



# LGB FORGE LIMITED

Admin Office : 8/1238, Trichy Road,

Coimbatore - 641 018.

Tel : 0422 4951884

BSE Limited Phiroze Jeejeebhoy Towers, "Exchange Plaza", Dalal Street, Mumbai 400 001 Scrip Code: 533007	National Stock Exchange of India Limited Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Scrip Code: LGBBROSLTD
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LGBFORGE / SEC / AGM-2023

September 2, 2023

Dear Sirs,

Sub: Notice of the 17th Annual General Meeting and Annual Report for the FY 2022-23.

Further to our letter dated May 15, 2023 intimating the date of 17th Annual General Meeting ("AGM") of the Company and pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the Financial Year 2022-2023 along with Notice of 17th AGM of the Company to be held on Monday, September 25, 2023 at 04:00 PM (IST) through Video Conference / Other Audio Visual Means.

The Notice of AGM along with Annual Report is being send by electronic mode today i.e September 2, 2023 to only those Shareholders whose email addresses registered with the Company / Depository Participants.

The Annual Report containing the Notice is also being uploaded on the Company's website <http://www.lgbforge.com/financial-information.html#>.

The date and time of remote e-voting facility are as under:

Event	Day, Date and Time
Date and time of AGM	Monday, September 25, 2023 (04:00 PM IST)
Mode of Meeting	Video Conference / Other Audio-Visual Means
Cut-off date for e-voting	Monday, September 18, 2023
Commencement of remote e-voting	Friday, September, 22 2023 (9:00 a.m. IST)
End of remote e-voting	Sunday, September 24, 2023 (5:00 p.m. IST)

Thanking you,

Yours faithfully,

For LGB Forge Limited

A Sampathkumar

Executive Director & Compliance Officer



17<sup>th</sup>

**ANNUAL**

REPORT

**2022-23**

**LGB FORGE LIMITED**

Coimbatore - 641006 | [www.lgbforge.com](http://www.lgbforge.com)





## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

**Sri. B. Vijayakumar**

Non-Executive Director (w.e.f. 28.05.2022)

**Sri. V. Rajvirdhan**

Managing Director (up to 28.09.2022)

**Smt. Rajsri Vijayakumar**

Managing Director (w.e.f. 16.02.2023)

**Sri. A. Sampath Kumar**

Executive Director (w.e.f. 16.02.2023)

**Sri. P. Shanmugasundaram**

Independent Director

**Sri. P.V. Ramakrishnan**

Independent Director

**Sri. V. Ragupathi**

Non-Executive Director

**Sri. Prem Kumar Parthasarathy**

Independent Director

**Sri. Murugesu Saravana Marthandam**

Independent Director

**Sri. Sajeev Mathew Rajan**

Independent Director

**Sri. J. Prakash**

Independent Director (up to 28.05.2022)

**Smt. S. G. Prabhavathi**

Independent Director (up to 28.05.2022)

### **CHIEF FINANCIAL OFFICER**

Smt. Geetha Manjari (w.e.f. 01.06.2022)

### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Sri. K. Maheswaran (w.e.f. 25.06.2022)

### **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, 5<sup>th</sup> Street,

Ramalinga Jothi Nagar,

Near Corporation Office,

Nanjundapuram Road,

Ramanathapuram, Coimbatore-641045

Phone No. 0422- 2322333

### **REGISTRAR AND SHARE TRANSFER AGENTS**

**M/s.Cameo Corporate Services Limited**

"Subramanian Building"

No 1, Club House Road,

Chennai- 600 002

Phone No. 044 - 28460390

### **LISTED - STOCK EXCHANGES**

BSE Ltd.

National Stock Exchange of India Ltd.

### **REGISTERED OFFICE**

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

CIN : L27310TZ2006PLC012830

Email : secretarial@lgbforge.com

Website: www.lgbforge.com

Phone: 0422 2532325



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**17<sup>th</sup> ANNUAL GENERAL MEETING**

Date : 25<sup>th</sup> September, 2023  
Day : Monday  
Time : 04 .00 P.M. (IST)

**NOTICE OF 17<sup>th</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 17<sup>th</sup> ANNUAL GENERAL MEETING (“AGM”) of the Members of the Company will be held on Monday the 25<sup>th</sup> Day of September, 2023 at 04:00 P.M. (IST) through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”), without the in-person presence of members at a common venue to transact the following businesses:

**AGENDA****Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 and the Report of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto.
2. To appoint a Director in the place of Smt. Rajsri Vijayakumar (DIN: 00018244), who retires by rotation and being eligible, seeks re-appointment.
3. To re-appoint Statutory Auditors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time (“Act”), M/s. N.R. Doraiswamy & Co., Chartered Accountants, Firm Registration No.000771S, Chartered Accountants, Coimbatore, be and are hereby appointed as the statutory auditors of the Company for a SECOND TERM OF 5 (FIVE) CONSECUTIVE YEARS to hold office from the conclusion of this 17<sup>th</sup> annual general meeting until the conclusion of the 22<sup>nd</sup> annual general meeting of the Company, on such remuneration and reimbursement of out of pocket expenses as may be mutually agreed between the Auditors and the Board.”

**SPECIAL BUSINESS:**

4. Approval of material related party transactions between the Company and M/s. L.G. Balakrishnan & Bros Limited.

To consider and if thought fit, to give assent/dissent

to the following resolution proposed to be passed as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 2(76) and 188 and other applicable provisions of Companies Act, 2013 (“the Act”) read with rules made thereunder and provisions of Regulation 2(1)(zc) and 23(4) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include the Audit Committee, to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), between the Company and M/s. L.G. Balakrishnan & Bros Limited, a related party (as defined under the Act), on such terms and conditions as may be mutually agreed for an aggregate value not exceeding Rs.40 Crores (Rupees Forty Crores) for a period of one year from the conclusion of this 17<sup>th</sup> Annual General Meeting until the conclusion of the 18<sup>th</sup> Annual General Meeting of the Company, with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind including movables, availing or rendering of any services or any other transaction of whatever nature, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business on such principal terms as further explained in the statement under Section 102 of the Act annexed hereto.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary,

including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplate in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

By Order of the Board

**Rajsri Vijayakumar**

MANAGING DIRECTOR

DIN: 00018244

Place: Coimbatore

Date: 15.05.2023

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular(s) dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 13th January, 2021, 08th December, 2021, 14th December, 2021 and 05th May, 2022 (collectively referred to as “MCA Circulars”) permitted the conduct of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide their circulars dated 12th May 2020, 15th January 2021 and 13th May, 2022 (collectively referred to as “SEBI Circulars”). The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (“SEBI Listing Regulations”) MCA Circulars and SEBI Circulars the 17th AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedures mentioned below.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.
3. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to eswarfcs@gmail.com with a copy marked to the Company at secretarial@lgbforge.com and to its RTA at cameosys@cameoindia.com
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 19TH SEPTEMBER, 2023 TO 25TH SEPTEMBER, 2023 (BOTH DAYS INCLUSIVE).
5. The Company has entered into agreements with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc.

Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

6. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.
7. Change of Address: Members are requested to notify any change of address and bank details to their Depository Participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the Secretarial Department at the registered office of the Company or to M/s. Cameo Corporate Services Limited, at “Subramanian Building”, No.1, Club House Road, Chennai – 600 002, the Registrar and Share Transfer Agent of the Company.
8. Non-Resident Indian (“NRI”) Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
  - a. the change in the residential status on return to India for permanent settlement or
  - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination forms in respect of their physical shareholdings. Any member willing to avail themselves of this facility may submit to the company’s registrar & share transfer agent in the prescribed statutory form. Should any assistance be desired, members should get in touch with the company’s registrar and share transfer agent.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent, for consolidation into a single folio.
11. Members are requested to forward their communications in connection with shares held by them directly to the Registrar and Share Transfer Agent of the Company M/s. Cameo Corporate Services Limited, at “Subramanian Building”, No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India (Tel: 91-044-28460390) quoting the Folio No or the Client ID No with DP ID No.
12. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his / her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.
14. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those Members whose email address is registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the financial year 2022-23 will also be available on the Company’s website <http://www.lgbforge.com>, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Central Depository Services Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI

- (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
16. The Members can join the AGM in the VC/OAVM mode 30 minutes before and with in 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  17. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
  18. Members may note that M/s. N.R. Doraiswami & Co., Chartered Accountants, (Firm Registration No. 0007771S), Coimbatore, the statutory auditors of the company were appointed by the shareholders at their Annual General Meeting (AGM) held on 30th August 2018, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2023. Hence, a resolution is being proposed for re-appointment of statutory auditors for a second term of 5 consecutive years at this 17th Annual General Meeting.
  19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
  20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
  21. Brief resume, details of shareholding and Directors' inter-se relationship of Directors seeking election/re-election as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2, are provided as Annexure to this Notice.
  22. The shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the Company to serve documents in electronic mode.
  23. Annual financial statements and related details are posted on the Company's website and are also kept for inspection at the Registered Office of the Company. A copy of the same will be provided to the members on request.
  24. Soft copies the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM.
  25. Registration of email ID and Bank Account details:
    - (i) In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent (RTA)/Depositories, log in details for e-voting are being sent on the registered email address.



- (ii) In case the shareholders has not registered his/her/their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate the following instructions are to be followed:
- a. In case of shares held in physical form, kindly provide the required details to M/s. Cameo Corporate Services Limited at “Subramanian Building”, No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India or to the Company at No. 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore - 641006 (or)
  - b. In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

1. The voting period begins on FRIDAY, 22ND SEPTEMBER 2023 AT 9.00 AM AND ENDS ON SUNDAY, 24TH SEPTEMBER 2023 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 (RECORD DATE) OF 18TH SEPTEMBER 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.**

1. In view of aforesaid SEBI circular dt 09th December 2020, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login methods
<b>Individual Shareholders holding securities in Demat mode with CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login methods
<b>Individual Shareholders holding securities in demat mode with NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

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

**Login method for e-voting and joining virtual meetings for physical shareholders and shareholders other than individuals holding in Demat mode.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

- 7) After entering these details appropriately, click on “**SUBMIT**” tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the **EVSN** for **LGB FORGE LIMITED** on which you choose to vote.
- 11) On the voting page, you will see “**RESOLUTION**

- DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- 12) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
  - 13) After selecting the resolution, you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
  - 14) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
  - 15) You can also take a print of the votes cast by clicking on “**Click here to print**” option on the Voting page.
  - 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.

- 17) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- 18) **Notes for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto: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 linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 (Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.

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

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

- a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- b) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or

contact attoll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, (Central Depository Services (India) Limited), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**Details of Scrutinizer and results of E-Voting:**

SRI. P. ESWARAMOORTHY, FCS OF P.ESWARAMOORTHY and Company, Practicing Company Secretaries, have been appointed as Scrutinizer to scrutinize the remote e-voting/e-voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall submit his report to the Chairman of the Meeting, or any person authorised by him within two working days of the conclusion of the AGM. The results declared along with the report of scrutinizer shall be placed on the website of the Company <http://www.lgbforge.com> and on the website of CDSL immediately after declaration of results by the Chairman or person authorised by him/her in this behalf. 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.



**Additional information on Directors recommended for re-appointment at the Annual General Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by ICSI.**

<b>Name</b>	<b>Smt. Rajsri Vijayakumar</b>
Director Identification Number	00018244
Age / Date of Birth	42 / 11.09.1981
Nationality	Indian
Date of first appointment on the Board	27-10-2021
Inter-se relationship with other directors	Daughter of Sri. B. Vijayakumar, Chairman
Qualification	B.B.A
Expertise in area	More than 18 years' experience as Industrialist.
Number of shares held in the Company	1,50,18,445 Equity Shares
List of Directorships held in other companies	1. L.G. Balakrishnan & Bros Limited 2. L.G.B Auto Products Private Limited 3. ELGI Automotive Services Private Limited 4. Silent Chain India Private Limited 5. LG Farm Products Private Limited 6. Super Speeds Private Limited 7. Super Transports Private Limited 8. Rajvirdhan Private Limited 9. Pattimaachi Private Limited
Name of listed companies from which the Director has resigned in the past three years.	NIL
Chairman/Member of Committees of other public companies as at 31st March, 2023 (Includes Audit Committee and Stakeholders Relationship Committee only)	Nil.
Remuneration sought to be paid (per annum)	Rs. 24.00 Lakhs
Remuneration last drawn (per annum)	
No. of Board meeting attended during the Financial year	8/8
Terms and Conditions of appointment/re-appointment	Liable to retire by rotation

Place : Coimbatore

Date : 15.05.2023

By Order of the Board  
**Rajsri Vijayakumar**  
MANAGING DIRECTOR  
DIN: 00018244

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

The following statement sets out all the material facts relating to the businesses mentioned in the accompanying notice dated 15th May 2023 and shall be taken as forming part of the Notice.

**ITEM NO. 3****THOUGH NOT MANDATORY, THIS EXPLANATION IS PROVIDED FOR REFERENCE.**

M/s. N.R. Doraiswami & Co (Firm Registration Number 000771S), Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office from 15th June 2018 to until the conclusion of the 12th Annual General Meeting, to fill the casual vacancy caused by resignation of M/s. Hari bhakti & Co LLP, Chartered Accountants in the year 2018.

Further to the end of the aforesaid term, M/s. N.R. Doraiswami & Co, Chartered Accountants were reappointed as Statutory Auditors of the Company at the 12th Annual General Meeting of the Company held on 30th August 2018, for a further period of 5 years for the financial year(s) 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23. Their term will end at the ensuing 17th Annual General Meeting.

Further, as per the provisions of Section 139(2) of the Companies Act, 2013, a Company shall not appoint or re-appoint an audit firm as auditors for a maximum period of 10 years. Therefore, they can hold office for a further period of 5 (five) years only. Hence, the Company hereby placed this resolution for re-appointment of Statutory Auditors for a second term of 5 (five) consecutive years to hold office from the conclusion of 17th Annual General Meeting until the conclusion of 22nd Annual General Meeting.

The Board recommends the resolution at Item No. 3 for approval by the members.

None of the Directors or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

**ITEM NO. 4****APPROVAL OF MATERIAL RELATED PARTY TRANSACTION(S) BETWEEN THE COMPANY AND M/S. L.G. BALAKRISHNAN & BROS LIMITED.**

M/s. L.G. Balakrishnan & Bros Limited (LGB) is a Related Party as defined under Section 2 (76) of the Act read with Regulation 2 (1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is proposing to enter into certain business transactions with a related party for a period of one year from the conclusion of this 17th Annual General Meeting to until the conclusion of the 18th Annual General Meeting of the Company. The nature of transactions is in the form of sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind including movables, availing or rendering of any services or any other transaction of whatever nature with M/s. L.G. Balakrishnan & Bros Limited (LGB). All transactions to be entered into by the Company with LGB are in the ordinary course of business and are at arm's length basis and necessary approvals as required in compliance of the provisions under the Act / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have already been obtained from the Audit Committee/ Board.

It may be noted that as per the amended definition provided in the explanation to Regulation 23 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is effective from 01st April, 2022, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1,000 Crores or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity i.e. Rs.11.6 Crores (10% of Rs. 116 Crores), whichever is lower. Further, all Material Related Party Transactions require prior



approval of the Members through a Resolution, and no related party shall vote to approve such resolution whether an entity is a related party to the particular transaction or not. The aggregate limit of transactions with M/s. L.G. Balakrishnan & Bros Limited for a period of one year from the conclusion of this 17th Annual General Meeting to until the conclusion of the 18th Annual General Meeting of the Company are estimated to be Rs.40 Crores (Rupees Forty Crores) and this amount exceeds the threshold limit Rs.11.6 Crores, one of the criteria as prescribed in the amended definition of Material Related Party Transactions under Regulation 23 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore this would be considered as Material Related Party Transaction(s). Accordingly, it requires approval of the Company by way of passing of an Ordinary Resolution under Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Approval of the Members of the Company is therefore being sought in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of passing of an Ordinary Resolution for approval to the aforesaid Material Related Party Transactions to be entered into with M/s. L.G. Balakrishnan & Bros Limited as stated above.

Relevant documents, if any, in respect of the said item are available in electronic form for inspection by the Members of the Company upto the last date of the remote e-voting.

No related party shall vote to approve such resolution(s) whether an entity is a related party to the particular transaction or not.

The Directors, Key Managerial Personnel or their relatives holding shares of the Company may be deemed to be concerned or otherwise interested in the said Ordinary Resolution only to the extent of their shareholding.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution as set out in item no. 4 for approval by the Members.

**DETAILS OF THE PROPOSED RELATED PARTY TRANSACTION BETWEEN THE COMPANY AND M/S. L.G. BALAKRISHNAN & BROS LIMITED, INCLUDING THE INFORMATION REQUIRED TO BE DISCLOSED IN THE EXPLANATORY STATEMENT PURSUANT TO THE SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2021/662 DATED 22ND NOVEMBER, 2021, ARE AS FOLLOWS:**

S.no	Particulars	M/s. L.G. Balakrishnan & Bros Limited
1	Type, material terms and particulars of the proposed transaction	As detailed below in S.no. 4. All transactions to be entered are at arm's length.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	M/s. L.G. Balakrishnan & Bros Limited is a promoter group company holds 12.17% of Share Capital.
3	Tenure of the proposed transaction (particular tenure shall be specified)	Recurring Nature and the approval is for a period of one year from the conclusion of this 17th Annual General Meeting to until the conclusion of 18th Annual General Meeting of the Company.
4	Value of the proposed transaction	Overall aggregate limit of Rs.40 Crores with respect to the transactions as detailed hereunder: 1.Purchase of any goods or materials or services. 2.Sale of any goods or materials or services. 3.Selling or otherwise disposing of property of any kind.* 4.5.Buying of property of any kind.* 5.Rent/leasing of property of any kind.* 6.Any other transactions. 7.* Property of any kind includes movables.

