

**L.G. BALAKRISHNAN & BROS LIMITED
COIMBATORE**



**58th
ANNUAL REPORT
2013 - 2014**



L.G. BALAKRISHNAN & BROS LIMITED

Corporate Information

BOARD OF DIRECTORS

Sri. B. Vijayakumar
Chairman cum Managing Director

Sri. P. Prabakaran
Deputy Managing Director

Sri. P. Balasubramanian

Sri. S. Sivakumar

Sri. V. Govindarajulu

Sri. P. Shanmugasundaram

Smt. Rajsri Vijayakumar

Sri. V. Rajvirdhan

Dr. T. Balaji

Sri. R. Vidhya Shankar

CHIEF FINANCIAL OFFICER

Sri. N. Rengaraj

GENERAL MANAGER CUM COMPANY SECRETARY

Sri. M. Lakshmi Kanth Joshi

BANKERS

Axis Bank Limited
BNP Paribas
Corporation Bank
HDFC Bank Limited
IndusInd Bank Limited
ICICI Bank Limited
IDBI Bank Limited
The Bank of Nova Scotia
Union Bank of India
Yes Bank Limited

STATUTORY AUDITORS

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

COST AUDITOR

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

SECURITIES ARE LISTED

Bombay Stock Exchange Ltd.
National Stock Exchange of India Ltd.

REGISTERED OFFICE

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

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58th ANNUAL GENERAL MEETING

Date : 9th July, 2014
Day : Wednesday
Time : 10.30 A.M.
Venue : **Ardra Convention Centre**
"Kaanchan",
9, North Huzur Road
Coimbatore- 641 018.

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE ANNUAL GENERAL MEETING.

NOTICE

Notice is hereby given that the Fifty Eighth Annual General Meeting of the Members of the Company will be held on Wednesday the 9th day of July 2014 at 10.30 A.M. at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To confirm the Interim Dividend already paid and declare Final Dividend on the Equity Shares for the financial year ended 31st March, 2014.
3. To appoint a Director in the place of Sri. V. Rajvirdhan, who retires by rotation, and being eligible, offers himself for reappointment.
4. To re-appoint the Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the Provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224, and other applicable provisions, if any of the Companies Act, 1956) Messrs. Deloitte Haskins & Sells (Firm Registration No. 008072S) Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of 3 years from the conclusion of this Annual General Meeting to, till the conclusion of the 61st Annual General Meeting of the Company subject to ratification by the Shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. T. Balaji (holding DIN 00002755), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 9th July, 2014 to hold office for five consecutive years for a term up to 8th July, 2019.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri. V. Govindarajulu (holding DIN 00016108), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 1st September 2014 to hold office for five consecutive years for a term up to 31st August, 2019.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time

being in force) read with Schedule IV to the Companies Act, 2013, Sri. P. Balasubramanian (holding DIN 00018197), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 1st September 2014 to hold office for five consecutive years for a term up to 31st August, 2019.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri. P. Shanmugasundaram (holding DIN 00119411), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 1st September 2014 to hold office for five consecutive years for a term up to 31st August, 2019

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri. R. Vidhya Shankar (holding

DIN 00002498), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 1st September 2014 to hold office for five consecutive years for a term up to 31st, August, 2019.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions. if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Meetings of Board and its powers) Rules 2014 and read with Clause 49 (VII) of the Listing Agreements entered into with the Stock Exchange(s) and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with related parties as defined under the Act 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, availing or rendering of any services or any other transaction of whatever nature with the following related parties.

Name of the Related Party Companies

1.	Silent Chain India Private Limited
2.	Lakshmi Printers
3.	Excel Marketing Associates
4.	Veena coach Products
5.	S. Sivakumar - Director

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board

in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions. if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Meetings of Board and its powers) Rules 2014 and read with Clause 49 (VII) of the Listing Agreements entered into with the Stock Exchange(s) and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with related parties as defined under the Act 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, availing or rendering of any services or any other transaction of whatever nature with related parties.

Name of the Related Party Companies

1	Super Speeds Private Limited
2	Super Transports Private Limited
3	LGB Fuel Systems Private Limited
4	LG Balakrishnan & Bros - Karur
5	LGB Auto Products Private Limited
6	LGB Forge Limited
7	South Western Engineering India Limited
8	LG Farm Products Private Limited
9	Elgi Automotive Services Private Limited

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE

ITEM No.: 5

Dr. T. Balaji is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 4th November, 2010. The qualification and expertise of Dr. T. Balaji has been detailed in the annexure attached.

