, please specify	
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)	
	ii. Retirals	-
	Total (A)	2.05

B. Remuneration to other Directors:

1. Independent Directors

Name of Directors	Particulars of Remuneration			Total (B)(1)
	Fee for attending Board / committee Meetings	Commission	Others, please specify	
Sri. K.N.V. Ramani	20,000	-	-	20,000
Sri. P. Shanmugasundaram	33,000	-	-	33,000
Sri. P.V. Ramakrishnan	33,000	-	-	33,000
Ms. Aishwarya Rao	20,000	-	-	20,000
Total Amount in Rs.	1,06,000	-	-	1,06,000

2. Non Independent Directors

Name of Directors	Particulars of Remuneration			Total (B)(2) in Rupees	Total (B) = (B)(1) + (B)(2)
	Fee for attending Board / committee Meetings	Commission	Others, please specify		
Sri. B. Vijayakumar	24,000	-	-	24,000	1,59,000
Sri. V.Rajvirdhan	29,000	-	-	29,000	
Total Amount in Rupees	53,000	-	-	53,000	

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

Sl. No	Particulars of Remuneration	Sri. R. Ramakrishnan Chief Financial Officer*	Sri. R. Ponmanikandan Company Secretary	Total Amount ₹ in Lakhs
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.26	7.34	14.60
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	7.26	7.34	14.60

*Sri. Ramakrishnan was employed upto 14.03.2019.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

By Order of the Board

V. RAJVIRDHAN
Managing Director
DIN: 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

Coimbatore
30.04.2019

FORM NO.MR-3**SECRETARIAL AUDIT REPORT****For The Financial Year Ended 31st March, 2019**

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

To

The Members,
LGB Forge Limited,
CIN : L27310TZ2006PLC012830
NO 6/16/13, Krishnarayapuram Road,
Ganapathy Post, Coimbatore-641006

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 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.

(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, 2009;
- 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 (Buyback of Securities) Regulations, 1998 [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;

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations 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 National Stock Exchange of India Limited and Bombay Stock Exchange Limited

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

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 except:

1. During the period under review, the company has issued 8,82,00,912 equity shares of Rs. 1 each at a price of Rs. 3 (including a premium of Rs.2) aggregating to Rs.26.46 crores on rights basis. 588 equity shares for every 1000 Equity shares (588:1000) held by the shareholders as on the Record Date (04/01/2019) ("Eligible Shareholders"), with the right to renounce. Allotment has been completed on 02/03/2019.

P. ESWARAMOORTHY AND COMPANY

Company Secretaries

CS P. Eswaramoorthy

Proprietor

FCS No.: 6510 CP No.: 7069

Place : Coimbatore

Date : 30.04.2019



ANNEXURE A TO SECRETARIAL AUDIT REPORT

To

The Members,

LGB Forge Limited,

CIN : L27310TZ2006PLC012830

NO 6/16/13, Krishnarayapuram Road,

Ganapathy Post, Coimbatore-641006

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

1. Maintenance of secretarial records, devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and ensuring that the 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, systems, standards and procedures, 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 the correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed 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.

P. ESWARAMOORTHY AND COMPANY

Company Secretaries

CS P. Eswaramoorthy

Proprietor

FCS No.: 6510 CP No.: 7069

Place : Coimbatore

Date : 30.04.2019

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:

d. If not fully absorbed, areas where has not taken
Place and reasons thereof;

}

NIL

(iv) The expenditure incurred on Research and Development

Research and development expenditure during the year amounts to Rs40.00 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings : Rs. 1481.43 Lakhs

Foreign Exchange used : Rs. 390.06 Lakhs

By Order of the Board

Coimbatore
30.04.2019

V. RAJVIRDHAN
Managing Director
DIN: 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2019 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2019

Sl. No	Director	Category	Remuneration ₹ in lakhs	Median Remuneration	Ratio
1.	Sri.B.Vijayakumar	Non-Executive Promoter	-	NA	
2.	Sri.V.Rajvirdhan	Non-Executive Promoter	2.05	2.46	0.83:1
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.	Sri.Harsha Lakshmikanth*	Non- Executive Independent	-	NA	
7.	Ms.Aishwarya Rao	Non- Executive Independent	-	NA	
8.	Sri.R.Ramakrishnan**	Chief Financial Officer	7.60	2.46	3.09:1
9.	Sri.R.Ponmanikandan	Company Secretary	7.34	2.46	2.98:1

* Resigned with effect from 12th May, 2018

* Resigned with effect from 14th March, 2019

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.	36.67%
3.	Number of permanent employees on the rolls of Company as on 31 st March, 2018.	527
4.	Average Percentile increase already made in the salaries of employees other than 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.	36.67%
5.	Affirmation that the remuneration is as per the remuneration policy of the company	Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

By Order of the Board

Coimbatore
30.04.2019

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:

Details of Top ten employees in terms of gross remuneration paid during the year ended 31st March 2019.

Name(s)	Designation(s)	Remuneration ₹	Qualifi- cation	Experience (Years)	Joining Date	Age (Years)	Last Employment
V.Balu	Chief Operating Officer-Cold Forging Division	1862499	BE	25	12/01/2019	47	Koyas Fastners Pvt Ltd.,
V.Anbarasan moorthy	Chief Operating Officer-Hot Forging Division	1368268	M.Tech	27	17/08/2018	50	Shardlow India Limited
D.Gopalakrishnan	Senior Manager Operations	821350	DME	24	01/06/2018	45	Supreme Automech Pvt Ltd
G.Sivagnanam	Manager - HRD	753384	MBA	21	12/08/2013	41	Primero Intimates Pvt Ltd., Coimbatore
R.Ponmanikandan	General Manager & Company Secretary	734388	LL.B, MBL ACS	3.8	01/09/2015	30	NA
R.Ramakrishnan	DGM Accounts & Finance	725905	B.Sc	30	12/01/2015	54	Lakshmi Technologies and Engineering
P.V.Karthikkumar	Manager	549600	DME	7	12/08/2013	42	Sanfits Foundries
S.Sathiyakumar	Deputy Manager	535008	BE	10	12/02/2018	33	Axiscades Engineering Technology Limited
M.Sureshkumar	Manager	473077	BE	18	18/06/2018	38	Pricol Limited
N. Senthilkumar	Manager-Purchase	437750	DME	16	01/07/2006	44	Pricol limited

By Order of the Board

Coimbatore
30.04.2019

V. RAJVIRDHAN
Managing Director
DIN: 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

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

Our Industry is likely to see some fluctuations in demand due to various market sentiments which have affected the markets from the last quarter of the last financial year . It is expected though that the market will stabilise and the production of vehicles will resume from where it was left off ,within the third quarter of the financial year 2019-2020. Growth in the non automotive sector though steady will not benefit our company very much as entry into this market is time consuming and entry into the industrial segment will take some years before a significant growth can be seen.

OPPORTUNITIES:

New opportunities will arise from the China - USA trade talks and Likely, if all things fall in place, there maybe an increase in exports due to China relying more on India as its trade partner .

Our company has recently acquired Supreme Automech in Puducherry and has made a decisive entry into the Industrial market segment . Further growth in this market will lead to rounding off our overall product portfolios .

THREATS AND RISK & CONCERNS:

There seems to be a slow-down in the auto market - twice there have been declines in the off take in this sector. A high level of dependency on the auto sector makes us vulnerable to every shift in the market trends .

Steel price volatility and exchange rate differences will also affect the profitability of our company .

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 2018 was 527.

CAUTIONARY STATEMENT

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

By Order of the Board

Coimbatore
30.04.2019

V. RAJVIRDHAN
Managing Director
DIN: 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

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 2019, 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 ⁽¹⁾	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	6	6	Yes	5	1	0
Sri. V. Rajvirdhan Managing Director	Executive Promoter	6	6	Yes	2	0	0
Sri. K.N.V. Ramani	Non- Executive Independent	6	3	Yes	6	6	4
Sri. P.Shanmugasundaram	Non- Executive Independent	6	6	Yes	1	1	2
Sri. P.V. Ramakrishnan	Non- Executive Independent	6	6	No	0	0	1
Ms.Aishwaraya Rao	Non- Executive Independent	6	3	Yes	0	0	0

* Exclude directorship in Private Companies and Foreign Companies.