S.no	Particulars	M/s. L.G. Balakrishnan & Bros Limited
5	Value of RPT as % of Company's audited *consolidated annual turnover of Rs. 116 Crores for the previous financial year 2022-23.  *(As the Company doesn't require consolidating its accounts, the details have been entered based on the standalone audited turnover of the Company).	34.50%
6	If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction. ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments, • nature of indebtedness. • cost of funds; and • tenure. iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable.
7	Justification as to why the RPT is in the interest of the listed entity;	RPT pricing mechanism would be as per arm's length criteria based on the market price or alternative pricing method or relevant materials and /or services. Arrangement is commercially beneficial.
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable.
9	Name of the Directors or Key Managerial Personnel interested and their nature of relationship.	Sri. B. Vijayakumar, Promoter & Director Smt. Rajsri Vijayakumar, Promoter & Managing Director
10	Any other information that may relevant.	All relevant information is set out in the statement under Section 102 of the Act forming part of this Notice.

**DIRECTORS' REPORT**
**DEAR SHAREHOLDERS,**

Your Directors take pleasure in presenting the Seventeenth Annual Report of your Company together with the audited accounts for the year ended 31<sup>st</sup> March, 2023.

**FINANCIAL RESULTS**

The summary of the financial performance of the Company for the year ended 31<sup>st</sup> March, 2023 as compared to the previous year is as below:

₹ in Lakhs

Particulars	31.03.2023	31.03.2022
<b>Total Revenue</b>	<b>11,760</b>	13,071
Profit before interest, depreciation & Tax	<b>(235)</b>	1,022
Less: Interest	<b>216</b>	225
Depreciation	<b>479</b>	453
<b>Profit before tax</b>	<b>(930)</b>	344
Less: Tax Expense	-	-
Add: Exceptional items	-	-
<b>Profit after tax</b>	<b>(930)</b>	344
Add: Balance brought forward	<b>(4,116)</b>	(4,460)
<b>Available for appropriation</b>	<b>(5,046)</b>	(4,116)

**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**

The Company has achieved total revenue of **RS.11,760 LAKHS** as compared to **RS.13,071 LAKHS** in the previous year. During the year under review, the Company has incurred a **NET LOSS OF (RS.930) LAKHS** as against the **NET PROFIT OF RS.344 LAKHS** in the previous year.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended **31ST MARCH 2023**.

**TRANSFER TO RESERVES**

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

**DIVIDEND**

The Board of Directors does not recommend any dividend for the year 2022-23.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company has not declared any dividend from the date of incorporation and hence the 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, 2023** aggregates to **Rs.238,202,463/-** comprising of **238,202,463 equity shares of RE.1/-** each fully paid up.

During the year under review there was no public issue, rights issue, bonus issue, etc. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any employee stock options nor issued any convertible securities.

**WEB LINK OF ANNUAL RETURN**

The Annual Return of the Company for the financial

year 2022-23 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company and can be accessed on the Company's website at <http://www.lgbforge.com/annual-return.html>

#### **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 17th January 2019.

#### **BOARD MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW**

During the period under review, the Board has met **EIGHT TIMES**. A detailed update on the Board, its composition and attendance of the Directors at each meeting is provided in the Corporate Governance Report.

The Board has constituted three committees, namely,

Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All recommendations made by the Committees of the Board, including the Audit Committee were accepted by the Board.

A detailed chart including terms of reference of various Board constituted Committees, number of Committee meetings held during the financial year 2022-23 and attendance of members at each meeting, are disclosed in the Corporate Governance Report which forms part of this Directors' Report.

#### **STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and these systems are adequate and operating effectively. The Company has duly complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

#### **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 2023**, the

Board of Directors hereby confirms that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departure.
- b) 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) A proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

There was no instance of fraud identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Board of Directors has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment

and Qualification of Directors) Rules, 2014. During the year, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s). The details of remuneration and/ or other benefits of the Independent Directors are mentioned in the Corporate Governance Report, which forms part of this Directors' Report.

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

The Board of Directors opined that the integrity, expertise, and experience (including proficiency) of the Independent Directors is satisfactory.

**FAMILIARIZATION PROGRAMMES**

In compliance with the requirements of the SEBI Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model and so on. The same is also available on the Company website at [www.lgbforge.com](http://www.lgbforge.com).

**COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013**

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel, and senior management which inter-alia provides the diversity of the Board and provides the mechanism for performance evaluation of the Directors. The salient features of the said policy have been outlined in the Corporate Governance Report which forms part of this Report, and the said policy can also be accessed on the Company's website at <http://www.lgbforge.com/images/pdf/nomination-and-remuneration-policy.pdf>

**COMMENTS ON AUDITOR'S REPORT:**

- a) There is no qualifications, reservations or adverse remarks or disclaimers made by M/s. NRD and Associates, Statutory Auditors.
- b) With respect to the observations of the Secretarial Auditor of the Company in his report, your Directors wish to state that necessary steps has been initiated to ensure compliance with all applicable statutory requirements.

**MAINTENANCE OF COST RECORDS UNDER SUBSECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013**

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records. Accordingly, the company has duly made and maintained the cost records as mandated by the Central Government.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the financial year ended **31ST MARCH 2023**, the Company has not given any Loan or made any investment or given any guarantee or security pursuant to the provision of Section 186 of the Companies Act, 2013.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year 2022-23 were in the ordinary course of business and on an arm's length basis. Details of the transactions with Related Parties are provided in the accompanying financial statements. Since there is no transactions which is not on an arm's length basis and material in nature, the requirement of disclosure of such related party transactions in Form AOC 2 does not arise. The details of RPT effected during the year are disclosed in the notes to the financial statements.

Prior omnibus approval of Audit Committee has been obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The policy on materiality of Related Party Transactions and dealing with related party transactions as approved by the Board may be accessed on company's website at <http://www.lgbforge.com/images/pdf/related-party-transactions-policy.pdf>

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31ST MARCH 2023 AND THE DATE OF THE REPORT**

There were no material changes and commitments affecting the financial position of the Company that occurred between the end of financial year 31st March 2023 to which these 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 furnished in **ANNEXURE - A** attached to this report.

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

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.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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.

**ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS AND COMMITTEES**

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.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**RE-APPOINTMENT OF DIRECTOR LIABLE TO RETIRE BY ROTATION.**

Smt. Rajsri Vijayakumar has been appointed as Non-Executive Director on the Board w.e.f **27TH OCTOBER 2021**. Further to that, during the year the members of the Company has appointed Smt. Rajsri Vijayakumar (DIN: 00018244) as Managing Director of the Company for a period of three years with effect from **16th February 2023**, through a special resolution passed by postal ballot.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt. Rajsri Vijayakumar, (DIN: 00018244) 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 herself for re-appointment. The necessary agenda for

her reappointment is included in the Notice of AGM seeking the approval of Members. The Board of Directors has also recommended her re-appointment for your approval. The retirement by rotation and reappointment of Smt. Rajsri Vijayakumar does not mean there is a break in her appointment as Director.

#### **APPOINTMENT OF DIRECTORS**

On recommendation of Nomination and Remuneration Committee and approval of the Audit Committee, the Board appointed SMT. RAJSRI VIJAYAKUMAR (DIN:00018244) AS MANAGING DIRECTOR AND SRI.A. SAMPATH KUMAR (DIN:01712288) AS WHOLE TIME DIRECTOR OF THE COMPANY W.E.F 16TH FEBRUARY 2023.

#### **CESSATION**

During the year under review, **SRI. V. RAJVIRDHAN, (DIN:00156787)** Director of the company was retired by rotation at the 16th Annual General Meeting due to lack of obtaining majority votes Sri. J. Prakash and Smt. S.G. Prabhavathy have resigned from the Board w.e.f 28th May 2022.

The Board places on record its appreciation for the invaluable contribution and guidance rendered by Sri. V. Rajvirdhan, Sri. J. Prakash and Smt. S.G. Prabhavathy

#### **KEY MANAGERIAL PERSONNEL**

Pursuant to provisions of Section 203 of the Companies Act, 2013, the key managerial personnel of the Company as on 31st March 2023 are: Smt. Rajsri Vijayakumar (DIN: 00018244), Managing Director, Sri. A. Sampath Kumar (DIN: 00015978), Executive Director, Sri. K. Maheswaran, Company Secretary and Smt. Geetha Manjari, Chief Financial Officer.

During the year under review:

**SMT. GEETHA MANJARI** was appointed as Chief Financial Officer of the Company w.e.f 01st June 2022.

**SRI. K. MAHESWARAN** was appointed as Company Secretary of the Company w.e.f **25th June, 2022** and he has expressed his unwillingness to continue in the service of the Company and tendered his resignation on **18th March, 2023**. The Company has relieved him from the services w. e. f **20th May 2023**.

**SRI. A. KAMAL BASHA** was appointed as

**CHIEF EXECUTIVE OFFICER** of the Company w. e. f **05th December 2022** and he has expressed his unwillingness to continue in the service of the Company and resigned w. e. f **06th MARCH 2023**. The Board has also accepted the resignation.

#### **SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

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.

#### **FIXED DEPOSITS**

During the year, the Company has not accepted or renew any Fixed Deposits and no Fixed Deposits remained unclaimed with the company as on **31ST MARCH 2023**.

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

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

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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

The Directors and Management confirm that the Internal Financial Controls (IFC) is 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 Auditor's report.

#### **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.

Consequently, M/s. N. R. Doraiswami & Co, Chartered Accountants (Firm Registration No. 000771S) complete their first term of five consecutive years as the Statutory Auditors of the Company at the conclusion of the ensuing 17<sup>th</sup> AGM of the Company.

Pursuant to Section 139(2) of the Act, the Company can appoint an auditor's firm for a second term of five consecutive years.

M/s. N. R. Doraiswami & Co, Chartered Accountants (Firm Registration No. 000771S), have consented to the said reappointment, and confirmed that their reappointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time. The audit committee and the board of directors recommend the reappointment of M/s. N. R. Doraiswami & Co, Chartered Accountants (Firm Registration No. 000771S), as statutory auditors of the Company for a further period of 5 (five) years from the conclusion of the 17<sup>th</sup> AGM till the conclusion of 22<sup>nd</sup> AGM, subject to the approval of the Members in the ensuing Annual General Meeting of the Company.

M/s. N. R. Doraiswami & Co, Chartered Accountants (Firm Registration No. 000771S) have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation, adverse remark or disclaimer.

#### **SECRETARIAL AUDITORS**

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 Sri. P. Eswaramoorthy of M/s. P. Eswaramoorthy And Company, Company Secretaries as Secretarial Auditor to conduct the

Secretarial Audit of the Company for the Financial Year ended 31ST MARCH 2023.

The Secretarial Audit Report along with the certificate of non-disqualification of Directors for the Financial Year ended 31st March 2023 in **Form No.MR-3** is annexed to this Report as **ANNEXURE - B**.

#### **PARTICULARS OF EMPLOYEES**

The disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **ANNEXURE - C** to this report.

#### **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 as **ANNEXURE - D**.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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 9th 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 period under review there was no complaint from any employee and hence no complaint is outstanding as on 31st March 2023 for redressal.

#### **CORPORATE GOVERNANCE**

A report on Corporate Governance is annexed as **ANNEXURE - E** and forms part of this report. The Company has complied with the conditions relating to



Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**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 provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's code of conduct. The policy can be accessed on the Company's website at <http://www.lgbforge.com/images/pdfs/whistleblower-policy.pdf>

**CEO/CFO CERTIFICATION**

As required under SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015, the Director, Chief Executive Officer and the Chief Financial Officer have furnished the necessary certificate to the Board on the financial statements presented.

**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.

Your company realizes that it has to re-orient its organization as the dynamics of business are changing fast. In its pursuit of attracting, retain and develop best available talents, several programmes are regularly

conducted at various levels across the Company.

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

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

No application has been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

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

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

**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 the 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.



### 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 2023-24 has been paid to them.

### 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

Place : Coimbatore

Date : 15.05.2023

**Rajsri Vijayakumar**  
MANAGING DIRECTOR  
DIN:00018244

**P.Shanmugasundaram**  
INDEPENDENT DIRECTOR  
DIN:00119411

**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 better power consumption. Results are expected in the 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

**III. The capital investment on energy conservation equipment**

No specific investment made during the financial year in 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:	NIL
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;	

(iv) The expenditure incurred on Research and Development: NIL

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earnings : ₹ 1887.37 Lakhs

Foreign Exchange used : ₹ 14.20 Lakhs

By Order of the Board

**Rajsri Vijayakumar**  
MANAGING DIRECTOR  
DIN:00018244

**P.Shanmugasundaram**  
INDEPENDENT DIRECTOR  
DIN:00119411

Place : Coimbatore

Date : 15.05.2023



**Form No. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**  
**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LGB Forge Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial Year ended 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Not applicable as the Company has not issued any security during the Financial Year under review];
  - d. The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014 [Not applicable as the Company does not have any Scheme for share based employee benefits during the Financial Year under review];
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable as the Company has not issued and listed any debt securities during the Financial Year under review];

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client [Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year under review];
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Equity Shares of the Company have not been delisted during the Financial Year under review];
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the Financial Year under review]
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
(vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards wherever applicable except –

- (i) Annual Secretarial Compliance Report for the financial year ended 31st March 2022, was filed on 01st June 2022, which was beyond the due date as prescribed under SEBI (LODR) Regulation 24 (A).
- (ii) Credit Rating as received by the company during the review period was not intimated to the Stock Exchanges as required under SEBI (LODR) Regulation 30 (2).
- (iii) Limited Review Report for the quarter period ended 30.06.2022 submitted by the Statutory Auditor does not hold a valid peer reviewed certificate as per SEBI (LODR) Regulation 33 (1) (d). Nevertheless we noted that the Auditor has applied for peer review and the process was pending at the time of issuance of LRR for the said period.

#### **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 with shorter notice wherever required, 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



## ANNUAL REPORT 2022-23

department heads and the Company Secretary which is taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

P. ESWARAMOORTHY AND COMPANY

Company Secretaries

Place: Coimbatore

Date: 15/05/2023

UDIN: F006510E000304621

P. Eswaramoorthy

Proprietor

FCS No.: 6510, CP No.: 7069

Peer Review Cert. No.933/2020



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

To

The Members

LGB Forge Limited

(CIN: L27310TZ2006PLC012830)

No 6/16/13, Krishnarayapuram Road,  
Ganapathy Post, Coimbatore – 641 006

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

1. Maintenance of Secretarial Records, devising proper system to ensure compliance with the provisions of all applicable laws and regulations and ensuring that systems are adequate and operate effectively, are the responsibilities of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

P. ESWARAMOORTHY AND COMPANY

Company Secretaries

Place: Coimbatore

Date: 15/05/2023

UDIN: F006510E000304621

P. Eswaramoorthy

Proprietor

FCS No.: 6510, CP No.: 7069

**Statement pursuant to Section 197(12) of the Companies Act 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**1. The ratio of the remuneration of each director to the median employee's remuneration for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.**

<b>S.No</b>	<b>Directors</b>	<b>Category</b>	<b>Median Remuneration</b>	<b>Ratio</b>	<b>% Increase</b>
1	Sri. B. Vijayakumar	Non- Executive Promoter	NA	NA	NA
2	Smt. Rajsri Vijayakumar	Managing Director	2.88	1.08:1	NA
3	Sri. A. Sampathkumar	Executive Director	2.88	1.08:1	NA
4	Sri. P. Shanmugasundaram	Independent Director	NA	NA	NA
5	Sri. P.V. Ramakrishnan	Independent Director	NA	NA	NA
6	Sri. V. Ragupathi	Non- Executive Independent	NA	NA	NA
7	Sri. Sanjeev Mathew Rajan	Independent Director	NA	NA	NA
8	Sri. Prem Kumar Parthasarathy	Independent Director	NA	NA	NA
9	Sri. Murugesu Saravana Marthandam	Independent Director	NA	NA	NA
10	Sri. J. Prakash	Non- Executive Independent	NA	NA	NA
11	Smt. S.G. Prabhavathi	Non- Executive Independent	NA	NA	NA
12	Sri. Geetha Manjari	Chief Financial Officer	NA	NA	NA
13	Sri.K. Maheswaran	Company Secretary	NA	NA	NA

**Notes:**

1. The Directors mentioned in S.no. 10 & 11 above were appointed on 27<sup>th</sup> October, 2021 and resigned on 28<sup>th</sup> May, 2022.
2. The Director mentioned in S.no. 2 is resigned w.e.f 12<sup>th</sup> August, 2021 and reappointed again w.e.f 28<sup>th</sup> May, 2022.
3. The Directors mentioned in S.no. 6 & 7 were appointed on 27<sup>th</sup> October, 2021. Further they are redesignated as Non-Executive Directors w.e.f 28<sup>th</sup> May, 2022.
4. The Directors mentioned in S.no. 8 & 9 were resigned on 09<sup>th</sup> September, 2021 and 16<sup>th</sup> September, 2021 respectively.
5. Sri. J. Prakash and Smt. S.G. Prabhavathi has resigned w.e.f 25<sup>th</sup> January, 2022 and 28<sup>th</sup> May, 2022 respectively.
6. Sitting fees paid to the Directors is not considered as remuneration.



**2. Particulars of employees under Rule 5 (2)**

S.No	Name	Designation /Nature of Employment	Remuneration received/receivable (Rs)	Qualification/ experience	Experience (Years)	Date of joining	Age	Last Employment	% of share holding	Whether related to director, if so name of such director
1	K MAHESWARAN	Company Secretary	1023567	LLB, ACS - Secretarial	11	6-10-2022	38	Revathi CP Ltd	-	No
2	D MAGUESWARAN	Marketing Head	697897	BE - Production Engineering	20	8-22-2022	40	Sider Forgessi	-	No
3	VIKRAM A R	Asst Manager -IE	661031	BE	10	10-18-2019	31	LMW	-	No
4	SURESHKUMAR D	Manager - HR	707616	M.Com, MSW, LLB	18	9-23-2020	39	CRI Pumps Private Limited	-	No
5	GEETHA MANJARI	Chief Financial Officer	679942	B.Com	20	10-17-2003	59	LGB	-	No
6	ARISHJITH ARAVINDAN	Assistant Manager	561498	DME	14	20-12-2021	37	Sundaram Fastners Limited	-	No
7	MALLARADDEPPA	Assistant Manager	528867	DME	15	22-09-2019	48	Sumuka Engineering	-	No
8	S ANBU	Manager	516480	M.COM	19	18-02-2004	47	Supreme Automech India Pvt Ltd	-	No
9	Y PRABU	Supervisor	511855	DME	20	26-03-2015	45	Kinetic Forge Pvt Ltd	-	No
10	V BASKAR	Deputy Manager	505644	ITI Fitter	26	03-02-2014	45	CRI Pumps ltd	-	No

**3. The percentage increase in the median remuneration of employees in the financial year: 36.70%**

**4. The number of permanent employees on the rolls of company: 177**

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:**

Average increase in remuneration of Directors and KMP's was Nil. For employees of LGB Forge Ltd, the increase was 10%.