Dr. T. Balaji retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Dr. T. Balaji being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 9th July, 2014. A notice has been received from a member proposing Dr. T. Balaji as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. T. Balaji fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Dr. T. Balaji as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. T. Balaji as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. T. Balaji as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. T. Balaji, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

ITEM No.:6

Mr. V. Govindarajulu is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 29th June, 1998. The qualification

and expertise of Mr. V. Govindarajulu has been detailed in the annexure attached.

Mr. V. Govindarajulu is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. V. Govindarajulu being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 1st September 2014. A notice has been received from a member proposing Mr. V. Govindarajulu as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. V. Govindarajulu fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. V. Govindarajulu as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V. Govindarajulu as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. V. Govindarajulu as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. V. Govindarajulu, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

ITEM No.: 7

Mr. P. Balasubramanian is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 16th February, 1998. The qualification and expertise of Mr. P. Balasubramanian has been detailed in the annexure attached.

Mr. P. Balasubramanian is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the

provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. P. Balasubramanian being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 1st September, 2014. A notice has been received from a member proposing Mr. P. Balasubramanian as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. P. Balasubramanian fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. P. Balasubramanian as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. P. Balasubramanian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. P. Balasubramanian as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. P. Balasubramanian, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7.

ITEM No.:8

Mr. P. Shanmugasundaram is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 24th May, 1998. The qualification and expertise of Mr. P. Shanmugasundaram has been detailed in the annexure attached.

Mr. P. Shanmugasundaram is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. P. Shanmugasundaram being eligible and offering himself for appointment, is proposed to be appointed

as an Independent Director for five consecutive years with effect from 1st September, 2014. A notice has been received from a member proposing Mr. P. Shanmugasundaram as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. P. Shanmugasundaram fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. P. Shanmugasundaram as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. P. Shanmugasundaram as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. P. Shanmugasundaram as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. P. Shanmugasundaram, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

ITEM No.:9

Mr. R. Vidhya Shankar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th May, 1998. The qualification and expertise of Mr.R.Vidhya Shankar has been detailed in the annexure attached.

Mr. R. Vidhya Shankar is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. R. Vidhya Shankar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 1st September 2014. A notice has been received from a member proposing Mr. R. Vidhya Shankar as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. R. Vidhya Shankar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. R. Vidhya Shankar as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. Vidhya Shankar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R. Vidhya Shankar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. R. Vidhya Shankar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9.

ITEM No.:10 & 11

The Company has been entering into transactions with related parties confirming to prescribed statutory procedure under the Companies Act, 1956 and with the approval of the Central Government in respect of such transactions falling under the proviso to the Section 297(1) of the Companies Act, 1956.

The Company also proposes to enter into such transactions with related parties confirming to the requirements of the Companies Act, 2013 for a period of 5 years.

In the above context the necessary Special Resolution is proposed for the approval of the members. The transactions have been approved by the Audit Committee in their meeting held on 14.05.2014 and also by the Board of Directors subject to the Company passing a Special Resolution as per the requirement of the Act.

The particulars as to the related party transactions are furnished below as per the requirements of the prescribed rules and the grounds for having the transactions.

All contracts will be subject to the conditions that the prescribed price / charges payable under the contracts shall be competitive, shall be based on prevailing market price, shall not be prejudicial to the interest of either parties and shall be at arm's length, on the basis of comparable uncontrolled price other than with associate enterprise.

The Details of the related party transaction(s) are furnished below.

1. Name of the related party	M/s. Silent Chain India Private Limited	
Name of the Director/ KMP who is related, if any	P. Prabakaran, V. Rajsri, V. Rajviridhan	
Nature of relationship	Interested as Directors / Shareholders	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;		₹ in lakhs/Annum
	Sale of Consumables Stores Tools & Dies	100.00
	Leasing of Machineries / Building.	50.00
	Availing services of Chain Processing, Assembly, pin Assembly, roller assembly and Providing Printing Works etc.	150.00
	Sale / Purchase of Movable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No. MCA/Portal/297/March 2012 dt. 22.03.2012 for the period from 01.05.2012 to 30.04.2015 for entering into transactions with this Company.	
2. Name of the related party	M/s. Lakshmi Printers	
Name of the Director/ KMP who is related, if any	S. Sivakumar	
Nature of relationship	Interested as Proprietor	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;		₹ in lakhs/Annum
	Availing services for printing	75.00
	Rendering of offset printing services & supply of stationeries, stores materials and press room materials to Contractee	10.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No.2M/1235/73 dt. 10.06.2009 for the period from 05.07.2009 to 04.07.2014 for entering into transactions with this Company.	
3. Name of the related party	M/s. Excel Marketing Associates	
Name of the Director/ KMP who is related, if any	S. Sivakumar	
Nature of relationship	Interested as Proprietor	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;		₹ in lakhs/Annum
	Purchase of packing materials	250.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No. MCA/Portal/297/January 2012 dt. 11.01.2012 for the period from 02.08.2011 to 04.07.2014 for entering into transactions with this Company.	