** Only Audit Committee and Stakeholders' Relationship Committee has 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	Executive Promoter Chairman
	Super Spinning Mills Limited	Non-Executive Independent Director
	Elgi Equipments Limited	Non-Executive Independent Director
Sri.V.Rajvirdhan DIN: 00156787	L.G.Balakrishnan & Bros Limited	Non-Executive Director
Sri.P.Shanmugasundaram DIN: 00119411	L.G.Balakrishnan & Bros 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, 2019 have been made by the Directors.

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

Six meetings of the Board of Directors were held during the year, viz. on 10th April 2018, 12th May 2018, 25th June 2018, 14th August 2018, 13th November 2018 and 31st January 2019. 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 18th March 2019, without the presence of the Chairman & the Non-Executive Non-Independent Directors and the Management Team. The meeting was conducted informally 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 familiarization 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.co.in.

Directors Inter-se Relationship:

Sri. B. Vijayakumar, Chairman is related to Sri. V. Rajvirdhan, 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 / competencies identified by the Board of Directors as required in the context of Company's business vertical(s) and those already available with the Board are as follows:

Industry Skills:

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

Governance Skills:

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

Personal Attributes / Qualities:

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

3. Audit Committee

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

3.1 Terms of Reference:-

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 2019, Five Audit Committee Meetings were held on 11th May 2018, 25th June 2018, 13th August 2018, 12th November 2018 and 30th January 2019. The necessary quorum was present at these meetings and the details of the composition and attendance at the aforementioned meetings are as follows:

Name of the Member	Category	Designation	No of Meetings Attended
Sri. P. Shanmugasundaram	Independent	Chairman	5
Sri. P.V. Ramakrishnan	Independent	Member	5
Sri. V. Rajvirdhan	Executive Non Independent	Member	5

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 Member	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
Sri.V.Rajvirdhan	Non Independent Executive	Member

No such Committee meetings were held during Financial year 2018-2019.

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, 2019 is given as under:

Name of Directors	Service Contract	Salary	Commission & Allowances ₹ in Lakhs	Employees Stock Option Plan	Total ₹ in Lakhs
Sri.V.Rajvirdhan	Appointed as Managing Director w.e.f.29.01.2018	-	2.05	NIL	2.05

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, 2019 is given as under

The non-executive directors were not paid any remuneration except sitting fees for attending the meetings of the board of directors and / or committees thereof. The details of the sitting fees paid to the non-executive directors are as under:

Name of Directors	Sitting Fees	Commission	Employees Stock Option Plan	Total
Sri.B.Vijayakumar	24000	-	-	24000
Sri.V.Rajvirdhan	29000	-	-	29000
Sri.P.Shanmugasundaram	33000	-	-	33000
Sri.K.N.V Ramani	20000	-	-	20000
Sri.P.V.Ramakrishnan	33000	-	-	33000
Ms.Aishwarya Rao	20000	-	-	20000
Total	159000	-	-	159000

Statement showing number of Equity Shares of ₹ 1/-each of the Company held by the present Non- Executive Directors as on March 31, 2019 :

Name	No. of shares held as on 31.03.2019	% of Holding
Sri. B. Vijayakumar	15,000,000	10.00
Sri. K.N.V. Ramani	-	-
Sri. P. Shanmugasundaram	-	-
Sri. P.V. Ramakrishnan	-	-
Sri. Harsha Lakshmikanth	-	-
Ms. Aishwarya Rao	-	-

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.

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

a) Composition and names of members and chairperson

During the year under review, the Committee met 21 times to deliberate on various matters referred above and for redressal of investors complaints.

Sri.R.Ponmanikandan, General Manager and 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, 2019, the Company has received one complaint from investors and action taken for the same and there were no complaints pending on 31st March 2019.

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from 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	436	325960
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 31 st March, 2019	436	325960

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

All corporate benefits on such shares shall be credited to the unclaimed suspense account, as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Section 124(5) and

Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules).

7. Management Discussion and Analysis Report

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

8. General Body Meetings:

Details of the Last 3 AGMs are given as under

Year	Date	Time	Venue	Special Resolution passed
2016	14.07.2016	09.00 A.M.	Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018	No special resolution
2017	27.07.2017	09.00 A.M.	Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018	To Consider Re-appointment of Sri.K.Karthik (DIN :06846794) as Executive Director of the company for a further period of 6 months
2018	30.08.2018	09.00 A.M.	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.

No Extra -Ordinary General Meetings and Postal Ballot

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

10. General Shareholder Information :

Annual General Meeting	Annual General Meeting is proposed to be held at 09.30 A.M. on 18th July 2019 at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018.	
Financial Calendar	April to March For the year ended 31 st March, 2019, results were announced on 30.04.2019	
Financial Year 2019 - 2020 * Tentative	Quarter ending June 30, 2019	End of July 2019*
	Quarter ending September 30, 2019	End of October 2019*
	Quarter ending December 31, 2019	End of January 2020*
	Year ending 31 st March, 2020	End of April 2020*

- c. Date of Book Closure - 12.07.2019 to 18.07.2019 (both days inclusive)
- d. Listing on Stock Exchanges - The Shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).
- e. Stock Code / Symbol - BSE : 533007
- NSE : LGBFORGE
- f. ISIN Number - Equity: INE201J01017
- g. Listing Fees to Stock Exchanges - The Company has paid the Listing Fees for the financial year 2019-2020 to the above Stock Exchanges.

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

Stock market data for the year 2018-2019

	NSE			BSE		
	High (₹)	Low (₹)	Quantity	High (₹)	Low (₹)	Quantity
April - 2018	4.25	3.05	156981	4.08	3.00	94033
May	4.00	3.65	39350	3.68	2.58	65924
June	3.50	3.35	3012	2.52	1.50	49724
July	3.05	2.05	118761	2.66	1.50	107976
August	4.30	2.25	123965	4.76	2.45	470718
September	5.15	4.10	118081	4.99	4.09	101648
October	4.65	4.05	204	4.37	3.77	20373
November	3.85	3.40	19910	3.78	3.42	40223
December	3.55	3.10	15484	3.76	3.11	19169
January - 2019	3.15	2.90	19228	3.11	2.83	90022
February	2.95	2.65	130555	3.05	2.68	117235
March	3.05	2.65	197296	3.20	2.76	352539

Registrar & Transfer Agents

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

Share Transfer System:

Trading of Company's equity shares is possible in dematerialized form. Shares sent for transfer in physical form are registered on a fortnightly basis and returned within prescribed period from the date of receipt of document provided all the documents are valid and complete in all respects. The authority to approve the share transfer / transmission lies with the Stakeholders Relationship Committee

Distribution of Shareholding:

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

Range			No. of Holders	No. of Shares	% of Shares
1	-	100	3496	220541	0.09
101	-	500	4829	1612286	0.68
501	-	1000	2809	2480180	1.04
1001	-	2000	1796	2923255	1.23
2001	-	3000	705	1852535	0.78
3001	-	4000	427	1554762	0.65
4001	-	5000	429	2066924	0.87
5001	-	10000	765	5938785	2.49
10001	-	and above	808	219553195	92.17
Total			16064	238202463	100.00

Pattern of Shareholding as on 31st March 2019

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and promoters group	16	178,408,560	74.90
2	Financial Institutions, Banks	2	16,020	0.01
3	Insurance Companies	-	-	-
4	Foreign Institutional Investors / NRI / OCB	99	544,649	0.23
5	Bodies Corporate	174	2,854,994	1.20
6	Public	15,289	56,378,240	23.66
	Total	15,580	238,202,463	100.00

Dematerialization of Shares and Liquidity

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	221,539,294	93.00
Central Depository Services (India) Limited	14,234,620	5.98
Physical	2,428,549	1.02
Total	238,202,463	100.00

Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialised 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 dematerialised 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.