**6. Your directors affirm that the remuneration is as per the remuneration policy of the Company.**

By Order of the Board

**Rajsri Vijayakumar**  
Managing Director  
DIN:00018244

**P.Shanmugasundaram**  
Independent Director  
DIN:00119411

Place : Coimbatore  
Date : 15.05.2023

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****OVERVIEW**

Post pandemic the world is facing recessionary and inflationary pressures..

The global economy has weathered a year filled with inclement conditions such as post pandemic challenges with surges in demand and supply, continuing geo political conflict which has lead to supply chain disruption, world wide surges in inflation, leading to recessionary conditions. All these factors have lead to the lowering of the global growth forecasts indicated by the IMF in the World Economic Forum in 2023. According to the report, the global growth is recorded at 3.4% in 2022 and the growth is expected to be at 2.8% in 2023. These conditions will continue to persist into 2023, with the main focus to curb inflationary pressures and financial stability to maintain interest rates.

Thankfully, India in spite of the above is still on a growth path, and is targeting a growth rate of 6 to 7 % as against 2 to 3% in the western world. The key drivers for India's growth are the Government's prudent financial policies and relationship with other nations, strong consumption rebound and robust revenue collections.

Our company, LGB Forge Limited (LGBFL) engaged in the business manufacturing Hot and Cold Forged parts caters to various industries. Due to market conditions, During FY 2022-23 our company has shown lower growth and generated RS.11,760 LAKHS in annual sales through its products ranging from intricate closed die stainless, alloy and carbon steel forgings as finished and semi-finished machined components. The strategy of specialisation in catering to custom-made and small quantity orders continues has made the Company the preferred supplier to its customers. Our Company's expertise in making deliveries in short lead times helps the customers to keep low level of inventories at their end.

Our Company being equipped with Hot Forging, Cold Forging & Open hammer presses as well as various CNC machines uses design and analysis software to design & manufacture dies and tooling in house that play a key role in the efficient and timely production of prototyping. The manufacturing plants are fully integrated with complete facilities for inspection, testing, cutting, forging, heat-treatment, finishing, machining, cleaning, surface treatment & dies & tool making.

**BUSINESS ENVIRONMENT OUTLOOK & PROSPECTS:**

Forging is important to industry, and it caters to various sectors.. The last few years have not been favourable with extreme rise in the prices of steel, aluminium and nickel, and consequent rise in production costs. The automotive sector is a major end user of metal forging and takes the major share of production (at 58%) according to The Association of the Indian Forging Industry.

Our company has had a challenging year post Covid, having to over come supply chain disruptions and inventory corrections in the global platform, increase in raw material prices especially in the first half of the year. Our company is specifically focused on processes which will lead to increased efficiency and productivity such as machinery maintenance, cutting process costs by improving performance, man power reduction and training programs.

Our goals for the coming year are to:

1. Ensure customer satisfaction with ontime deliveries and meet customer expectations on quality
2. Continue to implement cost cutting measures as well as value engineering activities that increase operative efficiency

3. Keep upgrading our IT systems for better monitoring and safety
4. Work towards meeting customer expectations for carbon foot print reduction.

Though the outlook for the company based on the Indian economy looks bright, the new management team which has been put in place the last year has been tasked to upgrade and replace the plant and machinery and the infrastructure, to modernise the plant to the required levels of customer expectations. The team is studying the possibilities to carry out such modernisation and is planning its implementation also. On these lines a financial blueprint will also be prepared.

## **OPPORTUNITIES AND THREATS**

### **OPPORTUNITIES:**

Post pandemic, many global manufacturers are looking for strong alternate suppliers, and India is emerging as one of the strongest suppliers with a high degree of credibility. This opens up significant potential for new business.

### **THREATS:**

The forging industry has matured with the support of the internal combustion engines (ICE) in the automotive segment. Any shift towards electric vehicles (EV) may impact the industry. Forging is dependent on large volumes of ferrous and non-ferrous raw materials such as steel, iron, and other alloys. Fluctuations in raw material prices are a concern for the forging market, as they have a major impact on the overall revenue, if the increases are not passed on to the end customer.

### **RISKS AND CONCERNS:**

Our company has put in place a risk management framework which enables diligent assessment of various activities for identifying, responding and mitigating potential risks both internally and externally. The key risks for our company include raw material, technology, talent and cyber security. We have a comprehensive internal control system which monitors adherence to policies and procedures and alerts the management in a timely manner.

### **SEGMENT:**

Your Company operates in only one segment- Forging and machining.

### **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 this Annual Report.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The following are the summary of results of operations, break up of expenditures and cash flows of your company.

**Results of Operations:**

(₹ in Lakhs)

Particulars	2022-23	2021-22	Growth %
Net Sales	11622	13,006	-10.64
Other Income	138	65	112.31
<b>Total Income</b>	<b>11760</b>	<b>13,071</b>	<b>-10.03</b>

**Break up of major heads of Expenditures:**

(₹ in Lakhs)

Particulars	2022-23	2021-22	Growth %
Cost of materials consumed	6239	7,330	-14.88
Changes in inventory of Finished Goods, Work-in-progress and Stock in trade	20	(642)	-103.12
Employee benefit expense	2313	2,060	12.28
Finance Cost	216	225	-4.00
Depreciation/ Amortisation	479	453	5.74
Other expenses	3423	3,303	3.63
<b>Total Comprehensive Income Before tax</b>	<b>(930.48)</b>	<b>341</b>	<b>(372.87)</b>
<b>Total Comprehensive Income after tax</b>	<b>356</b>	<b>388</b>	<b>(8.25)</b>

**Cash Flows:**

(₹ in Lakhs)

Particulars	2022-23	2021-22
Operating cash and cash equivalents	0.61	1.03
Net cash from operating activities	(906.58)	224.87
Net cash from Investing activities	(210.64)	22.64
Net cash from financing activities	1117.32	202.65
Change in cash and cash equivalents	0.10	0.42
Closing cash and cash equivalents	0.71	0.61

**Key Financial Ratios (Standalone Refer No. 48):**

(₹ in Lakhs)

Particulars	2022-23	2021-22	Variance %
Debtors Turnover	3.37	3.78	-10.85
Inventory Turnover	4.13	5.73	-27.92
Interest Coverage Ratio	(3.30)	2.53	-230.43
Current ratio	1.29	1.45	-11.03
Debt Equity ratio	0.90	0.34	164.71
Operating Profit Margin %	(6.12)	4.38	-239.73
Net Profit Margin %	(8.01)	2.65	-402.26
Return on Net worth%	(26.78)	9.17	-392.04

**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.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

Human Resource Development is the integrated use of training and development, organizational development, career development to improve individual group and organizational effectiveness. The HR development climate of LGBFL plays a very important role in ensuring the competency, motivation and development of our employees and helps to provide learning related with goals of organization. It influences morale and the attitudes of the individual towards his / her work and work environment.

The Industrial relations were peaceful and harmonious throughout the year. As on the date, the number of permanent employees on roll is **177**.

**INDUSTRIAL RELATIONS FRONT:**

Industrial Relations in our company continue to be highly cordial and harmonious. The participative way of functioning of management facilitates settling the disputes / grievances amicably through discussions, which in turn has resulted in maintaining over all healthy ethos of relationship in LGBFL.

LGB FORGE is committed to maintaining healthy industrial relations which in turn helps in creating an

atmosphere of industrial peace and harmony, which is necessary for better management, high productivity as well as growth of LGBFL.

**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.

Place : Coimbatore  
Date : 15.05.2023

By Order of the Board

**Rajsri Vijayakumar**  
MANAGING DIRECTOR  
DIN:00018244

**P.Shanmugasundaram**  
INDEPENDENT DIRECTOR  
DIN:00119411

**REPORT ON CORPORATE GOVERNANCE FOR THE FY 2022-23**

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**
**(i) Composition:**

Your Board comprises the 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 details of composition, category of the Directors during the year along with the attendance of each Director at the Board meetings/Annual General Meeting held on 28th September 2022 ("AGM") and the number of other Directorship(s), Committee(s) Membership(s)/Chairmanship(s) in other companies as on 31st March 2023 (as applicable) are given below:

Name of the Directors	Category	Attendance			No of Other Directorship held public companies*	No of committee positions held in other companies**	
		Board Meetings		Last AGM		Chairman	Member
		Held	Attended				
Sri. B. Vijayakumar1 DIN: 00015583	Non-Executive- Non-Independent	8	6	Yes	2	-	1
Sri. V. Rajviradhan2 DIN: 00156787	Managing Director - Executive - Promoter	8	0	NA	-	-	-
Smt. Rajsri Vijayakumar3 DIN: 00018244	Managing Director -Executive - Promoter	8	8	Yes	-	-	-
Sri.P.Shanmugasundaram DIN: 00119411	Non-Executive Independent	8	7	Yes	2	2	-
Sri.P.V. Ramakrishnan DIN: 00013441	Non-Executive Independent	8	5	Yes	-	-	-
Sri. A. SampathKumar3 DIN: 00015978	Whole Time Director - Executive	8	8	Yes	-	-	-
Sri. V. Ragupathi DIN: 01712288	Non-Executive - Non-Independent	8	8	Yes	-	-	-

Name of the Directors	Category	Attendance			No of Other Directorship held public companies*	No of committee positions held in other companies**	
		Board Meetings		Last AGM		Chairman	Member
		Held	Attended				
Sri. J. Prakash4 DIN: 09373723 (Appointed on 27.10.2021) (Resigned on 28.05.2022)	Non-Executive Independent	8	-	NA	-	-	
Smt. S.G. Prabhavathi4 DIN: 09368926 (Appointed on 27.10.2021) (Resigned on 28.05.2022)	Non-Executive Independent	8	-	NA			
Sri. Prem Kumar1 Parthasarathy DIN: 07126673	Non-Executive Independent	8	6	Yes			
Sri. Sajeew Mathew Rajan1 DIN: 01252269	Non-Executive Independent	8	4	NO			
Sri. Murugesu Saravana1 Marthandam DIN: 09623736	Non-Executive Independent	8	6	Yes			

\* Exclude directorship in Private Companies and Foreign Companies.

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

**Notes:**

1. During the year the Board has appointed 4 (four) Directors (Non-Executive) viz Sri. B. Vijayakumar, Sri. Prem Kumar Parthasarathy, Sri. Sajeew Mathew Rajan and Sri. Murugesu Saravana Marthandam on 28<sup>TH</sup> MAY 2022.
2. Sri. V. Rajvirdhan was retired by rotation at the 16th AGM held on 28.09.2022.
3. Smt. Rajsri Vijayakumar and Sri. A. Sampath Kumar was redesignated as Managing Director and Whole Time Director respectively w.e.f 16<sup>TH</sup> FEBRUARY 2023.
4. During the year Sri. J. Prakash and Smt. S.G. Prabhavati have resigned from the Board w.e.f 28<sup>TH</sup> MAY 2022.

Smt. Rajsri Vijayakumar, Managing Director, is a daughter of Sri. B. Vijayakumar, Chairman and Non-Executive Director. None of the other Directors are related to each other.

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 of 31st March 2023 have been made by the Directors.

**(ii) Board Meetings:**

Six meetings of the Board of Directors were held during the year, viz. on 08th April 2022, 28th May 2022, 25th June 2022, 08th August, 2022, 11th November, 2022, 05th December, 2022, 10th February, 2023 and 06th March, 2023. 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.

**(iii) Other Directorship:**

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Sri. B. Vijayakumar <sup>1</sup> DIN: 00015583	L G Balakrishnan & Bros Limited	Executive Chairman
Sri. V. Rajvirdhan <sup>2</sup> DIN: 00156787	NIL	NA
Smt. Rajsri Vijayakumar <sup>3</sup> DIN: 00018244	L G Balakrishnan & Bros Limited	Non-Executive Director
Sri.P.Shanmugasundaram DIN: 00119411	L G Balakrishnan & Bros Limited	Non-Executive Independent Director
	Pricol Limited	Non-Executive Independent Director
Sri.P.V. Ramakrishnan DIN: 00013441	NIL	NA
Sri. A. Sampath Kumar <sup>3</sup> DIN: 00015978	NIL	NA
Sri. V. Ragupathi DIN: 01712288	NIL	NA
Sri. J. Prakash <sup>4</sup> DIN: 09373723 (Appointed on 27.10.2021) (Resigned on 28.05.2022)	NIL	NA
Smt. S.G. Prabhavathi <sup>4</sup> DIN: 09368926 (Appointed on 27.10.2021) (Resigned on 28.05.2022)	NIL	NA
Sri. Prem Kumar Parthasarathy <sup>1</sup> DIN: 07126673	NIL	NA
Sri. Sajeew Mathew Rajan <sup>1</sup> DIN: 01252269	NIL	NA
Sri. Murugesu Saravana <sup>1</sup> Marthandam DIN: 09623736	NIL	NA

**Notes:**

1. During the year the Board has appointed 4 (four) Directors (Non-Executive) viz Sri. B. Vijayakumar, Sri. Prem Kumar Parthasarathy, Sri. Sajeew Mathew Rajan and Sri. Murugesu Saravana Marthandam on 28th May 2022.
2. During the year Sri. V. Rajvirdhan was retired by rotation at the 16th AGM held on 28th September 2022.
3. During the year Smt. Rajsri Vijayakumar and Sri. A. Sampathkumar was redesignated as Managing Director and Whole Time Director respectively w.e.f 16th February 2023.
4. During the year Sri. J. Prakash and Smt. S.G. Prabhavati have resigned from the Board w.e.f 28th May 2022.



**(iv) Shareholding of Non-Executive Directors:**

Statement showing number of Equity Shares of Re.1/- each of the Company held by the present Non-Executive Directors as on 31st March 2023:

Name	No. of shares held as on 31.03.2022	% of Holding
Sri. B. Vijayakumar <sup>1</sup>	1,50,00,000	6.30
Sri. P. Shanmugasundaram	-	-
Sri. P.V. Ramakrishnan	-	-
Sri. V. Ragupathi	1,000	0.00
Sri. J. Prakash <sup>2</sup>	-	-
Smt. S.G. Prabhavath <sup>2</sup>	-	-
Sri. Prem Kumar Parthasarathy <sup>1</sup>	-	-
Sri. Sajeew Mathew Rajan <sup>1</sup>	-	-
Sri. Murugesu Saravana Marthandam <sup>1</sup>	-	-

**Notes:**

1. During the year the Board has appointed 4 (four) Directors (Non-Executive) viz Sri. B. Vijayakumar, Sri. Prem Kumar Parthasarathy, Sri. Sajeew Mathew Rajan and Sri. Murugesu Saravana Marthandam on 28th May 2022.
2. Sri. J. Prakash and Smt. S.G. Prabhavati have resigned from the Board w.e.f 28th May 2022.

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.

**(v) Familiarization programme for Independent Directors**

Guided by the principles laid down for Corporate Governance under the SEBI 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.com](http://www.lgbforge.com).

**(vi) Skills / Expertise / Competencies of the Board of Directors:**

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

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

Core Skill/Expertise/Competencies	Whether available with the Board or Not
<p><b>Industry Knowledge / Experience</b></p> <p>Knowledge / experience in the manufacturing and sale of Automobile Components and other technical products.</p> <p>Knowledge of the automotive industry and the products, business model and the market.</p> <p>Knowledge / experience in the area of Research and Development, in particular, in the technological fields that are relevant for the business of the Company.</p> <p>Broad range of commercial / business experience.</p>	Yes
<p><b>Governance Skills:</b></p> <p>In-depth knowledge / experience in the field of finance and accounting and audit and the ability to analyze and assess the key financial statements</p> <p>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.</p> <p>Knowledge / experience of the capital market and its developments.</p> <p>Ability to constructively manage crisis, provide leadership around solutions and contribute to communications strategy with stakeholders.</p>	Yes
<p><b>Personal Attributes / Qualities:</b></p> <p>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.</p> <p>Ability to constructively contribute to board discussions and communicate effectively with management and other directors</p> <p>Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality.</p>	Yes

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

Name of the Directors	Industry Skills	Governance Skills	Personal Attributes/Qualities
Sri. B. Vijayakumar <sup>1</sup>	✓	✓	✓
Sri. V. Rajvirdhan <sup>2</sup>	✓	✓	✓
Smt. Rajsri Vijayakumar <sup>3</sup>	✓	✓	✓
Sri.P.Shanmugasundaram	-	✓	✓
Sri.P.V. Ramakrishnan	✓	✓	✓

Name of the Directors	Industry Skills	Governance Skills	Personal Attributes/Qualities
Sri. A. Sampathkumar <sup>3</sup>	✓	✓	✓
Sri. V. Ragupathi	✓	✓	✓
Sri. J. Prakash <sup>4</sup>	-	✓	✓
Smt. S.G. Prabhavathi <sup>4</sup>	✓	✓	✓
Sri. Prem Kumar Parthasarathy <sup>1</sup>	✓	✓	✓
Sri. Sajeew Mathew Rajan <sup>1</sup>	✓	✓	✓
Sri. Murugesu Saravana Marthandam <sup>1</sup>	✓	✓	✓

**Notes:**

1. The Board has appointed 4 (four) Directors (Non-Executive) viz Sri. B. Vijayakumar, Sri. Prem Kumar Parthasarathy, Sri. Sajeew Mathew Rajan and Sri. Murugesu Saravana Marthandam on 28th May 2022.
2. During the year Sri. V. Rajviridhan was retired by rotation at the 16th AGM held on 28th September 2022.
3. During the year Smt. Rajsri Vijayakumar and Sri. A. Sampath Kumar was redesignated as Managing Director and Whole-Time Director w.e.f 16th February 2023.
4. During the year Sri. J. Prakash and Smt. S.G. Prabhavati have resigned from the Board w.e.f 28th May 2022.