4. Name of the related party	M/s. Veena Coach Products	
Name of the Director/ KMP who is related, if any	S. Sivakumar	
Nature of relationship	Interested as Proprietor	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Availing services for production of automobiles chains, cycle chains and its components	175.00
	Sale of tools and dies	20.00
	Leasing of Machineries / Building.	25.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No.2M/1235/73 dt. 10.06.2009 for the period from 05.07.2009 to 04.07.2014 and Letter No.F/2/C/11482 dt.29.01.2012 for a period from 15.09.2012 to 14.09.2015 for entering into transactions with this Company.	
5. Name of the related party	Sri. S. Sivakumar	
Name of the Director/ KMP who is related, if any	S. Sivakumar	
Nature of relationship	Interested as property owner.	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Leasing of Land / Building	25.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	Our Company is engaged in the printing works which requires suitable premises for running the operations smoothly and such premises we have identified is owned by the said party. The building is more convenient for performing our activities in a efficient manner for entering into transactions with this Company.	
1. Name of the related party	M/s. Super Speeds Private Ltd.	
Name of the Director/ KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri	
Nature of relationship	Interested as Directors / Shareholders	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Availing of Vehicles Repairs Works and Providing Printing Works	20.00
	Leasing of Building	10.00
	Sale / Purchase of Movable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No. MCA/Portal/297/March 2012 dt. 22.03.2012 for the period from 01.05.2012 to 30.04.2015 for entering into transactions with this Company.	

2. Name of the related party	M/s. Super Transports Private Ltd.	
Name of the Director/ KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri	
Nature of relationship	Interested as Directors / Shareholders	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Purchase of oil & lubricants	100.00
	Supply of Consumables Providing Printing related works and Lab related works	15.00
	Availing of Tyre Retreading Works	10.00
	Leasing of Building	25.00
	Sale / Purchase of Movable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No. MCA/Portal/297/March 2012 dt. 22.03.2012 for the period from 01.05.2012 to 30.04.2015 for entering into transactions with this Company.	
3. Name of the related party	M/s. LGB Fuel Systems Private Ltd.	
Name of the Director/ KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri, S. Sivakumar	
Nature of relationship	Interested as Directors / Shareholders	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Providing Printing related works	5.00
	Purchase/Services of Automobile Parts Oils and Lubricants	50.00
	Leasing of Building	25.00
	Sale / Purchase of Movable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No. MCA/Portal/297/March 2012 dt. 22.03.2012 for the period from 01.05.2012 to 30.04.2015 for entering into transactions with this Company.	
4. Name of the related party	M/s. L.G. Balakrishnan & Bros - Karur	
Name of the Director/ KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri	
Nature of relationship	Interested as Partners	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Purchase of petrol, diesel, oil and lubricants	300.00
	Lease of Building	5.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No. MCA/Portal/297/February 2012 dt. 10.02.2012 for the period from 01.02.2012 to 31.01.2015 for entering into transactions with this Company.	

5. Name of the related party	W/s. L.G.B. Auto Products Private Limited	
Name of the Director / KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri	
Nature of relationship	Interested as Directors / Shareholders	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Availing machinery on lease	50.00
	Leasing of Land - Windmill.	1.00
	Sale / Purchase of Movable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company has obtained necessary Central Government approval vide Letter No. F/2C/11482/12 dt. 21.09.2012 for the period from 15.09.2012 to 14.09.2015 for entering into transactions with this Company.	
6. Name of the related party	W/s. LGB Forge Limited	
Name of the Director / KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri	
Nature of relationship	Interested as Director(s) / Shareholder	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Sale / Purchase of Movable and Immovable Assets	1000.00
	Providing of printing works	10.00
	Leasing of Land / Building	100.00
	Sale of Stores, Spares, Tools & Dies	5.00
	Purchase of DEPB	200.00
	Providing of Heat Treatment and allied activities	75.00
	Availing of Machining activities	10.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	LGB Forge Limited is a Company engaged in the manufacturer of Hot, Warm & Cold Forging. The above transactions with the Company proposed to enter would be economical and beneficial to the Company in long run. Both the partys are well equipped for performing the said transactions efficiently	
7. Name of the related party	W/s. South Western Engineering India Limited	
Name of the Director / KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri, S. Sivakumar	
Nature of relationship	Interest as Director(s) / Shareholder	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Availing Heat Treatment Process	300.00
	Providing Calibration Process	100.00
	Leasing of Machineries	15.00
	Sale / Purchase of Movable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	South Western Engineering India Limited is engaged in the Heat Treatment Processing activities with adequate state of art infrastructure facilities to our requirements of Heat Treatment to our components in large scale which would be beneficial to our Company. Both the partys are well equipped for performing the said transactions efficiently	