Credit Rating

ICRA has upgraded the rating of ICRA AA (SO) for long term and ICRA A1+(SO) for short term assigned for bank line

Plant Locations

<p>1. Cold Forging Unit K.Palayam Plant, Pillaiyar Kovil Street, Near Power House, Kodayampalayam, Kottaipalayam(Post), Coimbatore-641110 TamilNadu</p>	<p>2. Hot Forging Unit Mysore Plant, Plot 80 & 81, 5th Mile, KRS Road, Metagalli Post, Mysore-570016 Karnataka.</p>	<p>3.Puducherry Machining Unit R.S.No.74/2B, Madukarai Main Road, Mangalam, Villianur Commune, Puducherry - 605110</p>
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Address for Correspondence

R. Ponmanikandan
General Manager & Company Secretary
6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore- 641 006
Phone : 0422 - 3911199 Fax : 0422 - 2532333 E-Mail : r.ponmanikandan@lgb.co.in

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

12. Disclosures

a. Related Party Transactions:

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

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

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

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

b. Strictures and Penalties

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

c. Vigil Mechanism and Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the

Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

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

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

d. Details of compliance with mandatory requirements

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

Details of compliance of non-mandatory requirements

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

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

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

e. Policy for determining 'material' subsidiaries

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

f. Commodity price risks and Commodity hedging activities

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

Disclosure of Accounting Treatment

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

Other Disclosures

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

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

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

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2018-19, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

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 MD/CFO

The MD / CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 30th April, 2019 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, 2019 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Coimbatore
Date : 30.04.2019

V. RAJVIRDHAN
Managing Director
DIN : 00156787



CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of LGB Forge Limited

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, 2019. 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

CS P. Eswaramoorthy

Proprietor

FCS No.: 6510 CP No.: 7069

Place : Coimbatore

Date : 30.04.2019



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
LGB FORGE LIMITED
No. 6/16/13, Krishnarayapuram Road,
Ganapathy Post
Coimbatore - 641006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of LGB Forge Limited having CIN : L27310TZ2006PLC012830, and having Regd. Office at No. 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

P. ESWARAMOORTHY AND COMPANY
Company Secretaries

P. Eswaramoorthy
Proprietor

Place : Coimbatore
Date : 30/04/2019

FCS No.: 6510, CP No.: 7069

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of LGB Forge Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of LGB FORGE LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31st March 2019, the profit and total comprehensive income, the 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 Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are Independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on 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 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>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from contracts with customers" (new revenue accounting standard)</p> <p>As per Ind AS 115, Revenue should be recognised only when risk and reward incidental to the ownership of goods are transferred to respective customers.</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ▫ Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. ▫ Selected a sample of continuing and new contracts and performed the following procedures: ▫ Read, analysed and identified the distinct performance obligations in these contracts.

S.No	Key Audit Matter	Auditor's Response
		<p>Compared these performance obligations with that identified and recorded by the Company.</p> <p>Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</p> <p>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</p>
2.	<p>Evaluation of uncertain tax positions</p> <p>The Company has certain Income Tax matters under dispute which involves significant judgement to determine the possible outcome of these disputes. The matters are pending before CIT(Appeals) Chennai and the disputed tax demand for AY: 2011-12 & 2012-13 amounts to Rs.16,64,496.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>

Information other than the Ind AS financial statements and the auditor's report thereon

The Company's Board of directors is responsible for the preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report, Business responsibility report, Corporate Governance and Shareholder's information, but does not include the 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 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 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 Companies Act, 2013 ("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 Accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act 2013, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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, 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, Cash Flow Statement and the Statement of Changes in Equity 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 written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,

2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give 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, 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 36 on Contingent Liabilities 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.

Coimbatore
30.04.2019

For **N.R.DORAIWAMI & CO**
Chartered Accountants
Firm Registration No. 000771S
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 31-03-2019]

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, 2019	Net Block as on March 31, 2019	Remarks
Land & Building at Mysore	1	Freehold	80.25	79.06	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), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (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, sales tax, service tax, value added tax, goods and service tax, customs duty, excise 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, sales tax, service tax, value added tax, goods and service tax, customs duty, excise 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	Amount Unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Demand raised u/s 201(1)	Rs. 11,86,252	Rs. 2,76,675	A.Y.2011-2012	Commissioner of Income tax (Appeals), Chennai.
Income Tax Act	Demand raised u/s 201(1)	Rs. 4,78,244	Rs. 4,78,244	A.Y.2012-2013	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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (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. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., 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) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (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. 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

Coimbatore
30.04.2019

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 31-03-2019]

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, 2019 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls over Financial Reporting:

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

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

Opinion:

In our opinion, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Coimbatore
30.04.2019

For **N.R.DORAISWAMI & CO**
Chartered Accountants
Firm Registration No. 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

BALANCE SHEET AS AT 31.03.2019

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	2,374.18	1,246.92
(b) Capital work-in-progress	4	7.43	37.74
(c) Intangible assets	3	120.62	1.37
(d) Financial Assets			
Loans	5	107.40	84.35
(e) Other Non-current assets	6	61.31	3.67
Total non-current assets		2,670.94	1,374.05
(2) Current Assets			
(a) Inventories	7	2,516.46	1,314.18
(b) Financial Assets			
i) Trade receivables	8	2,549.75	1,805.61
ii) Cash and cash equivalents	9	5.15	2.46
iii) Bank balances other than (ii) above	10	14.99	2.99
iv) Loans	11	13.85	4.52
v) Others	12	248.29	22.11
(c) Current Tax Assets (Net)	13	34.24	25.96
(d) Other current assets	14	123.57	114.23
Total current assets		5,506.30	3,292.06
Total Assets		8,177.24	4,666.11
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	15	2,382.02	1,500.02
(b) Other equity	16	802.94	(1,160.99)
Total equity		3,184.96	339.03
(2) Liabilities			
A. Non-Current Liabilities			
(a) Financial liabilities			
Borrowings	17	377.57	617.17
(b) Provisions	18	113.65	53.26
Total Non - current liabilities		491.22	670.43

BALANCE SHEET AS AT 31.03.2019 (Contd..)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
B. Current liabilities			
(a) Financial liabilities			
i) Borrowings	19	478.00	810.39
ii) Trade payables			
-total outstanding dues of micro & small enterprises		179.54	-
-total outstanding dues other than micro & small enterprises		3,169.95	2,005.59
iii) Other financial liabilities	20	684.99	748.67
(b) Other current liabilities	21	(30.14)	77.77
(c) Provisions	22	18.72	14.23
Total current liabilities		4,501.06	3,656.65
Total liabilities		4,992.28	4,327.08
Total Equity and Liabilities		8,177.24	4,666.11

Significant Accounting Policies	1
Notes on Financial Statements	2-47

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
30.04.2019

For and on Behalf of the Board of Directors

V.RAJVIRDHAN
Managing Director
DIN : 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

R. PONMANIKANDAN
Company Secretary
Membership No.40886

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

Particulars	Note No.	For the Year ended 31.03.2019	For the Year ended 31.03.2018
I. Revenue from Operations	23	13,163.91	10,219.25
II. Other Income	24	144.88	39.70
III. Total Revenue (I + II)		13,308.79	10,258.95
IV. Expenses			
a) Cost of material consumed	25	6,866.89	4,934.56
b) Changes in inventories of finished goods, Stock in trade and work in progress	26	(847.85)	497.31
c) Excise Duty Expenses		-	250.00
d) Employees benefits expense	27	2,040.96	1,356.59
e) Finance Costs	28	489.21	312.62
f) Depreciation and amortisation expense	29	320.47	201.79
g) Other expenses	30	4,233.40	3,024.03
Total Expenses		13,103.08	10,576.90
V. Profit/(Loss) before Exceptional item and tax (III-IV)		205.71	(317.95)
VI. Exceptional items		-	-
VII. Profit/(Loss) before tax (V-VI)		205.71	(317.95)
VIII. Tax expense			
a) Current tax		-	-
b) Deferred tax credit/ (charge)		-	-
Total tax expense		-	-
IX. Profit/(Loss) for the year (VII-VIII)		205.71	(317.95)
X. Other comprehensive income net of income tax			
Items that will not be reclassified to profit or loss			
a) Remeasurement of defined benefit plans		(7.05)	(18.72)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income net of income tax		(7.05)	(18.72)
XI. Total comprehensive income for the period (IX+X)		198.66	(336.67)
XII. Earning per Equity share (In Rs)			
Basic / Diluted (Face Value of ₹ 1 Each)	31	0.09	(0.21)