**(vii) Confirmation on the fulfillment of the conditions of independence:**

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

**(viii) Resignation of Independent Directors before expiry of tenure:**

During the year under review, none of the Independent Directors resigned before the expiry of the tenure. Hence, the disclosure of the reason for the resignation of Independent Directors doesn't arise.

**(ix) Separate Meetings of Independent Directors**

The Company's Independent Directors met on 25th March 2023, 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.

**3. Audit Committee**

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises Two Non-Executive Independent Directors and one Executive Director who are well-versed in financial matters and corporate laws.

**(i) Brief description of Terms of Reference:-**

The primary objective of the Audit Committee is to act as a catalyst in helping your Company to achieve its objectives by overseeing the Integrity of your Company's Financial Statements; Adequacy & reliability of the

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

**(ii) Composition of the Committee, Meetings and attendance**

During the year under review, the Committee met 7 (Seven) times on 08th April 2022, 28th May 2022, 25th June 2022, 08th August 2022, 11th November, 2022, 05th December, 2022 and 10th February, 2023. The Composition of the Audit Committee and the attendance of each member of the Committee are given below.

Name of the Members	Category	Designation	No of Meetings	
			Held	Attended
Sri.P.Shanmugasundaram	Independent, Non-Executive	Chairman	7	7
Sri.P.V. Ramakrishnan	Independent, Non-Executive	Member	7	7
Sri. V. Rajvirdhan <sup>1</sup>	Executive, Promoter	Member	7	-
Smt. Rajsri Vijayakumar <sup>1</sup>	Managing Director, Executive, Promoter	Member	7	2

1. Sri. V. Rajvirdhan was retired by rotation at the 16th Annual General Meeting held on 28th September 2022. Subsequent to his retirement the Audit Committee of the Company was reconstituted by inducting Smt. Rajsri Vijayakumar in the place of Sri. V. Rajvirdhan w.e.f 03rd October 2022.

Chairman of the Audit Committee attended the last Annual General Meeting held on 28th September 2022.

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.

The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were placed before the Board, and the Board discussed and took note of the same. The Audit Committee considered and reviewed the financial statements before it was placed in the Board.

**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:

**(a) Brief description of Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under the applicable provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of whole-time directors and senior management personnel, to recommend to the Board all remuneration, in whatever form, payable to senior management, adherence to and review of the

remuneration / employment policy as approved by the Board of Directors, formulating the criteria and identify persons who may be appointed as directors or senior management of the Company, evaluation of every Director's performance, as referred to in Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other matters which the Board of Directors may direct from time to time

**(b) Composition of the Committee, Meetings and attendance**

During the year under review, the Committee met 5 (Five) times on 28th May 2022, 16th June 2022, 08th August 2022, 05th December 2022 and 10th February 2022. The Composition of the Nomination and Remuneration Committee and the attendance of each member of the Committee are given below.

Name of the Members	Category	Designation	No of Meetings	
			Held	Attended
Sri.P.Shanmugasundaram	Independent, Non-Executive	Chairman	5	5
Sri.P.V. Ramakrishnan	Independent, Non-Executive	Member	5	1
Sri V Raghupathi1	Non-Executive, Non-Independent	Member	5	-
Smt. Rajsri Vijayakumar1	Non-Executive, Promoter	Member	5	5
Sri. Murugesu Saravana Marthandam2	Independent, Non-Executive	Member	5	-

**NOTES:**

- a) Sri. V. Ragupathi ceased to be the member of the NRC committee due to reconstitution of such by the Board of Directors on 28th May 2022.
- b) Smt. Rajsri Vijayakumar ceased to be the member of the NRC committee due to reconstitution of such committee by the Board of Directors on 10.02.2023 and Sri. Murugesu Saravana Marthandam was inducted in place of her.
- c) Further, Smt. Rajsri Vijayakumar was re-designated from Non-Executive to Managing Director of the Company w.e.f 16th February 2023.

Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting held on 28th September 2022.

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.

**(c) Performance Evaluation of Non-Executive and Independent Directors**

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 an evaluation are presented to the Nomination and Remuneration Committee and the Board of Directors.

**d. Remuneration Policy**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management and the said Policy is directed towards rewarding performance, based on review of achievements periodically and is in consonance with the existing industrial practices. The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website at [www.lgbforge.com](http://www.lgbforge.com).

**(e) Executive Directors**

Remuneration paid to the executive directors for the financial year ended 31<sup>st</sup> March, 2023 is given as under:

Name of Directors	Service Contract	Salary & Allowances ₹ in Lakhs	Commission	Employee Stock Option Plan	Total * ₹ in Lakhs
Sri.V.Rajvirdhan <sup>1</sup>	Appointed as Managing Director	9.23	-	-	9.23
Smt. Rajsri Vijayakumar <sup>2</sup>	Appointed as Managing Director	3.00	-	-	3.00
Sri. A. Sampath Kumar <sup>2</sup>	Appointed as Executive Director	2.75	-	-	2.75

\* Remuneration includes salary, reimbursement of medical expenses and other perquisites.

**NOTES:**

1. Sri. V. Rajvirdhan was retired by rotation at the 16th Annual General Meeting held on 28th September 2022.
2. Smt. Rajsri Vijayakumar and Sri. A. Sampath Kumar were re-designated from Non-Executive to Managing Director and Whole Time Director respectively w.e.f 16th February 2023.

**(f) Non-Executive Directors**

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 <sup>1</sup>	28,000	-	-	28,000
Smt. Rajsri Vijayakumar <sup>2</sup>	28,000	-	-	28,000
Sri. P. Shanmugasundaram	44,000	-	-	44,000
Sri. P. V. Ramakrishnan	34,000	-	-	34,000
Sri. A. Sampathkumar <sup>2</sup>	28,000	-	-	28,000
Sri. V. Ragupathi	32,000	-	-	32,000
Sri. J. Prakash <sup>3</sup>	-	-	-	-
Smt. S.G. Prabhavathi <sup>3</sup>	-	-	-	-

Name of Directors	Sitting Fees	Commission	Employees Stock Option Plan	Total
Sri. Prem Kumar Parthasarathy <sup>1</sup>	24,000	-	-	24,000
Sri. Sajeew Mathew Rajan <sup>1</sup>	16,000	-	-	16,000
Sri. Murugesu Saravana Marthandam <sup>1</sup>	24,000	-	-	24,000
<b>Total</b>	<b>2,58,000</b>			<b>2,58,000</b>

**Notes:**

- 1) During the year the Board has also inducted 4 (four) Additional Directors (Non-Executive) viz Sri. B. Vijayakumar, Sri. Prem Kumar Parthasarathy, Sri. Sajeew Mathew Rajan and Sri. Murugesu Saravana Marthandam on 28th May 2022.
- 2) During the year Smt. Rajsri Vijayakumar and A. Sampath Kumar were redesignated as Managing Director and Executive Director respectively w.e.f 16th February 2023.
- 3) Sri. J. Prakash and Smt. S.G. Prabhavathy have resigned from the Board w.e.f 28th May 2022.
- 4) There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent directors during the year.
- 5) The Company does not have any Employee Stock Option Scheme.

**5. Stakeholders' Relationship Committee:**
**(a) Brief description and Terms of reference**

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**(ii) Composition of Committee, Meetings and attendance**

During the year under review, the Committee met 6 times on 06th May 2022, 20th May 2022, 08th August 2022, 11th November 2022, 05th December 2022 and 10th February 2023, to deliberate on various matters referred above and for redressal of investors complaints. The Composition of the Stakeholders Relationship Committee and the attendance of each member of the Committee are given below.

Name of the Members	Category	Designation	No of Meetings	
			Held	Attended
Sri.P.V. Ramakrishnan	Independent, Non-Executive	Chairman	6	6
Sri. V.Rajvirdhan <sup>1</sup>	Independent, Non-Executive	Member	6	-
Smt. Rajsri Vijayakumar <sup>1</sup>	Non-Executive, Non-Independent	Member	6	4
Sri. A. Sampath Kumar <sup>1</sup>	Non-Executive, Promoter	Member	6	6

**NOTES:**

- a) Sri. V. Rajvirdhan was retired by rotation at the 16th Annual General Meeting held on 28th September 2022. Subsequent to his retirement, the Audit Committee of the Company was reconstituted by inducting Sri. A. Sampath Kumar in the place of Sri. V. Rajvirdhan w.e.f 03rd October 2022.
- b) Chairman of the Stakeholders Relationship Committee attended the last Annual General Meeting held on 28th September 2022.
- c) The Company Secretary acts as Secretary to the Committee. He is the Compliance Officer of the Company and also responsible for redressal of investors' complaints.

**(c) Investors' Complaints**

The Company has been receiving various correspondence from shareholders and the 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 2023, the Company has not received any complaints from investors and also no investor complaint was pending on 31st March 2023.

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

**(d) Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account.**

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

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	435	322960
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	-	-
Number of shareholders to whom shares were transferred from suspense account during the year.	-	-
Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31st March, 2023	435	322960

The voting rights on the outstanding unclaimed shares as on 31st March 2023 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 124(6) of the Companies Act, 2013 read with Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.(IEPF Rules).



**6. Management Discussion and Analysis Report**

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

**7. General Body Meetings:**

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

Year	Date	Time	Venue	Special Resolution Passed
2020	17.09.2020	03.30 PM	Held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Re-appointment of Ms.Aishwarya Rao (DIN 07144139) as an Independent Director of the Company.
2021	30.09.2021	03.30 PM	Held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Re-appointment of Sri. V. Rajvirdhan (DIN: 00156787), Managing Director of the Company for a period of 3 years.
2022	28.09.2022	03.00 PM	Held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)	NIL

**EGM AND POSTAL BALLOT :**

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

**Postal Ballots**

During the year, the Company has conducted Postal Ballot vide Notice dated 25TH JUNE 2022 for obtaining the approval of the members for Appointment of 1 (One) Non-executive Director viz Sri. B. Vijayakumar and 3 (Three) Non-Executive, Independent Directors viz Sri. Prem Kumar Parthasarath, Sri. Sajeev Mathew Rajan and Sri. Murugesu Saravana Marthandam (Independent Director(s)). The details of resolution passed through Postal Ballot and the voting pattern for the said resolution(s) are disclosed here under:

Particulars of Resolution	Type of Resolution	No. of valid votes polled	Votes cast in favour		Votes cast against		Whether Resolution passed or not
			No. of votes	% of votes	No. of votes	% of votes	
Appointment of Sri. B. Vijayakumar as Non- Executive Non-Independent Director	Ordinary Resolution	8,77,19,790	8,77,15,888	99.99	3,902	0.00	Passed as an Ordinary Resolution with requisite majority
Appointment of Sri. Prem Kumar Parthasarathy as Non-Executive Independent Director	Special Resolution	8,77,19,690	8,77,18,782	99.99	908	0.00	Passed as a Special Resolution with three fourth majority

Particulars of Resolution	Type of Resolution	No. of valid votes polled	Votes cast in favour		Votes cast against		Whether Resolution passed or not
			No. of votes	% of votes	No. of votes	% of votes	
Appointment of Sri. Sajeev Mathew Rajan Non-Executive Independent Director	Special Resolution	8,77,19,790	8,77,19,438	99.99	352	0.00	Passed as a Special Resolution with three fourth majority
Appointment of Sri. Murugesu Saravana Mathandam as Non-Executive Independent Director	Special Resolution	8,77,19,690	8,77,18,788	99.99	902	0.00	Passed as a Special Resolution with three fourth majority

Further, the Company had conducted a postal ballot vide Notice dated 05th December 2022, for obtaining approval of members for entering into material related party transactions between the Company and M/s. L.G. Balakrishnan & Bros Limited. The details of resolution passed through Postal Ballot and the voting pattern for the said resolution is disclosed as under:

Particulars of Resolution	Type of Resolution	No. of valid votes polled	Votes cast in favour		Votes cast against		Whether Resolution passed or not
			No. of votes	% of votes	No. of votes	% of votes	
Approval of Material Related Party Transactions between the Company and M/s. L.G. Balakrishnan & Bros Limited	Ordinary Resolution	17,24,036	17,09,724	99.16	14,312	0.83	Passed as an Ordinary Resolution with requisite majority

Further, the Company had conducted a postal ballot vide Notice dated 10th February 2023, for obtaining approval of members for appointment of Smt. Rajsri Vijayakumar as Managing Director and Sri. A. Sampath Kumar as Whole Time Director of the Company w.e.f 16th February 2023. The details of resolution(s) passed through Postal Ballot and the voting pattern for the said resolution(s) are disclosed here under:

Particulars of Resolution	Type of Resolution	No. of valid votes polled	Votes cast in favour		Votes cast against		Whether Resolution passed or not
			No. of votes	% of votes	No. of votes	% of votes	
Approval to appoint Smt. Rajsri Vijayakumar (DIN: 00018244) as Managing Director of the Company for a period of 3 (three) years.	Special Resolution	8,58,02,371	8,58,00,983	99.99	1,388	0.00	Passed as a Special Resolution with Three Fourth majority
Approval to appoint Sri. A. Sampath Kumar (DIN: 00015978) as Whole Time Director of the Company for a period of 3 (three) years.	Ordinary Resolution	8,58,02,371	8,58,00,988	99.99	1,383	0.00	Passed as an Ordinary Resolution with requisite majority

Sri. P. Eswaramoorthy, FCS of P. Eswaramoorthy and Company, Company Secretaries, Coimbatore, was appointed as the scrutinizer for carrying on the postal ballot process in a fair and transparent manner for all the postal ballots conducted during the year.

**Procedure for postal ballot:**

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolutions as specified in the Notice(s) of the Postal Ballot dated 25th June, 2022, 05th December, 2022 and 10th February, 2023 (as specified above) were transacted through Postal Ballot / e-voting.

The Company had engaged the services of Central Depository Services (India) Limited (“CDSL”) for the Postal Ballot Notice(s) dated 25th June 2022, 05th December 2022 and 10th February 2023 for providing e-voting facility to the members.

In respect of the Postal Ballot Notice dated 25th June 2022, the members holding shares as on the cut-off date of Friday, 24th June 2022 were provided the option of exercising their right to vote on the said resolution through postal ballot / e-voting during the period commenced on Tuesday, 05th July 2022 and ended on Wednesday, 03rd August 2022. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Chairman. The results of the voting were declared on Friday, 05h August 2022 on the website of the Stock Exchanges, Company and CDSL.

Further, in respect of the Postal Ballot Notice dated 05th December 2022, the members holding shares as on the cut-off date of Friday, 02nd December, 2022 were provided the option of exercising their right to vote on the said resolution through postal ballot / e-voting during the period commenced on Saturday, 10th December, 2022 and ended on Sunday, 08th January, 2023. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Chairman. The results of the voting were declared on Tuesday, 10th January 2023 on the website of the Stock Exchanges, Company and CDSL.

Further, in respect of the Postal Ballot Notice dated 10th February 2023, the members holding shares as on the cut-off date of Friday, 10th February 2023 were provided the option of exercising their right to vote on the said resolution through postal ballot / e-voting during the period commenced on Saturday, 18th February 2023 and ended on Sunday, 19th March, 2023. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Chairman. The results of the voting were declared on Tuesday, 21st March 2023 on the website of the Stock Exchanges, Company and CDSL.

## 8. Means of Communication

- The quarterly / half yearly unaudited financial and the annual audited financial results are normally published in Business Standard and Malai Murasu (Vernacular paper). The financial results are also placed on the Company's website - [www.lgbforge.com](http://www.lgbforge.com).
- The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the Board for publication in their website. The company has a dedicated help desk at [www.lgbforge.com](http://www.lgbforge.com) for providing necessary information to investors.
- There were no specific presentations made to Institutional Investors or to the analysts during the year.

## 9. General Shareholders' Information

<b>17th Annual General Meeting:</b>	
Day, Date & Time	Monday, 25th September 2023 at 4:00 PM
Venue	The meeting is being convened through video conferencing / other audio-visual means and hence the registered office of the Company will be deemed to be the venue of the AGM.
<b>Financial Year</b>	01st April 2022 to 31st March 2023.
<b>Book closure dates</b>	19.09.2023 to 25.09.2023 (Both days inclusive)
<b>Dividend payment date</b>	The Directors have not recommended any Dividend for the year ended 31st March 2023.
<b>Listing on Stock Exchanges:</b>	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.  National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot no. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
<b>Listing Fees</b>	Annual Listing fee for the financial year 2022-23 paid to the stock exchanges.
<b>Depository Fees</b>	Annual Custody fees for the financial year 2022-23 paid to the Depositories.
<b>Corporate Identification Number</b>	L27310TZ2006PLC012830
<b>Stock market data</b>	
Type of Security	Equity
Listing of Equity Shares	BSE Limited National Stock Exchange of India Limited
<b>Stock Code</b>	
Trading Symbol at	BSE: 533007 NSE: LGBFORGE
Demat ISIN in NSDL & CDSL	Equity Shares (fully paid up ₹ 1 each) : INE201J01017

**(i) Share Price Movements (Monthly High & Low)**

The high and low prices during each month in the last financial year on BSE & NSE Limited are given below:

Period	NSE			BSE		
	HIGH (₹)	LOW (₹)	QTY	HIGH (₹)	LOW (₹)	QTY
April (2022)	14.95	10.50	6638122	15.20	10.68	1670536
May	13.00	9.10	6554885	13.08	8.48	1757922
June	11.25	8.00	3791250	11.45	8.00	848573
July	11.70	8.55	5441656	11.71	8.50	1126717
August	11.30	9.85	5329366	11.30	9.75	981268
September	15.00	10.40	10958547	15.30	10.23	2255060
October	-	-	-	11.45	9.95	299184
November	-	-	-	10.69	8.93	558513
December	11.90	9.30	5901356	11.69	9.21	1578441
January (2023)	13.05	9.85	6281030	13.12	9.95	1846130
February	10.55	8.95	2440452	10.58	8.98	516044
March	9.65	7.45	1636741	9.64	7.30	339284

(Source: BSE and NSE website)

**(ii) Registrar & Transfer Agent: (for both physical and demat segments)**

M/s.Cameo Corporate Services Limited,  
 “Subramanian Building”  
 No.1, Club House Road, Chennai – 600 002.  
 Ph: 044 – 28460718  
 E-Mail: cameosys@cameoindia.com

**(iii) Details of Compliance Officer:**

The Company Secretary and Compliance Officer  
 LGB Forge Limited, 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore – 641006.  
 Email: secretarial@lgbforge.com, Phone: 0422-2532325, Fax: 0422-2532333

In order to facilitate investor servicing, the Company has designated an e-mail-id: secretarial@lgbforge.com for registering complaints by investor.