8. Name of the related party	W/s. LG Farm Products Private Limited	
Name of the Director/ KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri	
Nature of relationship	Interest as Director(s) / Shareholder	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Sale / Purchase of Movable and Immovable Assets	100.00
	Providing of printing works	5.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	None	
9. Name of the related party	W/s. Elgi Automotive Services Private Limited	
Name of the Director/ KMP who is related, if any	B. Vijayakumar, V. Rajvirdhan, V. Rajsri	
Nature of relationship	Interest as Director(s) / Shareholder	
		₹ in lakhs/Annum
Nature, Material Terms, monetary value and particulars of the contract or arrangement;	Leasing of Building / Machinery	50.00
	Sale / Purchase of Movable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	The Company is engaged in Auto Parts and Accessories and generation of electricity by Wind Power and also engaged in leasing of machineries. As and when required we avail the leasing.	

The Board recommend the Special Resolution(s) as set out in item Nos.10 & 11 of the Notice for the approval of the Members who are not related party(s). Directors, key managerial personnel of the Company or their relatives as mentioned as related parties above, may be deemed to be interested or concerned in the Resolution.

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**
- Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

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

4. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms a part of the notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
5. Pursuant to Section 123 of the Companies Act, 2013 dividend as recommended by the Board of Directors for the year ended 31st March 2014 , if declared , at the ensuing Annual general meeting is proposed to be paid on or before 20th July 2014.
6. The Book Closure date for dividend and Bonus if approved will be intimated separately to the Stock Exchanges and through news paper.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or the Registrars cannot act on any request received directly from the members holding shares in electronic form for any change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrars and Share Transfer Agents of the Company.
8. **Change of Address:** Members are requested to notify any change of address and bank details to their depository participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the secretarial department at the registered office of the Company or to M/s. Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai - 600 002 the Registrar and Share Transfer Agent of the Company.
9. **Dividend of prior years:** Pursuant to Section 205A of the Companies Act, 1956, the Dividend which remained un-encashed / unclaimed for a period of seven years from the date of transfer to the unpaid Dividend account is required to be transferred to the "Investor Education and Protection Fund" established by the Central Government. According to the relevant provisions of the Companies Act, 1956, as amended, no claim shall lie against the said fund or the Company for the amount of unclaimed Dividend / bond interest so transferred to the said Fund. Members who have not encashed the Dividend warrant(s) / interest warrants so far, since the financial year 2006-2007, are requested to send their claim immediately to the Company / Registrar and Transfer Agent for issue of pay order / demand draft in lieu thereof.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents, for consolidation into a single folio.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
12. Copies of the Annual Report 2014, the Notice of the 58th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 are being sent by permitted mode.
13. Members may also note that the Notice of the 58th Annual General Meeting and the Annual Report 2014 will be available on the Company's website, www.lgb.co.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: secretarial@lgb.co.in.

14. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by **Central Depository Services Limited (CDSL)**.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.co.in
- (ii) Click on “Shareholders” tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - “EVSN” along with “L.G. BALAKRISHNAN & BROS LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.co.in for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL : 8 Character DP ID followed by 8 Digits Client ID For CDSL : 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both Demat Shareholders as well as physical Shareholders)	
DOB#	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in DD/MM/YYYY format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <Default Value> in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value <Default Value> in the DOB column or the <Default Value> in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (viii) Click on the relevant EVSN on which you choose to vote.
- (ix) 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.