Significant Accounting Policies

1

Notes on Financial Statements

2-47

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

30.04.2019

For and on Behalf of the Board of Directors

V.RAJVIRDHAN

Managing Director

DIN : 00156787

P. SHANMUGASUNDARAM

Director

DIN: 00119411

R. PONMANIKANDAN

Company Secretary

Membership No.40886

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31.03.2019

PARTICULARS	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Cash Flows from Operating Activities		
Profit Before Income tax	205.71	(317.96)
Adjustment for		
Depreciation and amortisation expense	320.47	201.79
Net (gain)/ loss on foreign exchange restatement	(52.03)	(5.18)
Profit on sale of fixed assets	(0.91)	(10.43)
Interest Received	(7.09)	(6.17)
Finance Cost	489.21	312.62
	955.36	174.68
Change in operating assets and liabilities		
(Increase) / Decrease in Inventories	(1,202.28)	626.26
(Increase) / Decrease in Trade Receivables	(692.11)	(247.45)
(Increase) / Decrease in Other Assets	(325.55)	(18.97)
Increase / (Decrease) in Trade Payables	1,343.91	409.03
Increase / (Decrease) in Other liabilities	(112.49)	144.25
Cash Generated from operations	(33.16)	1,087.79
Less: Income Tax paid (net of refunds)	(8.33)	(11.04)
Net Cash from/ (used in) operating activities (A)	(41.49)	1,076.75
Cash Flows from Investing Activities		
Purchase of PPE (including changes in CWIP)	(1,537.85)	(625.83)
Sale proceeds of PPE	2.12	25.45
Fixed Deposit with Banks	(12.00)	(2.99)
Interest income	7.09	6.17
Net Cash from/ (used in) investing activities (B)	(1,540.64)	(597.20)
Cash Flows from Financing Activities		
Proceeds from Long term Borrowings	-	200.00
Proceeds from issue of share capital	882.00	-
Securities Premium on issue of share capital	1,764.02	-
Repayment of Borrowings	(571.99)	(367.20)
Finance Cost	(489.21)	(312.62)
Net Cash from/ (used in) financing activities (C)	1,584.82	(479.82)
Net decrease in cash and cash equivalents (A+B+C)	2.69	(0.28)
Cash and cash equivalents at the beginning of the financial year	2.46	2.74
Cash and cash equivalents at the end of the financial year	5.15	2.46

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

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
30.04.2019

For and on Behalf of the Board of Directors

V.RAJVIRDHAN
Managing Director
DIN : 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

R. PONMANIKANDAN
Company Secretary
Membership No.40886

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
STATEMENT OF CHANGES IN EQUITY
Particulars

A. Equity Share Capital	(Rs. In Lakhs)
Balance at the end of March 31, 2018	1,500.02
Changes in equity share capital during the year	882.00
Balance at the end of March 31, 2019	2,382.02

B. Other Equity

(Rs. In Lakhs)

Particulars	Capital Reserve	Securities premium	Retained Earnings	Other comprehensive income	Total
Balance as at March 31, 2017	2,898.85	875.01	(4,628.66)	30.48	(824.32)
Loss for the year	-	-	(317.96)	-	(317.96)
Other comprehensive income for the year (net of tax)	-	-	-	(18.72)	(18.72)
Balance as at March 31, 2018	2,898.85	875.01	(4,946.62)	11.76	(1160.99)
Profit for the year	-	-	205.71	-	205.71
Addition for the Year	-	1,764.02	1.25	-	1,765.27
Other comprehensive income for the year (net of tax)	-	-	-	(7.05)	(7.05)
Balance as at March 31, 2019	2,898.85	2,639.03	(4,739.66)	4.71	802.94

Significant Accounting Policies	1
Notes on Financial Statements	2-47

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
30.04.2019

For and on Behalf of the Board of Directors

V.RAJVIRDHAN
Managing Director
DIN : 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

R. PONMANIKANDAN
Company Secretary
Membership Np.40886

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**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.

Application of new and revised Indian Accounting Standards

The Company has applied all the Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified by the Ministry of Corporate Affairs (MCA) to the extent applicable to the Company.

The following standards have been notified by Ministry of Corporate Affairs and are not effective as of 31st March 2019:

Ind AS 116 - Leases (Effective from April 1, 2019)
The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

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 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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 30th April, 2019.

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 recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the 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 recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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 de-recognition 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 recognised 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

incurred Goodwill and Business Intellectual Property Rights which is amortised 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 recognised.

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 recognised 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).

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

-Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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 'passthrough' 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.

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-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 two components of defined benefit costs in 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. Lease**a) Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b) Company as a Lessee

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

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 recognised 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 recognised 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019 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 recognised 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 recognised in the period when it becomes probable that there will be future outflows of funds from past events that

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 Financial Statements for the year ended 31st March 2019
Non Current Assets
2 Property, Plant and Equipment

₹ in Lakhs

Particulars	Tangible Assets								Total
	Land	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment	Other Assets	
As at March 31, 2018	69.25	51.60	1404.41	3.41	40.67	17.35	5.99	48.94	1641.62
Additions	-	-	1371.34	25.40	7.97	-	13.16	7.17	1425.03
Disposals	-	-	9.00	-	-	-	0.75	-	9.75
As at March 31, 2019	69.25	51.60	2,766.75	28.81	48.64	17.35	18.40	56.11	3,056.90
Depreciation as at March 31, 2018	0	5.23	355.32	0.90	15.19	3.30	2.97	11.80	394.71
Charge for the year		2.49	276.25	3.33	4.75	2.25	1.02	6.46	296.54
Withdrawals			7.84				0.69		8.53
Depreciation as at March 31, 2019	0	7.72	623.73	4.23	19.94	5.55	3.30	18.26	682.72
Net Block									
As at March 31, 2018	69.25	46.37	1049.09	2.51	25.48	14.05	3.02	37.14	1246.91
As at March 31, 2019	69.25	43.88	2,143.02	24.58	28.70	11.80	15.10	37.85	2,374.18

3. Intangible Assets

₹ in Lakhs

Particulars	Computer Software	Goodwill	IP Rights	Total Intangible Assets
As at March 31, 2018	4.33	-	-	4.33
Additions	-	31.5	111.63	143.13
Disposals	-	-	-	-
As at March 31, 2019	4.33	31.5	111.63	147.46
Depreciation as at March 31, 2018	2.96	0	0	2.96
Charge for the year	0.04	5.25	18.59	23.88
Withdrawals	-	-	-	-
Depreciation as at March 31, 2019	3.00	5.25	18.59	26.84
Net Block				
As at March 31, 2018	1.37	0	0	1.37
As at March 31, 2019	1.33	26.25	93.04	120.62

Notes to Financial Statements for the year ended 31st March 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
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4 CAPITAL WORK-IN-PROGRESS

Capital Work-in-progress	7.43	37.74
Total	7.43	37.74

5 FINANCIAL ASSETS: LOANS

Unsecured, considered good		
Security Deposits	107.40	84.35
Total	107.40	84.35

6 OTHER NON CURRENT ASSETS

Capital advance	-	-
Advance Lease Rental Expense	1.26	3.67
Preliminary Expenses	60.05	-
Total	61.31	3.67