**(iv) Reconciliation of Share Capital Audit:**

A qualified Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit report confirms that the total issued/ paid up capital agrees with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

**(x) Share Transfer System:**

The Company’s shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited and approved by the Stakeholders Relationship Committee of the Company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by M/s. Cameo Corporate Services Limited if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets as and when required to affect the shares received for transfer in physical form.

Legal proceeding / disputes on share transfer against the company : NIL

Shares under lock - in : NIL

**(vi) Shareholding Pattern as on 31<sup>st</sup> March, 2023.**

Sl. No.	Category	₹ 1/- each	
		No. of Shares	% to Total
1	Promoters and promoter group	175847246	73.82
2	Mutual Funds/UTI	-	-
3	Financial Institutions/Banks	16020	0.00
4	Insurance Companies	-	-
5	Foreign Institutional Investors /NRI/OCB	721982	0.30
6	Bodies Corporate	1507619	0.64
7	Public	60109596	25.24
		<b>238202463</b>	<b>100.00</b>

**(vii) Distribution of Shareholding:**

The shareholding distribution of the equity shares as on 31st March, 2023 is given below:-

Range	No. of Holders	% of Shareholders	No. of Shares	% of Shares
1-100	12567	39.35	504286	0.21
101-500	8441	26.43	2623557	1.10
501-1000	4291	13.44	3726511	1.57
1001-2000	2631	8.24	4181345	1.76
2001-3000	1023	3.20	2644301	1.11
3001-4000	560	1.75	2042186	0.85
4001-5000	617	1.93	2960989	1.24
5001-10000	919	2.88	6968502	2.93
10001-and above	889	2.78	212550786	89.23
<b>Total</b>	<b>31938</b>	<b>100</b>	<b>238202463</b>	<b>100</b>

Number of Shareholders as on 31<sup>st</sup> March, 2023 : 31,938

**(xiii) Dematerialization of Shares and Liquidity**

Particulars	No. of Shares	% (in Share Capital)
National Securities Depository Limited	210565856	88.40
Central Depository Services (India) Limited	25639630	10.76
Physical	1996977	0.84
<b>Total</b>	<b>238202463</b>	<b>100</b>

The Company has arrangement with National Securities Depository Ltd (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility.

During the financial year 2022-23, 82566 (0.03%) shares were dematerialized.

The shares are compulsorily tradable in demat form with effect from 26th June 2000 for all investors.

With effect from 1st April 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agent, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

**(x) Plant Location & Addresses**

<b>Cold Forging Unit</b>	<b>Hot Forging Unit</b>	<b>Puducherry Machining Unit</b>
K.palayam Plant, Pillayar Kovil Street, Near Power House, Kodayampalayam, Kottaipalayam(Post), Coimbatore-641110, Tamilnadu.	Mysore Plant, Plot 80&81, 5 <sup>th</sup> Mile, KRS Road, Metagalli Post, Mysore-570016 Karnataka.	R.S.No.74/2B, Madukarai Main Road, Mangalam, Villianur Commune, Puducherry - 605110

**(xi) Address for Correspondence / Contact address for shareholder:**

M/s.Cameo Corporate Services Limited,  
 “Subramanian Building”  
 No.1 Club House Road, Chennai – 600 002.  
 Ph: 044 – 28460718  
 E-Mail: cameosys@cameoindia.com

**(xii) For annual report, transfer of physical / demat shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to:**

The Company Secretary and Compliance Officer  
 LGB Forge Limited, 6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore – 641006.  
 Email: secretarial@lgbforge.com, Phone: 0422-2532325, Fax: 0422-2532333

**(xviii) Credit Rating:**

ICRA has reaffirmed the credit rating of [ICRA] BBB- (Stable) for the long-term fund-based limits and [ICRA] A3 for short term non-fund-based limits.

**(xiv). Disclosures**

**(i) Disclosures on materially significant Related Party Transactions:**

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

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

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

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

**(ii) Details of non compliance by the Company, penalties, and strictures imposed on the company by stock exchange or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.**

Not applicable

**(iii) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee**

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 have been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company [www.lgbforge.com](http://www.lgbforge.com).

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

**(iv) Details of compliance with mandatory requirements and adoption of the non mandatory requirements**

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

**The Company has adopted the following non-mandatory requirements:**

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.

**(v) Policy for determining 'material' subsidiaries**

The company does not have any subsidiary company. As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy for determining 'material' subsidiaries which has been put up on the website of the Company at <http://www.lgbforge.com>.

**(vi) Commodity price risks, Foreign Exchange Risk and Hedging.**

The company did not engage in hedging activities.



**(vii) Accounting Treatment**

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

**(viii) Risk Management**

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

**(ix) 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 was no instance where the Board of Directors had not accepted any recommendation of the Committees.

The Company has paid a sum of Rs. 6.54 lakhs as fees to the Statutory auditor for the services rendered by them.

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 2022-23, no complaint was received by the committee. As such, there is no complaint pending as at the end of the financial year.

**(x). 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 except few observations stated in the Secretarial Audit Report received from P. Eswaramoorthy and Company, Practicing Company Secretaries. The Board has also given responses for the said observations under the heading 'comments on auditor's report' in their report.

**Certificate from CEO/CFO**

The director certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 15th May 2023 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Declaration – Code of Conduct**

We declare that all the members of the Board of Directors and Senior Management have, for the year ended 31st March 2023 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.

By Order of the Board

**Rajsri Vijayakumar**

MANAGING DIRECTOR

DIN:00018244

**P.Shanmugasundaram**

INDEPENDENT DIRECTOR

DIN:00119411

Place : Coimbatore

Date : 15.05.2023



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To

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

I have examined all the relevant records of LGB FORGE LIMITED (“hereinafter called as the “Company”) for the purpose of certifying compliance with the conditions of Corporate Governance stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31st March, 2023. 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 except the following –

- (i) Annual Secretarial Compliance Report for the financial year ended 31st March 2022, was filed on 01st June 2022, which was beyond the due date as prescribed under SEBI (LODR) Regulation 24 (A).
- (ii) Credit Rating as received by the company during the review period was not intimated to the Stock Exchanges as required under SEBI (LODR) Regulation 30 (2)

P. ESWARAMOORTHY AND COMPANY  
Company Secretaries

Place: Coimbatore  
Date:15/05/2023  
UDIN: F006510E000304643

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

Place : Coimbatore  
Date : 28.05.2022

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of LGB Forge Limited having CIN L27310TZ2006PLC012830 and having registered 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](http://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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	DIN	Full Name	Designation	Date of Appointment
1	00015583	BALAKRISHNAN VIJAYAKUMAR	Chairman and Director	28/05/2022
2	00018244	RAJSRI VIJAYAKUMAR	Managing Director	27/10/2021
3	00015978	AMBAYIRAM SAMPATHKUMAR	Whole time Director	27/10/2021
4	01712288	VENKATASWAMY RAGUPATHI	Director	27/10/2021
5	07126673	PREM KUMAR PARTHASARATHY	Director	28/05/2022
6	09623736	MURUGESA SARAVANA MARTHANDAM	Director	28/05/2022
7	00119411	PALANISAMY SHANMUGASUNDARAM	Director	04/04/2008
8	01252269	SAJEEV MATHEW RAJAN	Director	28/05/2022
9	00013441	PAPPA VENKITASWAMY RAMAKRISHNAN	Director	04/04/2008

Ensuring the eligibility 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  
C.P No. 7069 (FCS 6510)  
UDIN : F006510D000416337  
Peer Review Cert. No. 933/2020

Place : Coimbatore  
Date : 28.05.2022

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

We have audited the accompanying Ind AS financial statements of LGB FORGE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

**Key Audit Matters**

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

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

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

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

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

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

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

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

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

The Company's Board of Directors is responsible for the

matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were

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

**Report on Other Legal and Regulatory Requirements:**

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in Annexure 1, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements –Refer Note No.36 on Contingent Liability to the Ind AS Financial statements;
  - ii. The company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
  - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any





guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that

has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year ended March 31, 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Place: Coimbatore  
Date :15.05.2023  
UDIN: 23207893BGVQJW9747

**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 March 31, 2023.]

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

- i) (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (ii) The Company has maintained proper records showing full particulars of intangible assets.
- (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management at regular intervals; as informed no material discrepancies were noticed on such verification. In our opinion, the frequency of physical 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 Property, Plant and Equipment in the books of accounts of the company are held in the name of the company except for the details given below:

<b>Description of Property</b>	<b>Gross Carrying Value as on March 31, 2022</b>	<b>Held in name of</b>	<b>Whether promoter, director or their relative or employee</b>	<b>Period Held</b>	<b>Reasons for not being held in the name of the Company</b>
Land & Building Mysore	₹ 80.26 lakhs	L.G. Balakrishnan & Bros Limited	Enterprise in which directors are interested	14 years	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.

- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) and Intangible Assets during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under this clause (i)(e) of Paragraph 3 of the Order is not required.
- ii) (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification as compared to the book records.
  - (d) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, during the year from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

- iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties including promoters and related parties during the financial year and hence sub-clauses (a) to (f) of clause 3(iii) of the Order are not applicable to the Company.
- iv) During the year, Company has not made any loans or investments or given any guarantees and hence disclosure under this clause related to compliance with the provisions of section 185 and 186 of the Act does not arise.
- v) The Company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year to which directives issued by the Reserve Bank of India and the provisions of section 73 and 76 of the Act are applicable and as such clause 3(v) of the Order is not applicable.
- vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, as applicable to the Company, and are of the opinion that prima facie the specified cost records have been maintained. We have, however, not made a detailed examination of the cost-records with a view to determine whether they are accurate or complete
- vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, and any other statutory dues with the appropriate authorities during the year.

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

- (b) According to the information and explanations given to us, the details of disputed statutory dues that have not been deposited on account of dispute is as under :

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

- viii) During the year there were no transactions not recorded in the books of account that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 and hence reporting under this clause whether the previously unrecorded income has been properly recorded in the books of account during the year does not arise.
- ix) (a) In our opinion and according to the information and explanation given to us during the course of the audit, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including banks, financial institutions and government.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by and bank or financial institution or government or any government authority.

- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) The funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the Company.
- (e) The company does not have any subsidiaries, associates or joint ventures and hence reporting on the funds taken by the Company from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.
- (f) The company does not have any subsidiaries, associates or joint ventures and hence reporting on the loans raised by the Company during the year on the pledge of securities held in its subsidiaries, associates or joint ventures does not arise.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under this clause is not applicable.
- xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.
- (b) To the best of our knowledge and belief and according to the information and explanations given to us during the course of the audit, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) As represented to us by the management and on the basis of our audit procedures, there are no whistle blower complaints received by the Company during the year.
- xii) The company is not a Nidhi Company and hence reporting under clause (xii) (a), (b) and (c) of Paragraph 3 of the Order does not arise.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial Statements as required by the applicable accounting standards.
- xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence reporting under clause (xv) of Paragraph 3 of the Order does not arise.
- xvi) (a) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the Company in our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

- (b) In our opinion on the basis of our examination of the financial statements and representatives made by the Company it has not conducted any Non-Banking Financial or Housing Finance activities during the year.
  - (c) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the Company and representations made by the Company, in our opinion the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
  - (d) According to the information and explanations given to us during the course of the audit and as represented to us by the Company in our opinion, there is no Core Investment Company within Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under this clause is not applicable.
- xvii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not incurred cash losses in the immediately preceding financial year. However, during the current financial year, the Company has incurred cash loss of Rs 425.57 Lakhs.
- xviii) There has been no resignation of statutory auditors during the year and hence reporting under clause (xviii) of Paragraph 3 of the Order is not applicable.
- xix) (a) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (b) We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Section 135 of the Act does not apply to the company, therefore reporting under clause (xx)(a) and (b) of Paragraph 3 of the Order is not applicable to the company.
- xxi) The company does not have any Indian Subsidiary and hence reporting under clause (xxi) of Paragraph 3 of the Order is not applicable to the Company.

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

Place : Coimbatore  
Date : 15.05.2023  
UDIN: 23207893BQVQJW9747

**SUGUNA RAVICHANDRAN**  
Partner  
Membership No. : 207893

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of LGB Forge Limited on the Financial Statements for the year ended 31-03-2023]

**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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for the Internal Financial Controls**

The Board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with

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

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting:**

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

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

**Opinion:**

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

For N.R.DORAI SWAMI & CO.  
Chartered Accountants  
Firm Registration No. : 000771S

**SUGUNA RAVICHANDRAN**  
Partner  
Membership No. : 207893

Place : Coimbatore  
Date : 15.05.2023  
UDIN:23207893BGVQJW9747


**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>A. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	1,720.90	1,951.58
(b) Capital work-in-progress	4	-	10.04
(c) Intangible assets	3	40.36	62.58
(d) Financial Assets			
(i) Other financial assets	5	85.10	85.10
(e) Other Non-current assets	6	58.26	76.39
<b>Total non-current assets</b>		<b>1,904.62</b>	<b>2,185.69</b>
<b>(2) Current Assets</b>			
(a) Inventories	7	2,977.61	2,653.54
(b) Financial Assets			
(i) Trade receivables	8	3,417.74	3,488.36
(ii) Cash and cash equivalents	9	0.71	0.61
(iii) Bank balances other than (ii) above	10	29.81	29.10
(iv) Loans	11	5.62	4.02
(c) Current Tax Assets (Net)	12	37.84	33.80
(d) Other current assets	13	145.25	96.14
<b>Total current assets</b>		<b>6,614.58</b>	<b>6,305.57</b>
<b>Total Assets</b>		<b>8,519.20</b>	<b>8,491.26</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	14	2,382.02	2,382.02
(b) Other equity	15	634.66	1,550.75
<b>Total equity</b>		<b>3,016.68</b>	<b>3,932.77</b>
<b>(2) Liabilities</b>			
<b>A. Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	257.50	10.00
(ii) Lease liabilities	38	101.68	153.25
(b) Provisions	17	31.56	34.71
<b>Total Non - current liabilities</b>		<b>390.74</b>	<b>197.96</b>



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023 (CONTD..)**

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>B. Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	18	2,345.08	1,168.52
ii) Trade payables			
- total outstanding dues of micro & small enterprises	35	1,060.04	725.42
- total outstanding dues other than micro & small enterprises	19	1,123.28	1965.48
iii) Other financial liabilities	20	570.10	478.05
(b) Other current liabilities	21	6.04	11.98
(c) Provision	22	7.24	11.08
<b>Total current liabilities</b>		<b>5,111.78</b>	<b>4,360.53</b>
<b>Total liabilities</b>		<b>5,502.52</b>	<b>4,558.49</b>
<b>Total Equity and Liabilities</b>		<b>8,519.20</b>	<b>8,491.26</b>

Significant Accounting Policies 1

Notes on Financial Statements 2-64

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

As per our Report of even date

For and on behalf of the Board of Directors

For N.R.Doraiswami & Co.,  
Chartered Accountants  
Firm Registration No.: 000771S

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**P.SHANMUGASUNDARAM**  
Director  
DIN : 00119411

**SUGUNA RAVICHANDRAN**

Partner  
Membership No.: 207893

**GEETHA MANJARI**  
Chief Financial Officer

**K. MAHESWARAN**  
Company Secretary

Place : Coimbatore

Date : 15.05.2023



# ANNUAL REPORT 2022-23

(All amounts are in ₹ in lakhs. Unless otherwise stated)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Particulars	Note No.	For the year ended 31.03.2023	For the year ended 31.03.2022
I. Revenue from Operations	23	11,621.97	13,005.50
II. Other Income	24	138.26	65.11
<b>III. Total Revenue (I + II)</b>		<b>11,760.23</b>	<b>13,070.61</b>
IV. Expenses			
a) Cost of material consumed	25	6,238.96	7,330.31
b) Changes in inventories of finished goods, Stock in trade and work in progress	26	20.23	(642.03)
c) Employees benefits expense	27	2,312.53	2,059.75
d) Finance Costs	28	216.34	225.07
e) Depreciation and amortisation expense	29	479.16	453.28
f) Other expenses	30	3,423.49	3,299.97
<b>Total Expenses</b>		<b>12,690.71</b>	<b>12,726.35</b>
V. Profit/(Loss) before Exceptional item and tax (III-IV)		(930.48)	344.26
VI. Exceptional items			
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>(930.48)</b>	<b>344.26</b>
VIII. Tax expense		-	-
a) Current tax		-	-
b) Deferred tax		-	-
IX. Profit / (Loss) for the year (VII-VIII)		(930.48)	344.26
<b>X. Other comprehensive income net of income tax</b>			
Items that will not be reclassified to profit or loss			
a) Remeasurement of defined benefit plans		14.39	15.35
b) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income net of income tax		14.39	15.35
<b>XI. Total comprehensive income for the period (IX+X)</b>		<b>(916.09)</b>	<b>359.61</b>
XII. Earning per Equity share (In Rs)			
Basic / Diluted (Face Value of ₹ 1 each)	31	<b>(0.39)</b>	<b>0.14</b>

Significant Accounting Policies 1

Notes on Financial Statements 2-64

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

As per our Report of even date

For and on behalf of the Board of Directors

For N.R.Doraiswami & Co.,  
Chartered Accountants  
Firm Registration No.: 000771S

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**P.SHANMUGASUNDARAM**  
Director  
DIN : 00119411