- (x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

- a) Initial password as below is given in the attendance slip for the AGM

EVSN**	USED ID	PASSWORD
14060400417	xxxxxxxxxx	xxxxxxxxxx

** (Electronic Voting Sequence Number)

- b) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

General

- a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- b) The voting period begins on 3rd July 2014 (9.00 AM) and ends on 5th July 2014 (6.00PM) During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 06.06.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- c) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date is 06.06.2014.
 - d) Mr. M.D. Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - e) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - f) The results of the e-voting along with the scrutinizer’s report shall be placed in the Company’s website www.lgb.co.in and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
 - g) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cDSLindia.com.
15. *Request for additional information, if required:* In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Mr. M. Lakshmi Kanth Joshi, General Manager cum Company Secretary at the following address so that the same may be attended appropriately to your entire satisfaction.

Coimbatore
15.05.2014

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



Name	V. Rajviradhan	Dr. T. Balaji	V. Govindarajulu	P. Balasubramanian	P. Shanmugasundaram	R. Vidhya Shankar
DIN	00156787	00002755	00016108	00018197	00119411	00002498
Date of Birth	05.09.1983	22.01.1947	08.07.1956	29.09.1937	10.08.1948	25.03.1970
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
DOA on the Board	04.11.2010	04.11.2010	29.06.1998	16.02.1983	24.05.2001	30.05.2008
Relationship with other Director	B. Vijayakumar - Father V. Rajsri - Sister	None	None	None	None	None
Qualification	B. Sc., IIME	M.B., B.S., D.L.O	BE	B.S	B.Com., LLB., FCA.,	B.Com BL
Expertise in area	More than 4 years experience as Industrialist	More than 28 years experience in Medical Profession	More than 27 years experience in sourcing and General Administration.	More than 28 years experience in business	Vast and rich experience in Finance, Accounts and Taxation	More than 20 years of Experience in the advocate profession
No. of shares held	1099293	400	NIL	1000	NIL	NIL
List of Directorships held in other Companies	1. LGB Forge Ltd 2. South Western Engineering India Ltd 3. Rolon Fine Blank Ltd 4. LGB Rolon Chain Ltd 5. ELGI Automotive Services P. Ltd 6. L.G.B. Auto Products P. Ltd 7. Super Transports P. Ltd 8. LGB Fuel Systems P. Ltd 9. BCWV Tech India P. Ltd 10. Super-Speeds P. Ltd	1. Elgi Equipments Ltd 2. Adisons Precision Instruments Mfg. Co. Ltd	NIL	NIL	1. LGB Forge Ltd 2. DSM Soft P. Ltd	1. Pricol Ltd
Chairman/Member of the Committees of the Board of other companies in which he is Director	Member of Shareholders & Investors Committee in LGB Forge Ltd	NIL	NIL	NIL	Chairman of Audit Committee of LGB Forge Ltd	Chairman of Audit Committee and Remuneration Committee Pricol Ltd

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Fifty Eighth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

The summary of the financial performance of the Company for the year ended 31st March, 2014 as compared to the previous year is as below

Particulars	31-03-2014 (₹ in Lakhs)	31-03-2013 (₹ in Lakhs)
Total Revenue	99,266.30	94,074.92
Profit before Interest, Depreciation & Tax	11,681.54	9,379.93
Less : Interest	1,691.03	2,247.52
Depreciation	3,137.12	2,911.22
PROFIT BEFORE TAX	6,853.39	4,221.19
Less : Provisions for Taxation		
Current Income Tax/MAT	1,470.95	796.09
Deferred Tax (Credit/Charge)	(51.98)	57.37
PROFIT AFTER TAX	5,434.42	3,367.73
Add : Balance brought forward	3,187.25	3,004.82
AVAILABLE FOR APPROPRIATION	8,621.67	6,372.55
APPROPRIATIONS:		
1. Dividend on Equity Shares	941.78	588.61
2. Tax on Dividend	160.04	96.70
3. Transfer to General Reserves	4,000.00	2,500.00
4. Balance carried over	3,519.85	3,187.25
Total	8,621.67	6,372.55

PERFORMANCE AND OPERATIONS

The Company has been showing consistently good financial performance both in terms of turnover and profitability. During the year, the Gross Revenue from operations of your Company on standalone basis has increased by 5.52 % at ₹ 51.91 Crores as compared to ₹ 940.74 Crores during previous financial year 2012-13. The Profit before Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation on standalone basis stood at ₹ 6853.39 Lakhs as compared to ₹ 4221.19 Lakhs during previous year.

DIVIDEND

The Board of Directors at its meeting held on 31st October, 2013 declared interim dividend @ ₹ 5/- per Equity Share (50%) on the face value of ₹ 10/- each, which was paid to all shareholders.