CURRENT ASSETS
7 INVENTORIES

Raw Materials	1,003.05	709.77
Work-in-progress	565.96	253.39
Finished goods	744.89	209.61
Stores and spares	159.65	109.64
Loose Tools	42.91	31.77
Total	2,516.46	1,314.18

Notes:

- There are no Goods in Transit as on 31/03/2019
- 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	2018-19	2017-18
Raw Materials	6,866.89	4,934.56
Others *	1,203.78	668.99
Total	8,070.67	5,603.55

* Others include Stores and Spares, Loose Tools

Notes to Financial Statements for the year ended 31st March 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
8 FINANCIAL ASSETS: TRADE RECEIVABLES		
Unsecured Considered good	2,549.75	1,805.61
Unsecured, considered doubtful	23.11	68.06
Less: Allowance for doubtful debts	(23.11)	(68.06)
Total	2,549.75	1,805.61

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	2018-19	2017-18
Opening balance	68.06	45.13
Additions	36.03	22.93
Reversals	(80.98)	-
Closing balance	23.11	68.06

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	1.35	0.64
Balance with Bank		
-In current accounts	3.80	1.82
Total	5.15	2.46

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

-In Earmarked balances		
Margin money deposit	14.99	2.99
Total	14.99	2.99

* 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 to Employees	13.85	4.52
Total	13.85	4.52

12 FINANCIAL ASSETS: OTHERS

"Receivables from Related Parties (Refer Note No. 44)	248.29	22.11
Total	248.29	22.11

Notes to Financial Statements for the year ended 31st March 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
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13 CURRENT TAX ASSETS

Advance taxes (net of provision)	34.24	25.96
Total	34.24	25.96

14 OTHER CURRENT ASSETS

Prepaid expenses	15.43	9.37
Balances with statutory authorities	1.39	-
Unamortized interest expenses	1.15	1.15
Advances to suppliers	86.89	35.72
Advances for expenses	18.71	20.90
Receivables on sale of Fixed Assets	-	47.08
Total	123.57	114.23

15. EQUITY SHARE CAPITAL

Authorized Share Capital 3,00,000 Redeemable Preference shares of Rs.100/- each (31.03.2019,01.04.2018 : 300,000 Preference shares of Rs.100/- each)	300.00	300.00
25,00,00,000 equity shares of ₹1/- each (31.03.2019,01.04.2018 : 17,00,00,000 equity shares of ₹1/- each)	2500.00	1700.00
Issued and Subscribed Capital 23,82,02,463 Equity shares of Rs.1/- each (31.03.2019 , 01.04.18 : 15,00,01,551 Equity shares of Rs.1/- each)	2382.02	1500.02
Total	2382.02	1500.02

a. Reconciliation of shares outstanding at the beginning and at the end of the period ₹ in lakhs

	As at 31.03.2019		As at 31.03.2018	
	Number of shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the period	150,001,551	1,500.02	150,001,551	1,500.02
Add: Shares issued during the period	88,200,912	882.00	-	-
Less: Shares bought back during the year	-	-	-	-
Outstanding at the end of the period	238,202,463	2,382.02	150,001,551	1,500.02

b. Terms/ Rights attached to the Equity Shares

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

Notes to Financial Statements for the year ended 31st March 2019

- c. The Company does not have any holding company or ultimate holding company as on 31.03.2019
- d. Shareholders holding more than 5% shares

	As at 31.03.2019		As at 31.03. 2018	
	Number of Shares	% of holding	Number of Shares	% of holding
L.G. Balakrishnan & Bros Ltd	29,000,000	12.17	29,000,000	19.33
Smt. V. Rajsri	15,000,000	6.30	15,000,000	10.00
Sri. B. Vijayakumar	15,000,000	6.30	15,000,000	10.00
Sri. V. Rajvirdhan	59,325,818	24.91	10,500,000	7.00
Elgi Automotive Services P Ltd	31,104,616	13.06	8,437,950	5.63

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
16. OTHER EQUITY		
Capital Reserve	2,898.85	2,898.85
Securities Premium	2,639.03	875.01
Retained Earnings	(4,739.66)	(4,946.62)
Other Comprehensive Income	4.72	11.77
TOTAL	802.94	(1,160.99)

	As at 31.03.2019 (₹ in lakhs)		As at 31.03.2018 (₹ in lakhs)	
	Amount	Amount	Amount	Amount
RESERVES AND SURPLUS				
1. 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
2. Securities Premium				
Opening Balance	875.01		875.01	
Add: Additions during the year	1,764.02		-	
Less: Deletions during the year	-		-	
Closing Balance		2,639.03		875.01
3. Retained Earnings				
Opening Balance	(4,946.62)		(4,628.66)	
Add: Additions during the year	1.25			
Profit During The Year	205.71		(317.96)	
Transfer from OCI				
Impact on account of transition to IND AS				
Closing Balance		(4,739.66)		(4,946.62)

Notes to Financial Statements for the year ended 31st March 2019

	As at 31.03.2019 (₹ in lakhs)		As at 31.03.2018 (₹ in lakhs)	
	Amount	Amount	Amount	Amount
4. Other Comprehensive Income				
Opening Balance	11.77		30.48	
Add: Additions during the year				
i. Remeasurement of Actuarial gains/ losses (net of tax)	(7.05)		(18.72)	
Less: Deletions during the year	-		-	
Closing Balance		4.72		11.77
Total		802.94		(1,160.99)

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.

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
NON CURRENT LIABILITIES		
17. BORROWINGS		
Secured at amortised cost		
Term loans from others-Bajaj Finance Limited	380.00	620.00
Less: Unamortised interest	(2.43)	(2.83)
Total	377.57	617.17

- 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 13 quarterly instalments of Rs. 50 lakhs each. Interest rate: 'PLR minus 7.5%', 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 8.25%', 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.

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
18 LONG TERM PROVISIONS		
Provision for Gratuity (Refer Note No.45)	77.70	31.65
Provision for Leave encashment (Refer Note No.45)	15.85	1.51
Provision for Decommissioning Liability	20.10	20.10
Total	113.65	53.26

Notes to Financial Statements for the year ended 31st March 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
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CURRENT LIABILITIES
19. BORROWINGS

Secured Loans repayable on demand		
-From banks	(22.00)	310.39
- From others	500.00	500.00
Total	478.00	810.39

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 + 1.50%' 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 '6 Months MCLR +3.15%' 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 Loan from Bajaj Finance Limited carries interest of 'PLR minus 9%' 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.

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
20 OTHER FINANCIAL LIABILITIES		
Current maturities of long-term debt	240.00	230.00
Less: Current portion of unamortized interest expense	(1.48)	(3.51)
	238.52	226.49
Interest accrued but not due on borrowings	12.15	9.34
Accrued Employee Benefits	160.40	182.13
Pondy unit acquisition liability	48.97	-
Amount payable to Related Parties(Refer Note No.44)	7.15	6.19
Expense payable	217.80	324.52
Total	684.99	748.67



Notes to Financial Statements for the year ended 31st March 2019

Particulars	As at 31.03.2019 ₹ in lakhs	As at 31.03.2018 ₹ in lakhs
21 OTHER CURRENT LIABILITIES		
Statutory Dues payable	(38.66)	66.66
Advance from Customers	8.52	11.11
Total	(30.14)	77.77
22 SHORT TERM PROVISIONS		
Provision for Gratuity (Refer Note No.45)	15.70	13.93
Provision for leave encashment (Refer Note No.45)	3.02	0.30
Provision for Claims & Damages	-	-
Total	18.72	14.23

Notes to Financial Statements for the year ended 31st March 2019

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
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23 REVENUE FROM OPERATIONS

A. Sale of products (including excise duty and excluding GST)		
Domestics	10,712.26	8,820.36
Exports	1,498.87	781.29
Total (A)	12,211.13	9,601.65
B. Sale of services	-	12.95
C. Other Operating Revenue.	74.89	-
Scrap Sales	877.89	604.66
Total (A+B+C)	13,163.91	10,219.25