### SUGUNA RAVICHANDRAN

Partner  
Membership No.: 207893  
Place : Coimbatore  
Date : 15.05.2023

**GEETHA MANJARI**  
Chief Financial Officer

**K. MAHESWARAN**  
Company Secretary

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

Particulars	31.03.2023	31.03.2022
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	(930.48)	344.26
Adjustment for		
Depreciation and amortisation expense	479.16	453.28
Net (gain)/ loss on foreign exchange restatement	(48.23)	(3.19)
Profit on sale of fixed assets	0.68	(6.00)
Provision for Doubtful Debts	73.98	
Assets Condemned / Written off	-	12.19
Interest Income	(6.97)	(4.99)
Lease payment	90.40	81.57
Finance Cost	216.34	225.07
	<b>(125.12)</b>	<b>1102.19</b>
<b>Change in operating assets and liabilities</b>		
(Increase) / Decrease in Inventories	(324.08)	(767.36)
(Increase) / Decrease in Trade Receivables	44.87	(84.84)
(Increase) / Decrease in Other Assets	(32.58)	(43.91)
Increase / (Decrease) in Trade Payables	(507.58)	40.12
Increase / (Decrease) in Other liabilities	41.95	(33.96)
Cash Generated from operations	(902.54)	212.24
Less: Income Tax paid (net of refunds)	4.04	(12.63)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(906.58)</b>	<b>224.87</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE (including changes in CWIP)	(217.68)	(24.50)
Sale proceeds of PPE	0.78	9.17
Fixed Deposit with Banks	(0.71)	(12.32)
Interest income	6.97	4.99
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(210.64)</b>	<b>(22.64)</b>
<b>Cash flows from financing activities</b>		
Repayment of Borrowings	1,424.06	103.99
Lease payment	(90.40)	(81.57)
Lease Finance charges	(17.04)	(23.80)
Finance Cost	(199.30)	(201.27)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>1,117.32</b>	<b>(202.65)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>0.10</b>	<b>(0.42)</b>
Cash and cash equivalents at the beginning of the financial year	0.61	1.03
Cash and cash equivalents at the end of the financial year	0.71	0.61

The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Statement of Cash Flows". The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our Report of even date

For and on behalf of the Board of Directors

For N.R.Doraiswami & Co.,  
Chartered Accountants  
Firm Registration No.: 000771S

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**P.SHANMUGASUNDARAM**  
Director  
DIN : 00119411

**SUGUNA RAVICHANDRAN**  
Partner  
Membership No.: 207893

**GEETHA MANJARI**  
Chief Financial Officer

**K. MAHESWARAN**  
Company Secretary

Place : Coimbatore  
Date : 15.05.2023

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**STATEMENT OF CHANGES IN EQUITY**
**A. Equity Share Capital**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Balance as at the beginning of the year</b>	<b>2,382.02</b>	<b>2,382.02</b>
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the year</b>	<b>2,382.02</b>	<b>2,382.02</b>
Changes in equity share capital during the year	-	-
<b>Balance as at the end of the year</b>	<b>2,382.02</b>	<b>2,382.02</b>

**B. Other Equity**
**For the year ended 31<sup>st</sup> March, 2023**

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Defined Benefit Plans	
<b>Balance as at 01.04.2022</b>	<b>2,639.03</b>	<b>2,898.85</b>	<b>(4,116.04)</b>	<b>128.91</b>	<b>1,550.75</b>
Changes in accounting policies and prior period errors	-	-	-	-	-
<b>Restated balance as at 01.04.2022</b>	<b>2,639.03</b>	<b>2,898.85</b>	<b>(4,116.04)</b>	<b>128.91</b>	<b>1,550.75</b>
Profit for the year	-	-	(930.48)	-	(930.48)
Other comprehensive income or (losses)	-	-	143.30	14.39	14.39
Dividends	-	-	-	-	-
Transfer to Reserves	-	-	-	(143.30)	-
<b>Balance as at 31.03.2023</b>	<b>2,639.03</b>	<b>2,898.85</b>	<b>(4,903.22)</b>	<b>0.00</b>	<b>634.66</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****For the year ended 31<sup>st</sup> March, 2022**

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Defined Benefit Plans	
<b>Balance as at 01.04.2021</b>	<b>2,639.03</b>	<b>2,898.85</b>	<b>(4,460.30)</b>	<b>113.56</b>	<b>1,191.14</b>
Changes in accounting policies and prior period errors	-	-	-	-	-
<b>Restated balance as at 01.04.2021</b>	<b>2,639.03</b>	<b>2,898.85</b>	<b>(4,460.30)</b>	<b>113.56</b>	<b>1,191.14</b>
Profit for the year	-	-	344.26	-	344.26
Other comprehensive income or (losses)	-	-	-	15.35	15.35
Dividends	-	-	-	-	-
Transfer to Reserves	-	-	-	-	-
<b>Balance as at 31.03.2022</b>	<b>2,639.03</b>	<b>2,898.85</b>	<b>(4,116.04)</b>	<b>128.91</b>	<b>1,550.75</b>

Significant Accounting Policies 1

Notes on Financial Statements 2-64

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

As per our Report of even date

For and on behalf of the Board of Directors

For N.R.Doraiswami & Co.,  
Chartered Accountants  
Firm Registration No.: 000771S

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**P.SHANMUGASUNDARAM**  
Director  
DIN : 00119411

**SUGUNA RAVICHANDRAN**

Partner  
Membership No.: 207893

**GEETHA MANJARI**  
Chief Financial Officer

**K. MAHESWARAN**  
Company Secretary

Place : Coimbatore

Date : 15.05.2023

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****Note No. 1****A Corporate Information**

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

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

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

**II. Basis of preparation and presentation**

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly

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

**III. Use of Estimates**

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

**Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (upto two decimals).

These financial statements are approved for issue by the Company's Board of Directors on 15<sup>th</sup> May, 2023.

**IV. Current versus non - current classification**

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

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

An asset is classified as current, when:

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

**V. Revenue Recognition Sale of goods**

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

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

taxes on sale. It also excludes value of self-consumption.

**Income from Service**

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

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

**Interest Income**

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

**Dividend income**

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

**RODTEP and other Export Incentives**

The products of the Company are eligible for various export incentives from the Government of India. Such incentives are recognized as other operating revenue when there is a reasonable assurance that the company will comply with all the necessary conditions attached to that.

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

<b>Particulars</b>	<b>Useful life</b>
Factory Building	30 Years
Plant and Equipment	7.5 Years (Triple Shift)

Furniture and Fittings	10 Years
Vehicles	8 Years
Other Equipment	15 Years

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

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

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

**VII. Intangible Assets**

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

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

In June 2018, the company has acquired a unit from Supreme Automech Private Limited in Pondicherry. During the course of acquisition, the company incurred Goodwill and Business Intellectual Property Rights which is amortised on a straight line method, over a period of five years based on management's assessment of useful life.

Useful lives of Intangible Assets

<b>Class of Assets</b>	<b>Useful life</b>
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Software	3 Years
Goodwill	5 Years
Intellectual Property Rights	5 Years

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

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

**IX. Inventories**

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

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

- iv) Cost of stock held for trading are computed on weighted average basis.

**X. Financial instruments**

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

**a) Financial assets**
**Initial recognition and measurement**

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

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

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

**Debt instruments at amortized cost**

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

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

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

on the principal amount outstanding.

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

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

**De-recognition of Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when: The rights to receive cash flows from

the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either:

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

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

**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



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

at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****XII. Fair value measurement**

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

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

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

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

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

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

Level 2: Valuation techniques for which the lowest level input that is significant

to the fair value measurement is directly or indirectly observable, or

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

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

**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

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

statements are recognized as income or as expenses in the year in which they arise.

**XIV. Borrowing costs**

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

All the other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

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

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

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

Service cost (including current service cost,

past service cost, as well as gains losses on curtailments and settlements);

Net interest expense or income; and Re-measurement of actuarial gain/losses.

The Company presents the first 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. Leases**

The company has adopted Ind AS 116 "Leases" with effect from 1<sup>st</sup> April 2019. The company has measured Right-to-use Asset and Lease Liability based on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses

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

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

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

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

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

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

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

subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cashflows.

**XVII. Taxation**

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

**a) Current Tax**

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

**b) Deferred Tax**

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

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

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

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced

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

to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

**XVIII. Provisions**

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

**XIX. Earnings per share**

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

**XX. Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which

are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

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

**a) Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Company. Such lives are dependent upon an assessment of both the technical lives of the asset and also their economic lives based on various internal and external factors including efficiency and operating costs. Accordingly depreciation lives are reviewed annually using the best information available to the management.

**b) Evaluation of indicators for impairment of assets**

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could

result in deterioration of recoverable amount of the assets

**c) Recognition of deferred tax liability**

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

**d) Provision and contingent liability**

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

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

**e) Defined benefit obligation**

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

**f) Fair value measurements**

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

**Recent Accounting Pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards)

Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

IND AS 1- Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

IND AS 12 – Income Taxes:

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**NON CURRENT ASSETS**
**2. Property, Plant and Equipment**

Particulars	Tangible Assets									
	Land	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment	Other Assets	Right of Use Asset	Total
<b>Cost as at March 31, 2022</b>	<b>218.15</b>	<b>71.34</b>	<b>2,688.28</b>	<b>21.11</b>	<b>76.95</b>	<b>13.85</b>	<b>70.57</b>	<b>68.62</b>	<b>361.60</b>	<b>3,590.47</b>
Additions	-	-	157.85	0.30	5.90	-	2.93	21.91	38.83	227.72
Disposals	-	-	-	-	(2.09)	-	-	-	-	(2.09)
<b>Cost as at March 31, 2023</b>	<b>218.15</b>	<b>71.34</b>	<b>2,846.13</b>	<b>21.41</b>	<b>80.76</b>	<b>13.85</b>	<b>73.50</b>	<b>90.53</b>	<b>400.43</b>	<b>3,816.10</b>
Depreciation as at March 31, 2021	-	14.78	1,253.20	11.59	67.10	9.68	3.87	45.73	232.93	1,638.89
Charge for the year	-	3.71	329.82	3.19	5.17	0.64	9.04	19.30	86.08	456.95
Disposals/ Transfers	-	-	-	-	(0.64)	-	-	-	-	(0.64)
<b>Depreciation as at March 31, 2023</b>	<b>-</b>	<b>18.49</b>	<b>1,583.02</b>	<b>14.78</b>	<b>71.63</b>	<b>10.32</b>	<b>12.91</b>	<b>65.03</b>	<b>319.01</b>	<b>2,095.20</b>
<b>Net Block</b>										
As at March 31, 2022	218.15	56.56	1,435.08	9.52	9.85	4.17	66.70	22.89	128.68	1,951.58
<b>As at March 31, 2023</b>	<b>218.15</b>	<b>52.85</b>	<b>1,263.11</b>	<b>6.63</b>	<b>9.13</b>	<b>3.53</b>	<b>60.59</b>	<b>25.50</b>	<b>81.42</b>	<b>1,720.90</b>

**3. Intangible Assets**

Particulars	Computer Software	Goodwill	IP Rights	Total
<b>As at March 31, 2022</b>	<b>40.65</b>	<b>31.50</b>	<b>111.63</b>	<b>183.78</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at March 31, 2023</b>	<b>40.65</b>	<b>31.50</b>	<b>111.63</b>	<b>183.78</b>
Depreciation as at March 31, 2022	11.33	24.21	85.66	121.20
Charge for the year	2.67	4.30	15.24	22.21
Withdrawals	-	-	-	-
Depreciation as at March 31, 2023	14.00	28.51	100.90	143.41
<b>Net Block</b>				
As at March 31, 2022	29.32	7.29	25.97	62.58
As at March 31, 2023	26.65	2.99	10.73	40.36

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

Particulars	As at 31.03.2023	As at 31.03.2022
<b>4. CAPITAL WORK IN PROGRESS</b>		
Capital Work-in-progress	-	10.04
<b>Total</b>	<b>-</b>	<b>10.04</b>

**AGEING SCHEDULE AS ON 31.03.2023**

Particulars	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**AGEING SCHEDULE AS ON 31.03.2022**

Particulars	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	10.04	-	-	-	10.04
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>10.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.04</b>

**5. FINANCIAL ASSETS: OTHER FINANCIAL ASSETS**

Security and other Deposits	85.10	85.10
<b>Total</b>	<b>85.10</b>	<b>85.10</b>

**6. OTHER NON CURRENT ASSETS**

Rent and other advances	18.49	17.64
Preliminary Expenses	39.77	58.75
<b>Total</b>	<b>58.26</b>	<b>76.39</b>

**CURRENT ASSETS****7. INVENTORIES**

Raw Materials	1,571.25	1,207.85
Work-in-progress	967.97	738.05
Finished goods	245.85	496.00
Others		
Stores and spares	155.10	158.27
Loose Tools	37.44	53.37
<b>Total</b>	<b>2,977.61</b>	<b>2,653.54</b>

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

Notes:

There are no Goods in Transit as on 31/03/2023

b) For method of valuation of inventories, refer Note No.1.B.IX

c) Inventories with the above carrying value, pledged as security against borrowings, are stated in Note No.18

d) Cost of Inventory recognised as expenditure

Particulars	2022-23	2021-22
Raw Materials	6,238.96	7,330.31
Others *	787.25	359.33
<b>Total</b>	<b>7,026.21</b>	<b>7,689.64</b>

\* Others include Stores and Spares, Loose Tools

**8. FINANCIAL ASSETS: TRADE RECEIVABLES**

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured Considered good	3,417.74	3,488.36
Unsecured, considered doubtful	86.22	10.74
Less: Allowance for doubtful debts (Amount due to related parties Refer Note No. 44)	(86.22)	(10.74)
<b>Total</b>	<b>3,417.74</b>	<b>3,488.36</b>

**TRADE RECEIVABLES AGEING SCHEDULE AS ON 31.03.2023**

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables - considered good	3,110.00	179.13	70.51	42.57	15.53	<b>3417.74</b>
(ii) Undisputed trade receivables - considered doubtful	35.10	40.38	-	-	10.74	<b>86.22</b>
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
Less: Provision for Bad & Doubtful debts	(35.10)	(40.38)	-	-	(10.74)	<b>(86.22)</b>
<b>Total Trade Receivables</b>	<b>3,110.00</b>	<b>179.13</b>	<b>70.51</b>	<b>42.57</b>	<b>15.53</b>	<b>3,417.74</b>


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**TRADE RECEIVABLES AGEING SCHEDULE AS ON 31.03.2022**

Particulars	Outstanding for the following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	
(i) Undisputed trade receivables - considered good	2,772.18	651.62	49.03	15.53	-	3,488.36
(ii) Undisputed trade receivables - considered doubtful	-	-	-	10.74	-	<b>10.74</b>
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
Less : Provision for Bad & Doubtful debts	-	-	-	(10.74)	-	<b>(10.74)</b>
<b>Total Trade Receivables</b>	<b>651.62</b>	<b>49.03</b>	<b>15.53</b>	<b>-</b>	<b>3488.36</b>	<b>3,400.32</b>

Particulars	As at 31.03.2023	As at 31.03.2022
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**9. FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS**

Cash on hand	0.44	0.23
Balance with Bank		
-In current accounts	0.27	0.38
<b>Total</b>	<b>0.71</b>	<b>0.61</b>

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

-In Earmarked balances		
Margin money deposit	29.81	29.10
<b>Total</b>	<b>29.81</b>	<b>29.10</b>

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

**11. FINANCIAL ASSETS: LOANS**

Unsecured, considered good		
Loans and advances to Employees	5.62	4.02
<b>Total</b>	<b>5.62</b>	<b>4.02</b>

**12. CURRENT TAX ASSETS**

Advance taxes (net of provision)	37.84	33.80
<b>Total</b>	<b>37.84</b>	<b>33.80</b>

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

Particulars	As at 31.03.2023	As at 31.03.2022
<b>13. OTHER CURRENT ASSETS</b>		
Prepaid Expenses	49.80	17.56
Balances with statutory authorities	0.01	-
GST Input tax credit (Net)	95.44	78.58
<b>Total</b>	<b>145.25</b>	<b>96.14</b>

**14. EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
<b>Authorized Share Capital</b>				
Equity shares of ₹ 1/- each	25,00,00,000.00	2,500.00	25,00,00,000.00	2,500.00
	<b>25,00,00,000.00</b>	<b>2,500.00</b>	<b>25,00,00,000.00</b>	<b>2,500.00</b>
Issued, Subscribed and paid up capital	23,82,02,463.00	2,382.02	23,82,02,463.00	2,382.02
<b>Total</b>	<b>23,82,02,463.00</b>	<b>2,382.02</b>	<b>23,82,02,463.00</b>	<b>2,382.02</b>

**Notes:**

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

Particulars	Opening Balance	Fresh Issue	Bonus/ Rights Issue	Conversion/ Buyback	Closing Balance
Equity shares with voting rights Year ended 31 <sup>st</sup> March, 2023					
Number of shares	23,82,02,463.00	-	-	-	23,82,02,463.00
Amount (₹ in lakhs)	2,382.02	-	-	-	2,382.02
Year ended 31 <sup>st</sup> March, 2022					
Number of shares	23,82,02,463.00	-	-	-	23,82,02,463.00
Amount (₹ in lakhs)	2,382.02	-	-	-	2,382.02

**a. Terms/ Rights attached to the Equity Shares**

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

b. The Company does not have any holding company or ultimate holding company as on 31.03.2023.