24 OTHER INCOME

Interest Income	7.09	6.17
Profit on sale of assets (Net)	0.91	10.43
Foreign Exchange Gain (Net)	52.03	5.18
Export incentive and Receipts	84.85	17.92
Total	144.88	39.70

25 COST OF MATERIALS CONSUMED

Raw Materials Consumption		
Opening Stock	709.77	821.65
Add: Purchases	7,160.17	4,822.68
Less : Closing Stock	1,003.05	709.77
Total	6,866.89	4,934.56
Details of Raw Materials and components consumed		
Rods, Coils and bars:		
Imported	1.54	-
Indigenous	6,866.89	4,934.56
Total	6,868.43	4,934.56

**26 CHANGES IN INVENTORIES OF FINISHED GOODS ,
STOCK IN TRADE AND WORK-IN-PROGRESS**

Inventory at the end of the year	2018-19	2017-18
Work in Progress	565.96	253.39
Finished Goods	744.89	209.61
Total Inventory at the end of the year	1,310.85	463.00
Inventory at the beginning of the year		
Work in Progress	253.39	412.23
Finished Goods	209.61	548.08
Total Inventory at the beginning of the year	463.00	960.31
Total (increase)/Decrease in inventories	(847.85)	497.31

Notes to Financial Statements for the year ended 31st March 2019

Particulars	For the Year ended 31.03.2019	(₹ in Lakhs) For the Year ended 31.03.2018
27 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	1,788.02	1,186.34
Contributions to Provident fund and other funds	147.50	96.88
Staff welfare expenses	105.44	70.95
Managerial Remuneration	-	2.50
Total	2,040.96	1,356.59
28 FINANCE COSTS		
Interest	452.96	266.48
Other borrowing costs	36.25	46.14
Total	489.21	312.62
29 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation (Refer Note No.2)	296.59	200.46
Amortization (Refer Note No.3)	23.88	1.33
Total	320.47	201.79
30 OTHER EXPENSES		
Consumptions of Store and Spares	764.74	378.47
Consumption of Loose Tools	439.04	290.53
Processing Charges	806.64	539.55
Power and Fuel	1,059.52	905.42
Rent	104.69	72.16
Rates and Taxes	18.20	17.89
Insurance	12.34	10.44
Travelling and Conveyance	59.82	68.72
Directors Sitting fees	1.51	1.23
Professional charges	40.35	17.94
Selling & Distribution expenses	476.67	365.76
Watch and Ward expenses	75.17	55.48
Provision for ECL	66.74	26.06
Loss on Foreign Exchange Rate Difference	-	-
Loss on scrapping of assets	-	-
Bank charges	8.49	3.42
Audit Fees (Refer Note No.30A)	5.35	5.25
Repairs and Maintenance		
Buildings	69.57	43.38
Machinery	124.74	148.38
Others	52.48	40.15
Miscellaneous Expenses	47.34	33.79
Total	4,233.40	3,024.03

Notes to Financial Statements for the year ended 31st March 2019

Particulars	For the Year ended 31.03.2019	(₹ in Lakhs) For the Year ended 31.03.2018
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30A AUDITOR'S REMUNERATION

- Statutory audit	5.20	3.35
- Taxation matters	1.20	1.90
- Other Certification charges	0.15	-
Total	6.55	5.25

31 EARNINGS PER SHARE

Profit/(Loss) for the year attributable to owners of the company (₹ in Lakhs)	205.71	(317.96)
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	1,500.02
Basic & Diluted Earnings Per Share in ₹	0.09	(0.21)

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.

Losses that shall expire		
Business Loss	99.64	286.46
Losses that shall not expire		
Depreciation loss	2,515.19	2,232.04
Total	2,614.83	2,518.50

*The above figures are based on the last published balance sheet

33 EARNINGS IN FOREIGN CURRENCY

-FOB value of exports	1,481.43	758.84
Total	1,481.43	758.84

34 EXPENDITURE IN FOREIGN CURRENCY

Travelling	-	-
Others	2.71	6.16
Total	2.71	6.16

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
35 Details of dues to Micro, Small and Medium Enterprises as defined under the MSME Act, 2006		
(a) Principal amount remaining unpaid as at the end of each accounting year	179.54	-
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(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.	-	-
(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.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(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.	-	-

*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

Contingent Liabilities		
Bank guarantees	40.00	158.00
Claim anticipated towards termination of employee challenged by appeal	9.30	7.19
Letter of Credits	888.11	764.00

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'.

Information relating to geographical areas

(a) Revenue from external customers		
Within India	10,712.26	8,820.36
Outside India	1,498.87	781.29
Total	12,211.13	9,601.65
(b) Non current assets		
All non current assets of the company are located in India		
(c) Information about major customers		
Number of external customers each contributing more than 10% of total revenue	2	2
Total revenue from the above customers	4,732.06	4,673.17

Notes to Financial Statements for the year ended 31st March 2019

Particulars	For the Year ended 31.03.2019	(₹ in Lakhs) For the Year ended 31.03.2018
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38 OPERATING LEASE ARRANGEMENTS

The Company has entered into operating leases, having a lease period ranging from one year to five years, with an option to renew the lease. The total amount of lease rents recognised on operating leases during the year is Rs. 104.69 Lakhs (Previous Year Rs.72.16 lakhs).

Particulars	31.03.2019	31.03.2018
Future minimum lease payments payable		
- Within one year	69.91	83.15
- After one year but not more than five years	149.68	129.12
- More than five years	-	-

39 Government Grants

Particulars	31.03.2019	31.03.2018
Duty Drawback on exports	31.32	15.52
Export incentives	53.54	2.40
Interest subvention on export finance	84.86	17.92

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 2018-19.

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.

Notes to Financial Statements for the year ended 31st March 2019

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 31.03.2019	As at 31.03.2018
Debt	1,110.15	1,660.39
Less: Cash and bank balances	5.15	2.46
Net debt	1,105.00	1,657.93
Total equity	3,184.96	339.03
Gearing Ratio	34.69%	489.02%

B. Categories of Financial Instruments

Particulars	Note No.	As at 31.03.2019		As at 31.03.2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
a. Measured at amortised cost					
Non-current Loans	5	107.40	107.40	84.35	84.351
Trade receivables	8	2,549.75	2,549.75	1,805.61	1,805.61
Cash and cash equivalents	9	5.15	5.15	2.46	2.46
Bank balances other than above	10	14.99	14.99	2.99	2.99
Loans	11	13.85	13.85	4.52	4.52
Other financial assets	12	248.29	248.29	22.11	22.11
b. Measured at fair value through P&I		Nil	Nil	Nil	Nil
c. Measured at fair value through OCI		Nil	Nil	Nil	Nil
Financial liabilities					
a. Measured at amortised cost					
Long term borrowings	17	377.57	377.57	617.17	617.17
Short term borrowings	19	478.00	478.00	810.39	810.39
Trade payables		3,349.49	3,349.49	2,005.59	2,005.59
Other financial liabilities	20	684.99	684.99	748.67	748.67
b. Measured at fair value through P&I		Nil	Nil	Nil	Nil
c. Measured at fair value through OCI		Nil	Nil	Nil	Nil

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

Notes to Financial Statements for the year ended 31st March 2019

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

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

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

Notes to Financial Statements for the year ended 31st March 2019

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:

₹ in lakhs

Credit rating	Particulars	31.03.2019	31.03.2018
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	2,939.43	1,922.04
Moderate credit risk	Nil	-	-
High credit risk	Nil	-	-

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31 March 2019 are as follows:

₹ in lakhs

Particulars	Not Due	Less than 6 months	More than 6 months	Total
Gross Carrying Amount	1,132.12	1,355.97	84.77	2,572.86
Loss allowance provision	-	-	(23.11)	(23.11)
Net	1,132.12	1,355.97	61.66	2,549.75

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31 March 2018 are as follows:

₹ in lakhs

Gross Carrying Amount	1,068.89	779.91	24.88	1,873.68
Loss allowance provision	-	(43.18)	(24.88)	(68.06)
Net	1,068.89	736.73	-	1,805.62