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

Name of the shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Equity shares with voting rights</b>				
Sri. V. Rajvirdhan	6,77,63,768	28.45	6,77,63,768	28.45
L.G. Balakrishnan & Bros Limited	2,90,00,000	12.17	2,90,00,000	12.17
Elgi Automotive Services P Ltd	2,26,66,666	9.52	2,26,66,666	9.52
Sri. B. Vijayakumar	1,50,00,000	6.30	1,50,00,000	6.30
Smt. V. Rajsri	1,50,18,445	6.30	1,50,00,000	6.30
LGB Auto Products P Ltd	1,41,58,510	5.94	1,41,58,510	5.94

**14(iii) Details of shares held by promoters**

Name of the promoter	As at 31.03.2023		As at 31.03.2022		% Change during the Year
	No. of shares held	% of holding	No. of shares held	% of holding	
Rajiv Parthasarathy	-	-	18,445	0.00	-
V Rajsri	1,50,18,445	6.30	1,50,00,000	6.30	-
V Rajvirdhan	6,77,63,768	28.45	6,77,63,768	28.45	-
Vijayshree Vijaykumar	61,250	0.03	61,250	0.03	-
B Vijayakumar	1,50,00,000	6.30	1,50,00,000	6.30	-
Tribe Investments and Services Pvt. Ltd	-	-	9,900	0.00	-
Tribe Holdings Private Limited	9,900	0.00	-	-	-
LG Sports Private Ltd	5,06,800	0.21	5,06,800	0.21	-
LG Farm Products Private Ltd	83,24,466	3.50	83,24,466	3.50	-
Super transports Private Ltd	16,80,206	0.70	16,80,206	0.70	-
Super speeds Private Ltd	16,39,235	0.69	16,39,235	0.69	-
LGB Auto Products Private Ltd	1,41,58,510	5.94	1,41,58,510	5.94	-
Silent Chain India Private Ltd	18,000	0.00	18,000	0.00	-
LG Balakrishnan & Bros	2,90,00,000	12.17	2,90,00,000	12.17	-
Elgi Automotive Services Private Ltd	2,26,66,666	9.52	2,26,66,666	9.52	-

**15. OTHER EQUITY**

Particulars	As at 31.03.2023	As at 31.03.2022
(a). Securities Premium	2,639.03	2,639.03
(b). Capital Reserve	2,898.85	2,898.85
(c). Other Comprehensive Income	0.00	128.91
(d). Retained Earnings	(4,903.22)	(4,116.04)
<b>Total</b>	<b>634.66</b>	<b>1,550.75</b>
<b>(a). Securities Premium</b>		
<b>Opening Balance</b>	<b>2,639.03</b>	<b>2,639.03</b>
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
<b>Closing Balance</b>	<b>2,639.03</b>	<b>2,639.03</b>
<b>(b). Capital Reserve</b>		
<b>Opening Balance</b>	<b>2,898.85</b>	<b>2,898.85</b>
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
<b>Closing Balance</b>	<b>2,898.85</b>	<b>2,898.85</b>


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

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(c). Other Comprehensive Income</b>		
<b>Opening Balance</b>	<b>128.91</b>	<b>113.56</b>
Add: Additions during the year	-	-
Add: Remeasurement of Post Employment defined benefit obligations [Actuarial gains /( losses)] (net of taxes)	14.39	15.35
Less: Transferred to Retained Earnings	143.30	-
<b>Closing Balance</b>	<b>-</b>	<b>128.91</b>
<b>(d). Retained Earnings</b>		
<b>Opening Balance</b>	<b>(4,116.04)</b>	<b>(4,460.30)</b>
Profit/(Loss) During the Year	(930.48)	344.26
Transfer from Other Comprehensive Income	143.30	-
<b>Closing Balance</b>	<b>(4,903.22)</b>	<b>(4,116.04)</b>
<b>Total</b>	<b>634.66</b>	<b>1,550.75</b>

**Capital Reserves:**

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

**NON CURRENT LIABILITIES**
**16. FINANCIAL LIABILITIES: BORROWINGS**

<b>(i) Secured at amortised cost</b>		
Term loans from Others- Bajaj Finance Ltd.	-	10.00
Less: Unamortised interest	-	-
<b>Total (I)</b>	<b>-</b>	<b>10.00</b>
<b>(ii) Unsecured at amortised cost</b>		
From Related parties		
Term Loan from V.Rajsri	100.00	-
Term Loan from SWEIL	157.50	-
<b>Total (II)</b>	<b>257.50</b>	
<b>Total (I+II)</b>	<b>257.50</b>	<b>10.00</b>

- 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 V.Rajsri, disbursed on 30.09.2022 is repayable in 4 quarterly installments of Rs. 50 lakhs each within expiry of 2 years and has a moratorium of 1 year from the date of disbursement. Interest rate: 8% per annum, payable on quarterly basis.
  - ii) Term Loan from South Western Engineering India Private Limited (SWEIL) has been received in 2 tranches of Rs.1,20,00,000 and Rs.1,30,00,000 disbursed on 02-08-2022 and 26-10-2022 respectively. The loan is repayable in 4 quarterly equated installments within a period of 2 years from the date of disbursement of each tranche with a moratorium of 1 year for each tranche. Interest rate : 8% per annum, payable on monthly basis.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**17. LONG TERM PROVISIONS**

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Gratuity (Refer Note No. 45)	-	2.23
Provision for Leave encashment(Refer Note No. 45)	11.46	12.38
Provision for Decommissioning Liability	20.10	20.10
<b>Total</b>	<b>31.56</b>	<b>34.71</b>

**CURRENT LIABILITIES**
**18. FINANCIAL LIABILITIES: BORROWINGS**

Secured Loans repayable on demand		
- From banks	1,842.58	628.52
- From others	300.00	500.00
Current maturities of long-term debt	202.50	40.00
<b>Total</b>	<b>2,345.08</b>	<b>1,168.52</b>

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

- 1) Cash Credit from Axis Bank carries an interest rate of “3 Months MCLR +1 %” payable at monthly intervals and are secured by first pari passu charge on entire current assets and second pari passu charge on the entire movable fixed assets of the Company, both present and future.
- 2) Cash Credit from ICICI Bank carries interest rate of “6 Months MCLR + 1 %” payable at monthly intervals and are secured by first charge of the Company’s entire stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables , both present and future, ranking pari passu with other participating bank.
- 3) Cash Credit from IDBI bank carries interest rate of “9.50 %” payable at monthly intervals and are secured by pari passu first charge over the current assets of the Company, Collateral pari passu second charge over the fixed assets of the company except those that are exclusively charged to term lenders.
- 4) Working Capital Loans from Bajaj Finance Limited carry interest of 12.8% and is secured by way of :
  - a) Factory Land and Building at No. 80 & 81, 5th Mile, Matagalli post, KRS road, Mysore Karnataka and
  - b) a charge on all Movable Fixed Assets of the company both present and future.
- 5) The above loans are further secured by Corporate Guarantee by L.G. Balakrishnan & Bros Limited



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

Particulars	As at 31.03.2023	As at 31.03.2022
<b>19. FINANCIAL ASSETS: TRADE PAYABLES</b>		
Dues to Micro & Small Enterprises (Refer no. 35)	1,060.04	725.42
Dues to creditors other than Micro & Small Enterprises (Amount due to related parties – Refer Note no.44)	1,123.28	1,965.48
<b>Total</b>	<b>2,183.32</b>	<b>2,690.90</b>

**TRADE PAYABLES AGEING SCHEDULE AS ON 31.03.2023**

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,060.04	-	-	-	<b>1,060.04</b>
(ii) Others	1,103.23	-	20.05	-	<b>1,123.28</b>
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>2,163.27</b>	<b>-</b>	<b>20.05</b>	<b>-</b>	<b>2,183.32</b>

**TRADE PAYABLES AGEING SCHEDULE AS ON 31.03.2022**

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	725.42	-	-	-	<b>725.42</b>
(ii) Others	1945.43	20.05	-	-	<b>1965.48</b>
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>2670.85</b>	<b>20.05</b>	<b>-</b>	<b>-</b>	<b>2690.90</b>

**20. OTHER FINANCIAL LIABILITIES**

Interest accrued but not due on borrowings	5.64	5.06
Accrued Employee Benefits	340.28	249.87
Expense payable	224.18	223.12
<b>Total</b>	<b>570.10</b>	<b>478.05</b>

**21. OTHER CURRENT LIABILITIES**

Statutory Remittances	6.04	11.98
<b>Total</b>	<b>6.04</b>	<b>11.98</b>

**22. SHORT TERM PROVISIONS**

Provision for Gratuity (Refer Note No. 46)	4.44	10.32
Provision for leave encashment (Refer Note No.46)	2.80	0.76
<b>Total</b>	<b>7.24</b>	<b>11.08</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****23. REVENUE FROM OPERATIONS**

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
<b>A. Sale of products</b>		
Domestic	8,988.12	9,259.23
Exports	1,887.37	2,528.65
<b>B. Other Operating Revenue.</b>		
Scrap Sales	746.48	1,177.34
Other Operating Revenue	-	40.28
<b>Revenue from operations</b>	<b>11,621.97</b>	<b>13,005.50</b>

**24. OTHER INCOME**

Interest Income	6.97	4.99
Profit on sale of assets (Net)	-	6.00
Foreign Exchange Gain (Net)	48.23	5.58
Export incentive	79.24	29.01
Insurance Receipts	-	19.53
Miscellaneous Receipts	3.82	-
<b>Total</b>	<b>138.26</b>	<b>65.11</b>

**25. COST OF MATERIALS CONSUMED**

<b>Raw Materials Consumption</b>		
Opening Stock	1,207.85	1,143.18
Add: Purchases	6,602.36	7,394.98
Less : Closing Stock	1,571.25	1,207.85
<b>Total</b>	<b>6,238.96</b>	<b>7,330.31</b>
<b>Details of Raw Materials and components consumed</b>		
Rods, Coils and bars:		
-Imported	-	-
-Indigenous	6,238.96	7,330.31
<b>Total</b>	<b>6,238.96</b>	<b>7,330.31</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
<b>Inventory at the end of the year</b>		
Finished Goods	245.85	496.00
Work-in-Progress	967.97	738.05
<b>Total Inventory at the end of the year</b>	<b>1,213.82</b>	<b>1,234.05</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	496.00	117.63
Work-in-Progress	738.05	474.39
<b>Total Inventory at the beginning of the year</b>	<b>1,234.05</b>	<b>592.02</b>
<b>Total (increase)/decrease in inventories</b>	<b>20.23</b>	<b>(642.03)</b>

**27. EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages and Bonus	2,092.98	1,928.65
Contributions to Provident fund and other funds	72.83	50.98
Staff welfare expenses	146.72	80.12
<b>Total</b>	<b>2,312.53</b>	<b>2,059.75</b>

**28. FINANCE COST**

Interest Expense		
a) On Borrowings	199.30	201.27
b) Lease liability	17.04	23.80
<b>Total</b>	<b>216.34</b>	<b>225.07</b>

**29. DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation (Refer Note No. 2)	456.95	414.23
Amortization (Refer Note No. 3)	22.21	39.05
<b>Total</b>	<b>479.16</b>	<b>453.28</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****30. OTHER EXPENSES**

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Consumptions of Store and Spare Parts	787.25	359.33
Processing Charges	404.94	867.17
Power and Fuel	783.78	838.01
Rent(Including lease rentals )	19.83	28.82
Repairs and Maintenance		
Buildings	69.66	52.10
Machinery	190.24	195.54
Others	68.69	30.38
Insurance	27.26	39.70
Rates and Taxes	58.03	28.21
Travelling and Conveyance	60.80	73.84
Printing and Stationery	6.84	6.02
Postage, Telegram and telephone	21.99	22.76
Freight, packing and forwarding	631.13	589.97
Advertisement, publicity and selling expenses	2.25	12.34
Bank charges	53.58	23.72
Legal and Professional charges	52.41	21.86
Payment to auditors (Refer Note No. 30A )	7.80	6.54
Assets Condemned & written off	-	12.19
Sitting fees	2.58	0.28
Watch and Ward	88.10	78.57
Loss on sale of assets	0.68	-
Miscellaneous Expenses	11.67	10.23
Loss on foreign currency transactions and translation	-	2.39
Provision for doubtful debts	73.98	-
<b>Total</b>	<b>3,423.49</b>	<b>3,299.97</b>

**30 A. AUDITORS' REMUNERATION**

Statutory audit	5.72	5.72
Other certification charges	2.08	0.82
<b>Total</b>	<b>7.80</b>	<b>6.54</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****31. EARNINGS PER SHARE**

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Profit/(Loss) for the year attributable to owners of the Company	(930.48)	344.26
Weighted Average Number of Equity Shares outstanding during the year for the purpose of Basic Earnings/Diluted Earnings per Share (Nos. in Lakhs)	2,382.02	2,382.02
<b>Basic &amp; Diluted Earnings Per Share in ₹</b>	<b>(0.39)</b>	<b>0.14</b>

**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.

<b>Losses that shall expire</b>		
Business Loss	-	-
<b>Losses that shall not expire</b>		
Depreciation Loss	1,436.29	1,876.99
<b>Total</b>	<b>1,436.29</b>	<b>1,876.99</b>

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

**33. EARNINGS IN FOREIGN CURRENCY**

- FOB Value of Exports	1,887.37	2,528.65
<b>Total</b>	<b>1,887.37</b>	<b>2,528.65</b>

**34. EXPENDITURE IN FOREIGN CURRENCY**

Others	14.20	21.51
<b>Total</b>	<b>14.20</b>	<b>21.51</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**35. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSME ACT, 2006**

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
a) Principal amount remaining unpaid to any supplier as at the end of each accounting year	1,060.04	725.42
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	NIL	NIL
c) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
d) Amount of interest due and payable for the period of delay in making payment but without adding interest as specified in the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

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

**36. COMMITMENTS AND CONTINGENT LIABILITIES**

Bank Guarantees	58.56	40.00
Claims anticipated towards termination of Employee challenged by appeal	9.30	9.30
Letter of credits	226.27	439.89

**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’

<b>a) Revenue from External customers</b>		
Within India	8,988.12	9,259.23
Outside India	1,887.37	2,528.65
<b>Total</b>	<b>10,875.49</b>	<b>11,787.88</b>
<b>b) Non Current Assets</b>		
All the noncurrent assets of the Company are located in India	-	-

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

<b>c) Information about major customers</b>		
Number of external customers each contributing more than 10% of Total Revenue	2 Nos	2 Nos
<b>Total Revenue from the above customers</b>	<b>3999.50</b>	<b>4,118.78</b>

**38. LEASES**

The changes in carrying value ROU assets and Lease liabilities for the year ended March 31, 2023 are as follows:

<b>Particulars</b>	<b>ROU Assets As at March 31,2023</b>	<b>Lease Liabilities As at March 31,2023</b>	<b>ROU Assets As at March 31,2022</b>	<b>Lease Liabilities As at March 31,2022</b>
<b>Opening balance</b>	<b>128.68</b>	<b>153.25</b>	<b>211.27</b>	<b>234.81</b>
Add : Additions during the year	38.83	38.83	-	-
Add : Interest cost during the year	-	17.04	-	23.80
Less : Deletions during the year	-	-	-	-
Less : Depreciation during the year	86.08	-	82.59	-
Less : Payment of Lease Liabilities	-	107.44	-	105.36
<b>Closing Balance</b>	<b>81.42</b>	<b>101.68</b>	<b>128.68</b>	<b>153.25</b>

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

Lease payments of Rs.19.83 lakhs relating to leases with a term of 12 months or less and low value leases are charged to statement of profit and loss.

**39. GOVERNMENT GRANTS**

<b>Particulars</b>	<b>For the Year ended 31.03.2023</b>	<b>For the Year ended 31.03.2022</b>
Duty Drawback on Exports	79.24	29.01
<b>Total</b>	<b>79.24</b>	<b>29.01</b>

**40. CORPORATE SOCIAL RESPONSIBILITY**

The Company does not exceed the amount specified in the Section 135 of the Companies act, 2013, So the company is not mandated to spend any amount towards CSR activities for the financial year 2022-23.

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

₹ NIL (Previous year ₹ NIL)

**43. FINANCIAL INSTRUMENTS**
**A. Capital Management**

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

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

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

**The following table summarizes the capital of the Company:**

Particulars	As at 31.03.2023	As at 31.03.2022
Debts	2,608.22	1,183.58
Less: Cash and Bank Balances	0.71	0.61
<b>Net Debt</b>	<b>2,607.51</b>	<b>1,182.97</b>
<b>Total Equity</b>	<b>3,016.68</b>	<b>3,932.77</b>
Gearing Ratio	86.44%	30.08%

**B. Categories of Financial Instruments**

Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>					
a. Measured at amortised cost					
Other Financial assets	5	85.10	85.10	85.10	85.10
Trade receivables	8	3,417.74	3,417.74	3488.36	3488.36
Cash and cash equivalents	9	0.71	0.71	0.61	0.61
Bank balances other than above	10	29.81	29.81	29.10	29.10
Loans and advances to employees	11	5.62	5.62	4.02	4.02



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

Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
b. Measured at fair value through P&L		-	-	-	-
c. Measured at fair value through OCI		-	-	-	-
<b>Financial Liabilities</b>					
a. Measured at amortised cost					
Long term borrowings	16	257.50	257.50	10.00	10.00
Short term borrowings	18	2,345.08	2,345.08	1,168.52	1,168.52
Trade Payables	19	2,183.32	2,183.32	2,690.90	2,690.90
Other Financial Liabilities	20	570.10	570.10	478.05	478.05
b. Measured at fair value through P&L		-	-	-	-
c. Measured at fair value through OCI		-	-	-	-

**C. Financial risk management objectives**

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

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

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

**i. Credit Risk**

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

**Credit Risk Management**

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

A: Low credit risk

B: Moderate credit risk

C: High credit risk

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

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

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

Provision for expected credit losses for trade receivables:

The company provides for expected credit loss based under simplified approach:

Particulars	Year ended 31stMarch,2023: Rs. In lakhs
Opening Expected loss as at 01.04.2022	10.74
Add : Provided during the year	75.48
Closing Expected loss as at 31.03.2023	86.22

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

**Classification of financial assets among risk categories:**

Credit rating	Particulars	31.03.2023	31.03.2022
Low Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets.	3,538.98	3,607.19
Moderate Credit risk	Nil	-	-
High Credit risk	Nil	-	-

The loss allowances for trade receivables using expected credit losses for different ageing periods as at 31<sup>st</sup> March 2023 are as follows :

Particulars	< 6 months	> 6 months	Total
Gross carrying amount	3,110.00	393.96	<b>3,503.96</b>
Loss allowance provision	(35.10)	(51.12)	<b>(86.22)</b>
<b>Net</b>	<b>3,074.90</b>	<b>342.84</b>	<b>3,417.74</b>

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

The loss allowances for trade receivables using expected credit losses for different ageing periods as at 31<sup>st</sup> March 2022 are as follows :

Particulars	< 6 months	> 6 months	Total
Gross carrying amount	2,772.18	726.92	<b>3,499.10</b>
Loss allowance provision	-	(10.74)	<b>(10.74)</b>
<b>Net</b>	<b>2,772.18</b>	<b>716.18</b>	<b>3,488.36</b>

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

Particulars	31.03.2023	31.03.2022
Denso india P Ltd	390.59	418.87
Lucas TVS Limited	221.68	243.86
Poclain Hydraulics Pvt. Ltd.	206.94	191.36
Danfoss Power Solutions India Pvt. Ltd.		240.98
Danfoss Industries India Ltd	-	293.38
Borgwarner Power Drive Systems Inc	243.54	811.28
L.G.Balakrishnan & Bros Ltd	622.16	221.49
Poclain Hydraulics Inc	268.06	191.36
SEG Automotive Inida Private Limited	-	-
DSV Solutions	266.11	-
<b>Total</b>	<b>2,440.99</b>	<b>2,612.58</b>

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.

Particulars	< 1 Year	1 - 5 years	> 5 years	Carrying amount
<b>31<sup>st</sup> March 2023</b>				
Financial Liabilities				
Trade Payables	2,163.27	20.05	-	2,183.32
Borrowings	202.50	257.50	-	460.00
<b>Total</b>	<b>2,365.77</b>	<b>277.55</b>	<b>-</b>	<b>2,643.32</b>
<b>31<sup>st</sup> March 2022</b>				
Financial Liabilities				
Trade Payables	2670.85	20.05	-	2,690.90
Borrowings	40.00	10.00	-	50.00
<b>Total</b>	<b>2,710.85</b>	<b>30.05</b>	<b>-</b>	<b>2,740.90</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**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**
**A) Assets:**

The Company holds interest bearing assets in the form of fixed deposits with banks. The variation in interest risk not material as the balance in deposits is not significant.

**Interest rate sensitivity analysis**

Particulars	31.03.2023	31.03.2022
Fixed Deposits with Bank	29.81	29.10
Impact on profit – increase of 25 basis points	0.08	0.07
Impact on profit – decrease of 25 basis points	(0.08)	(0.07)

**B) Liabilities:**

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

Particulars	31.03.2023	31.03.2022
Floating rate loans	2,142.58	1,183.58
Fixed rate loans	465.64	-
<b>Total Borrowings</b>	<b>2,608.22</b>	<b>1,183.58</b>

**Interest rate sensitivity analysis**

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2023 would decrease / increase by Rs.21.42 Lakhs (for the year ended 31 March 2022: decrease / increase by Rs.12.36 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**iv. Foreign currency risk management**

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**As on 31<sup>st</sup> March 2023** (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	-	13.89	13.89
SGD	-	-	-
In INR	-	1,081.36	1,081.36

**As on 31<sup>st</sup> March 2022** (all amounts are in equivalent INR Lakhs)

USD	0.29	3.89	3.60
SGD	-	-	-
In INR	22.08	295.59	273.51

**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			
	31.03.2023		31.03.2022	
	+0.50%	-0.50%	+0.50%	-0.50%
USD	5.41	(5.41)	1.37	-1.37
SGD	-	-	-	-

**Fair Value Hierarchy**

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

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

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date. These quoted prices are unadjusted.
- Level 2 – Inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly.”
- Level 3 – Inputs are unobservable inputs for the asset or liability.

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

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	As at 31.03.2023	As at 31.03.2022
<b>Financial Liabilities</b>			
a. Measured at amortised cost			
Long term borrowings	2	257.50	10.00
Short term borrowings	2	2,345.08	1,168.52

**44. Related Party Disclosure**
**a) Name of related parties and nature of relationship**

Holding Company	The Company does not have any holding Company
Subsidiaries and Associates	The Company does not have any Subsidiaries, associates and joint ventures
Other Related Companies	Enterprises over which the directors are interested
	L.G. Balakrishnan & Bros Limited
	Super Transports Private Limited
	South Western Engineering India Private Limited
	BV Medical Foundation
	L G Farm Products Private Limited
	L G B Auto Products Private Limited
	Silent Chain India Private Limited
	Super Speeds Private Limited
	ELGI Automotive Services Private Limited
	Rajvirdhan Private Limited
	Paatimaachi Private Limited
Key Management Personnel	Sri.V.Rajvirdhan - Managing Director (Upto:28/09/2022)
	Mrs. Rajsri Vijayakumar – Managing Director (From: )15.02.2023
	Mr. A. Sampath Kumar - Executive Director (From:) 15.02.2023
	Mr.R. Ravi - Company Secretary (Upto:28/05/2022)
	A.Kamal Basha – Chief Executive Officer (From:05/12/2022 to 06.03.2023)
	Sri.R.Vinothkumar – Chief Financial Officer (Upto: 25.01.2022)
	Mrs Geetha Manjari - Chief Financial Officer (From:01/06/2022)
	Sri. V.Balu – Chief Operating Officer (up to 30.11.2022)
	Mr.Maheswaran - Company Secretary (From:25/06/2022 to 20/05/2023)
Relatives of Key Management Personnel	Sri.B.Vijayakumar
	Smt. D. Sasikala

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**b) Transactions during the year**

S.No	Nature of Transactions	Name of the Payee	Description of Relationship	2022-23	2021-22
1	Managerial Remuneration	Sri.Rajvirdhan	Key Management Personnel	9.23	18.46
		Smt. Rajsri Vijayakumar		3.00	-
		Sri. A. Sampath Kumar		3.00	-
		Smt.Geetha Manjari		6.11	-
		Sri.Kamal Basha		6.60	-
		Sri V. Balu		3.17	-
		Sri. R.Ravi		0.47	11.38
		Sri.R.Vinothkumar		-	2.76
		Sri.Maheshwaran		9.50	-
2	Rent Payment	L.G. Balakrishnan & Bros. Limited	Companies in which directors are interested	56.70	47.79
3	Purchase of Power, Spares, Processing, Conversion, Service Charges Payments	L.G. Balakrishnan & Bros. Limited	Companies in which directors are interested	746.91	266.04
		Super Transports Private Limited		1.67	0.85
4	Purchase of Lubricants	LGB Auto Products Pvt Limited	Companies in which directors are interested	42.92	-
5	Sales of Power, Stores, Materials and Service Charges	L.G. Balakrishnan & Bros. Limited	Companies in which directors are interested	872.39	1106.00
6	Lease Payments	ELGI Automative Services Private Limited	Companies in which directors are interested	26.01	22.05
7	Unsecured Loans	Smt. Rajsri Vijayakumar	Key Managerial Personnel	200.00	-
		South Western Engineering India Private Limited	Companies in which directors	250.00	-
8	Interest on Unsecured Loan	Smt. Rajsri Vijayakumar	Key Managerial Personnel	7.98	-
		South Western Engineering India Limited	Companies in which directors	10.81	-
9	Sitting Fees	Sri. Balakrishnan Vijayakumar	Relative of Key Managerial Personnel	0.28	-
		Smt. Rajsri Vijayakumar	Key Managerial Personnel	0.32	-
10	Reimbursement of Expenses	Smt. Rajsri Vijayakumar	Relative of Key Managerial Personnel	20.14	-

\*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	2022-23	2021-22
1	Other Related Companies		
	Amount Payable as on 31.03.2022 / 31.03.2021	785.89	41.81
	Amount Receivable as on 31.03.2022 / 31.03.2021	268.06	221.49

**46. 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 ₹ 72.83 Lakhs (March 31, 2021 – ₹ 50.98 Lakhs).

**Defined benefit plans**
**(a) Gratuity**

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

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

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



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

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

Particulars	March 31, 2023	March 31, 2022
Mortality Table	Indian Assured Lives Mortality (2012-14) Ultimate	
Attrition Rate	5.00% p.a.	5.00% p.a.
Discount Rate	7.57% p.a.	7.48% p.a.
Rate of increase in compensation level	13.00% p.a. F5Y & 7.00% p.a. TA	13.00% p.a. F5Y & 7.00% p.a. TA
Rate of Return on Plan Assets	7.48% p.a.	7.08% 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.

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

Particulars	March 31, 2023	March 31, 2022
Current service cost	8.30	8.76
Net interest expense on defined benefit obligations	7.91	7.70
Return on plan assets (excluding amounts included in net interest expense)	(7.07)	(6.30)
Components of defined benefit costs recognised in profit or loss	9.13	10.17
Remeasurement on the net defined benefit liability comprising:		
Return on plan assets (excluding amounts included in net interest expense)	1.07	0.41
Actuarial gains/losses arising from Demographic assumption changes	-	-
Actuarial gains/losses arising from changes in financial assumptions	0.53	(4.03)
Actuarial gains/losses arising from experience adjustments	(15.98)	(8.84)
Immediate recognition in Profit and Loss	-	-
Components of defined benefit costs recognised in other comprehensive Income	(14.39)	(12.46)
<b>Total Defined Benefit Cost</b>	<b>(5.26)</b>	<b>(2.29)</b>

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

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

Particulars	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	102.82	109.30
Fair value of plan assets	(98.37)	(96.75)
Net liability/ (asset) arising from defined benefit obligation	4.45	12.55
Funded	4.45	12.55
Unfunded	-	-
<b>Total</b>	<b>4.45</b>	<b>12.55</b>

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

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

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

Particulars	March 31, 2023	March 31, 2022
<b>Defined benefit obligation as at the beginning of the year (Other than Pondicherry)</b>	<b>109.30</b>	<b>111.79</b>
Current service cost	8.29	8.76
Interest on Defined benefit Obligation	7.91	7.70
Actuarial (gains)/losses on plan obligation	(15.45)	(12.87)
Benefits paid	(7.23)	(6.08)
<b>Defined benefit obligation as at the end of the year</b>	<b>102.82</b>	<b>109.30</b>

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

Particulars	March 31, 2023	March 31, 2022
<b>Fair value of plan assets as at the beginning of the year</b>	<b>96.75</b>	<b>86.97</b>
Interest Income	7.07	6.29
Contributions	2.85	9.98
Benefits paid	(7.23)	(6.08)
Actuarial gains/(loss)	(1.07)	(0.41)
<b>Fair value of plan assets as at the end of the year.</b>	<b>98.37</b>	<b>96.75</b>

**Sensitivity analysis**

Assumptions	Change	% increase in DBO	Impact on Liability
Discount rate	+100 basic points	-8.64%	93.94
	-100 basic points	9.97%	113.07
Salary growth	+100 basic points	9.43%	112.52
	-100 basic points	-8.33%	94.26
Attrition rate	+100 basic points	-0.77%	102.03
	-100 basic points	0.82%	103.66
Mortality rate	+ 10 percentage	-0.03%	102.79

The Company's best estimate of pay-outs are as under:

Particulars	March 31, 2023 (Rs. Lakhs)	March 31, 2022 (Rs. Lakhs)
Within one year	6.18	6.38
After one year but not beyond five years	21.64	22.02
Beyond five years upto ten years	26.61	26.89
Payments beyond ten years	48.40	54.01

Note: The above values are present values as on 31.03.2023 & 31.03.2022 respectively.

The weighted average duration of the defined benefit obligation is 13.38 years (31st March, 2022 - 13.46 years).

**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.

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

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 depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

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

Particulars	March 31, 2023	March 31, 2022
Present Value of Defined Benefits Obligation At Beginning (Opening)	13.14	11.58
Present Value of Defined Benefits Obligation At Beginning (Closing)	14.25	13.14
Net Increase in Liability over the valuation period	1.11	1.56
Benefit payments from employer	-	-
Benefits Pay-outs from plan	-	-
Cost of Termination Benefits/Acquisitions/Transfers	-	-
Less actual return on Plan Assets	-	-
Remeasurement Effect Recognised in OCI	-	-
Defined Benefits cost included in P&L	1.11	1.56
<b>Total Defined Benefit Cost</b>	<b>1.11</b>	<b>1.56</b>

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

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

Particulars	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	14.25	13.14
Fair value of plan assets		-
Net liability/ (asset) arising from defined benefit obligation	14.25	13.14
Funded		-
Unfunded	14.25	13.14
<b>Total</b>	<b>14.25</b>	<b>13.14</b>

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 17] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer note 22].

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**Movements in the present value of the Defined Benefit Obligation in the current year were as follows:**

Particulars	March 31, 2023	March 31, 2022
<b>Net Liability/(Asset) recognized at the beginning of the period</b>	<b>13.14</b>	<b>11.58</b>
Employer expense	1.11	1.56
Employer Contribution	-	-
Employer direct benefit payments	-	-
Acquisitions/Divestures	-	-
Effect of the Limit in Para 59(b)	-	-
<b>Net Liability/(Asset) recognized at the end of the period</b>	<b>14.25</b>	<b>13.14</b>

**Sensitivity analysis- Leave salary**

Assumptions	Change	% increase in DBO	Impact on Liability
Discount rate	+100 basic points	-8.75%	13.01
	-100 basic points	10.37%	15.73
Salary growth	+100 basic points	9.58%	15.62
	-100 basic points	-8.25%	13.08
Attrition rate	+100 basic points	-0.45%	14.19
	-100 basic points	0.47%	14.32
Mortality rate	+ 10 percentage	0.00%	14.25

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.

**48. Financial Ratios**

Sr. No.	Particulars	Numerator	Denominator	Year ended		% Increase / (Decrease)
				31.03.2023	31.03.2022	
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.29	1.45	(10.52%)
*2	Debt - Equity Ratio (In times)	Total Debt (including lease liabilities)	Shareholders' Equity	0.90	0.34	164.27%
*3	Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	3.38	13.56	-75.05%
	(0.64)	2.42	(126.38%)	9.17%	10.16%	-9.72%
*4	Return on Equity Ratio (In percentage)	Net profit after taxes-Preference dividend(if any)	Average Shareholders' Equity	(26.78%)	9.17%	(391.93%)
*5	Inventory Turnover Ratio (In times)	Net Sales	Average Inventory	4.13	5.73	(27.96%)
6	Trade Receivables Turnover Ratio (In times)	Credit Sales	Average Accounts Receivable	3.37	3.78	(10.86%)

Sr. No.	Particulars	Numerator	Denominator	Year ended		% Increase / (Decrease)
				31.03.2023	31.03.2022	
7	Trade Payables Turnover Ratio (In times)	Credit Purchases	Average Accounts Payable	2.71	2.77	(2.16%)
8	Net Capital Turnover Ratio (In times)	Net Sales	Working Capital	7.73	6.69	15.66%
*9	Net Profit Ratio (In percentage)	Net Profit after taxes (PAT)	Net Sales	(8.01%)	2.65%	(402.46%)
*10	Return on Capital Employed (In percentage)	Earnings before Interest & Tax	Capital Employed	(12.56%)	10.93%	(214.87%)
11	Return on Investment (In percentage)	Income generated from the investments	Time weighted average investments	-	-	-

Details of the items included in numerator and denominator for computing the above ratios.

- Capital employed refers to sum of [Share Capital + Other equity - Intangible Assets + Lease Liabilities + Deferred Tax liabilities + Total Debt]
- Earnings before interest and taxes = [Profits after current & deferred taxes + Finance Costs + Current Taxes + Deferred Taxes]
- Earnings available for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + Loss on sale of Fixed assets
- Debt service = Interest & Lease payments + Principal repayments

\*The following ratios show a change of more than 25% as compared to last year. The reasons for the high variance are as under:

- Debt Equity ratio: There is an increase in borrowings during the year leading to an increase in debt- equity ratio.
- Debt Service Coverage Ratio: On account of decrease in profits, there is a decrease in debt service coverage ratio.
- Return on Equity Ratio: Significant reduction in profits has led to a reduction in the return on equity ratio.
- Inventory Turnover Ratio: Reduction in sales has led to the decrease in the inventory turnover ratio for the current financial year.
- Net Profit Ratio: Reduction in profit and sales has led to the decrease in net profit ratio as compared to the previous financial year.
- Return on Capital Employed: On account of a significant decrease in earnings before interest and tax, there is a decrease in return on capital employed.
- Return on Investment: The Company has not made any investments and hence the relevant ratio is not applicable.

**49. a) The title deeds of immovable properties recorded as Property, Plant and Equipment in the books of accounts of the company are held in the name of the company except for the details given below:**

Description of Property	Gross Carrying Value as on March 31, 2022	Held in name of	Promoter	Period Held	Reasons for not being held in the name of the Company
Land & Building Mysore	80.26	L.G. Balakrishnan & Bros Limited	Enterprise in which promoters are interested	15 years	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.

**49. b)** The Company has not revalued its Property, Plant and Equipment (including right of use assets) and Intangible Assets during the year.

50 The company has no proceeding initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

51 No Scheme of Arrangement is approved u/s.230 to 237 of the Companies Act for the company,



- 52 The Company's borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- 53 The Company is not declared as a wilful defaulter by any bank or financial institution.
- 54 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 55 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 56 The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 57 The Company has not been received any funds from any person or entity, including foreign entity ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 58 The Company has no income which has been surrendered or disclosed as income during the year in any of the Tax assessments under the Income Tax Act, 1961.
- 59 The Company has not traded/invested in Crypto currency, virtual currency during the financial year.
- 60 Loans and advances in the nature of loan granted to promoter, KMP and related parties; Nil
- 61 There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.
- 62 The Company has not issued any securities for a specific purpose.
- 63 The Company has utilised the borrowings from banks and financial institutions for the purpose for which it was availed.
- 64 As per the information available with the company, the company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Significant Accounting Policies	1
Notes on Financial Statements	2-64

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

As per our Report of even date

For and on behalf of the Board of Directors

For N.R.Doraiswami & Co.,  
Chartered Accountants  
Firm Registration No.: 000771S

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**P.SHANMUGASUNDARAM**  
Director  
DIN : 00119411

**SUGUNA RAVICHANDRAN**

Partner  
Membership No.: 207893  
Place : Coimbatore  
Date : 15.05.2023

**GEETHA MANJARI**  
Chief Financial Officer

**K. MAHESWARAN**  
Company Secretary

*If Undelivered Please Return to :*



## **LGB FORGE LIMITED**

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

Tel : 0422 - 2532325

CIN : L27310TZ2006PLC012830