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

₹ in lakhs

Particulars	31.03.2019	31.03.2018
Denso India Private Limited Limited	455	398
Lucas TVS limited	-	263
L.G.Balakrishnan & Bros Limited	235	-
Elgi Equipement limited	246	-
Borgwarner Power drive Systems, Inc	535	252
Total	1,471	913

Notes to Financial Statements for the year ended 31st March 2019

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. ₹ in lakhs

	Less than 1 year	1-5 years	More than 5 years	Carrying amount
March 31, 2019				
Financial Liabilities				
Trade payables	3,349.49	-	-	3,349.49
Borrowings	240.00	380.00	-	620.00
	3,589.49	380.00	-	3,969.49
March 31, 2018				
Financial Liabilities				
Trade payables	2,005.59	-	-	2,005.59
Borrowings	230.00	620.00	-	850.00
	2,235.59	620.00	-	2,855.59

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

₹ in lakhs

Particulars	31.03.2019	31.03.2018
Floating rate loans	1,110.15	1,660.39
Fixed rate loans	-	-
Total Borrowings	1,110.15	1,660.39

Notes to Financial Statements for the year ended 31st March 2019
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 31st March 2019 would decrease / increase by ₹ 2.51 Lakhs (for the year ended 31st March 2018: decrease / increase by ₹ 2.66 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:

As on March 31, 2019 (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	0.01	5.76	5.75
SGD	-	-	-
In INR	0.53	399.74	399.21

As on March 31, 2018 (all amounts are in equivalent INR Lakhs)

USD	0.08	6.80	6.72
SGD	1.39	-	-1.39
In INR	74.07	442.00	367.93

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			
	31.03.2019		31.03.2018	
	+0.47%	-0.47%	+0.5%	-0.5%
USD	1.90	-1.90	2.18	-2.18
SGD	-	-	-0.35	0.35

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.

Notes to Financial Statements for the year ended 31st March 2019

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.

Categories of Financial Instruments	Level	₹ in lakhs	
		As at 31.03.2019	As at 31.03.2018
Financial liabilities			
a. Measured at amortised cost			
Long term borrowings	2	377.57	617.17
Short term borrowings	2	478.00	810.39

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 BCW V Tech India Private Limited South Western Engineering India 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
Key management personnel	Sri .V.Rajvirdhan - Managing Director (from 29.01.2018) Mr.R Ramakrishnan - Chief Financial Officer (upto 14.03.2019) Mr.R Ponmanikandan - Company Secretary
Relatives of Key management personnel	Sri.B.Vijayakumar Sri. V. Kalyanasundaram Sri. Bharathi Sriram Ms. K. Kritika Kalyan Smt. K. Anuradha Sri. Eshwar K Srivats

Notes to Financial Statements for the year ended 31st March 2019
b) Transactions during the year

₹ in lakhs

S.No.	Nature of transactions	Name of the payee	Description of Relationship	2018-19	2017-18
1	Managerial Remuneration	K.Karthik	Key Management Personnel	-	2.50
		R Ramakrishnan	Key Management Personnel	7.60	7.60
		R Ponmanikandan	Key Management Personnel	7.34	4.92
2	Rent Payment	L.G.Balakrishnan & Bros Limited	Companies in which directors are interested	42.86	42.64
3	DEPB Licence sold	L.G.Balakrishnan & Bros Limited	Companies in which directors are interested	53.54	2.70
4	Purchase of Power, Spares, Processing, Conversion, Service charges payments	L.G.Balakrishnan & Bros Limited	Companies in which directors are interested	329.81	248.17
		Super Transports Private Limited		0.84	0.20
		ELGI Automotive Services Private Limited		0.06	-
		VP Press		-	1.49
		South Western Engineering India Limited		0.70	35.98
5	Sales of Power, Stores, Materials and Service charges	L.G.Balakrishnan & Bros Limited	Companies in which directors are interested	1,238.91	445.65
		BCW V Tech India Private Limited		1.93	3.06
6	Sales of Assets	L.G.Balakrishnan & Bros Limited	Companies in which directors are interested	0.06	0.12
7	Lease Payments	ELGI Automotive Services Private Limited	Companies in which directors are interested	22.04	15.61

* 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

S.No.	Particulars	2018-19	2017-18
1	Other Related Companies		
	Amount payable as on 31.03.2019/31.03.2018	7.15	6.19
	Amount receivable as on 31.03.2019/31.03.2018	248.29	22.11

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 ₹ 107.90 Lakhs (March 31, 2018 - ₹ 83.64 Lakhs).

Notes to Financial Statements for the year ended 31st March 2019
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 were as follows:

Particulars	March 31, 2019	March 31, 2018
Mortality Table	Indian Assured Lives Mortality Ultimate (2006-08)	
Attrition Rate	5.29% p.a.	5.29% p.a.
Discount Rate	7.77% p.a.	7.73% p.a.
Rate of increase in compensation level	13.00% p.a.	13.00% p.a.
Rate of Return on Plan Assets	7.77% p.a.	7.73% p.a.

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.

Notes to Financial Statements for the year ended 31st March 2019

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

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Current service cost	6.71	11.86
Net interest expense on defined benefit obligations	5.13	1.30
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	11.84	13.16
Remeasurement on the net defined benefit liability comprising:		
Return on plan assets (excluding amounts included in net interest expense)	1.90	0.84
Actuarial gains/losses arising from Demographic assumption changes	17.51	(2.40)
Actuarial gains/losses arising from changes in financial assumptions	(2.03)	53.35
Actuarial gains/losses arising from experience adjustments	(1.79)	(33.07)
Immediate recognition in Profit and Loss	-	-
Components of defined benefit costs recognised in other comprehensive income	15.58	18.72
Total Defined Benefit Cost	27.42	31.88

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 is as follows:

	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	158.2	110.51
Fair value of plan assets	(64.82)	(64.94)
Net liability/ (asset) arising from defined benefit obligation	93.40	45.57
Funded	93.40	45.57
Unfunded	-	-
Total	93.40	45.57

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:

	March 31, 2019	March 31, 2018
Defined benefit obligation as at the beginning of the year	110.51	83.26
Defined benefit obligation as at the beginning of the year (Pondicherry)	17.36	
Current service cost	6.71	11.86
Interest on Defined benefit Obligation	9.94	6.10
Actuarial (gains)/losses on plan obligation	13.69	17.87
Benefits paid	-	(8.58)
Defined benefit obligation as at the end of the year	158.21	83.26

Notes to Financial Statements for the year ended 31st March 2019

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

	March 31, 2019	March 31, 2018
Fair value of plan assets as at the beginning of the year	64.94	63.25
Interest Income	1.78	4.80
Return on plan assets	-	-
Contributions	-	6.31
Benefits paid	-	(8.58)
Actuarial gains/(loss)	(1.90)	(0.84)
Fair value of plan assets as at the end of the year.	64.82	64.94

Sensitivity analysis

Assumptions	Change	Impact on Liability
Discount rate	+100 basic points	138.61
	-100 basic points	181.74
Salary growth	+100 basic points	179.52
	-100 basic points	139.42
Attrition rate	+100 basic points	149.80
	-100 basic points	167.91
Mortality rate	+ 10 percentage	157.88

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

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 depends 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.

Notes to Financial Statements for the year ended 31st March 2019

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

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Current service cost	5.55	0.21
Net interest expense	0.75	0.73
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/losses recognised during the period	(5.86)	(8.61)
Components of defined benefit costs recognised in profit or loss	0.45	(7.67)
Remeasurement on the net defined benefit liability comprising:		
Return on plan assets (excluding amounts included in net interest expense)	-	(0.02)
Actuarial gains/losses arising from Demographic assumption changes	0.01	0.58
Actuarial gains/losses arising from changes in financial assumptions	(0.06)	(9.16)
Actuarial gains/losses arising from experience adjustments	(5.81)	-
Immediate recognition in Profit and Loss	5.86	8.61
Components of defined benefit costs recognised in other comprehensive income	-	-
	0.45	(7.67)

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:

	March 31, 2019 Rs. Lakhs	March 31, 2018 Rs. Lakhs
Present value of defined benefit obligation	10.15	1.81
Fair value of plan assets	-	-
Net liability/ (asset) arising from defined benefit obligation	10.15	1.81
Funded	-	-
Unfunded	10.15	1.81
	10.15	1.81

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:

	March 31, 2019	March 31, 2018
Opening defined benefit obligation(other than Pondicherry)	1.81	9.48
Opening defined benefit obligation (Pondicherry)	7.89	-
Current service cost	5.55	0.21
Interest cost	0.75	0.73
Actuarial (gains)/losses	(5.86)	(8.61)
Benefits paid	-	-
Closing defined benefit obligation	10.15	1.81

Notes to Financial Statements for the year ended 31st March 2019

Movements in the fair value of the plan assets in the current year were as follows:	March 31, 2019	March 31, 2018
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	Impact on Liability
Discount rate	+100 basic points	9.09
	-100 basic points	11.39
Salary growth	+100 basic points	11.27
	-100 basic points	9.17
Attrition rate	+100 basic points	9.75
	-100 basic points	10.61
Mortality rate	+ 10 percentage	10.14

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

47 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	2-47

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
30.04.2019

For and on Behalf of the Board of Directors

V.RAJVIRDHAN
Managing Director
DIN : 00156787

P. SHANMUGASUNDARAM
Director
DIN: 00119411

R. PONMANIKANDAN
Company Secretary
Membership No.40886

ATTENDANCE SLIP**LGB FORGE LIMITED**

CIN : L27310TZ2006PLC12830

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

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

Phone: 0422 2532325, Fax: 0422 2532333

13th ANNUAL GENERAL MEETING

DP ID		Folio No.
Client ID		No. of Shares
Name of the Member		
Name of the Proxy		

I hereby record my presence at the 13th **ANNUAL GENERAL MEETING** of the Company held on **Thursday, July 18th, 2019 at 09.30 A.M.** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for FY 2018-19 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2018-19 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

E-VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USED ID	PASSWORD*
190610006	Folio No. / Client ID Date of Birth	PAN Number / Bank Account No /

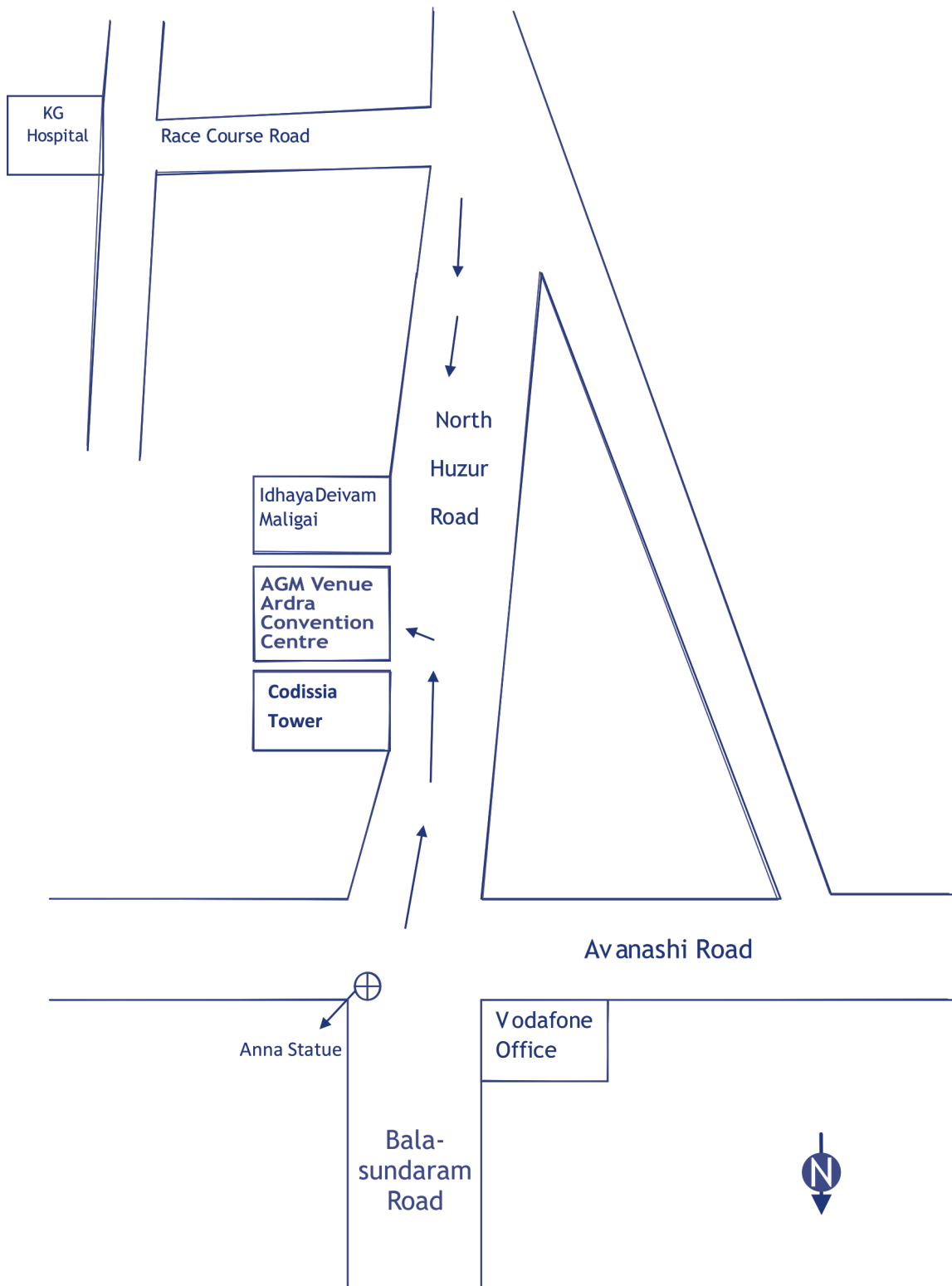
* Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting.

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

Commencement of e-voting	End of e-voting
Monday, 15 th July, 2019 (from 9.00 A.M)	Wednesday, 17 th July, 2019 (upto 5.00 P.M)

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

Route map of AGM Venue



PROXY FORM

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



LGB FORGE LIMITED

CIN : L27310TZ2006PLC12830

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

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

Phone: 0422 2532325, Fax: 0422 2532333

13th ANNUAL GENERAL MEETING 18th July, 2019

Name of the member(s):	
Registered address:	
E-mail ID:	
Folio No/Client ID:	DP ID:

I/We being the member(s) of _____ shares of LGB Forge Limited, hereby appoint:

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company, to be held on **Thursday, July 18, 2019 at 09.30 A.M** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.

S.No	Resolutions
Ordinary Business	
1	To receive, consider and adopt the Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon
2	To appoint a Director in the place of Sri B.Vijayakumar (DIN: 00015583), who retires by rotation and being eligible, seeks re-appointment
Special Business	
3	Re-appointment of Mr.P.V.Ramakrishnan (DIN : 00013441) as an Independent Director of the Company .
4	Re-appointment of Mr.K.N.V.Ramani (DIN : 00007931) as an Independent Director of the Company.
5	Re-appointment of Mr.P.Shanmugasundaram (DIN : 00119411) as an Independent Director of the Company.
6	Revision in the remuneration of Mr.V.Rajvirdhan (DIN : 00156787), Managing Director of the Company.

Affix
Revenue
Stamp not
less than
₹ 1/-

Signed this day of 2019

Signature of Shareholder

Notes

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting**
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 13th Annual General Meeting

If Undelivered Please Return to :



LGB FORGE LIMITED

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

Tel : 0422 - 2532325, Fax : 0422 - 2532333

CIN : L27310TZ2006PLC012830

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