We are pleased to recommend a final dividend of 70 % (₹ 7/- per share of face value of ₹ 10/- each for the financial year 2013-14. The final dividend, if approved by the members, will be paid to members within the period stipulated by the Companies Act, 1956.

The aggregate dividend for the year will amount to ₹ 12/- per share on face value of ₹ 10/- each) as against ₹ 7.50 per share of (75 % on the face value of ₹ 10/- each) declared last year.

The total cash outgo for this purpose would be ₹ 1101.82 Lakhs (Previous Year ₹ 685.31 Lakhs), which include Tax on Dividend amounting to ₹ 160.04 Lakhs (Previous year ₹ 96.70 Lakhs)

INCREASE IN AUTHORISED SHARE CAPITAL

In order to facilitate the capitalisation of the General Reserve to the extent of issue of Bonus Shares, the

authorized share capital is being increased from ₹ 12 Crores to ₹ 20 Crores by creation of 80 lakhs Equity Shares of ₹ 10/- each. Necessary resolution for obtaining the approval of shareholders has been incorporated in the proposed Postal Ballot.

BONUS ISSUE

Your Directors recommend an issue of Bonus Shares in the ratio of one Equity Shares of ₹ 10/- each for every one existing Equity Shares of ₹ 10/- each of the Company held by the members on a date to be fixed by the Board, by capitalising a part of General Reserve. The proposed issue of Bonus Shares is subject to the consent of shareholders through the proposed Postal Ballot. The Bonus Shares shall rank pari passu in all respects with the existing fully paid up Equity Shares of the Company, including any dividend that may be declared for the financial year in which the Bonus Shares are allotted. However the Dividend declared for the year ended 31st March, 2014, shall not be applicable on the Bonus Shares.

CONSOLIDATED ACCOUNTS

As required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries for the year ended 31st March, 2014 prepared in accordance with Guidelines of SEBI, forms a part of the Annual Report.

SUBSIDIARY COMPANIES

As on March 31, 2014, the Company has 2 subsidiaries. M/s. BCW V Tech India Private Limited, wholly - owned subsidiary & LGB USA INC

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 forms part of this Annual Report. Information pertaining to performance / Financials of subsidiary Companies is disclosed in the Consolidated Financial Statements.

Pursuant to Section 212(8) of the Companies Act, 1956, the Government of India vide its Circular No. 2/2011 dated 08th February 2011 granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the Balance Sheet and Statement of Profit & Loss and other documents of its Subsidiaries and hence the same have not been attached to your Company's Accounts for the year ended 31st March, 2014.

However these documents will be made available upon request to any investor of the Company and shall be kept for inspection at the Registered Office of the Company.

LISTING

The Securities of your Company are listed with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, and pursuant to Clause 38 of the Listing Agreement, the Annual Listing fees for the year 2014-2015 have been paid to them well before the due date i.e. April 30, 2014. The Company has also paid the annual custodian fees to NSDL & CDSL for the Securities of the Company held in dematerialized mode with them for the year 2014-2015.

PUBLIC DEPOSITS

The amount of fixed deposits available with the Company as on 31st March, 2014 is ₹ 957.25 Lakhs.

There were no failure to make repayment of Fixed Deposits on maturity, on the fulfillment of the terms and conditions of your Company's Scheme.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of the Company, Sri. V. Rajvirdhan is liable to retire by rotation and is eligible for re-appointment

Impending notification of Section 149 and other applicable provisions of the Companies Act, 2013, and Clause 49 (ii) of the Listing Agreement appointment of Independent Directors is required.

Your Directors appointed Dr. T. Balaji as independent Director for five consecutive years from the 09th July, 2014 to 8th July, 2019 as he retired in the ensuing Annual General Meeting and reappointed.

Sri. V. Govindarajulu, Sri. P. Balasubramanian, Sri. P. Shanmugasundaram and Sri. R. Vidhya Shankar Directors of the Company, are being appointed as Independent Directors for five consecutive years from 1st September, 2014 to August 31, 2019 as per provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

A brief resume, expertise, shareholding in the Company and details of other Directorships of these Directors as stipulated under Clause 49 of the Listing Agreement with

the Stock Exchange form part of the Notice of ensuing Annual General Meeting

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act, 1956.

Your directors recommend their appointment / re-appointment.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance together with the Auditors Certificate regarding compliance of the conditions of Corporate Governance, Management Discussion and Analysis statement forms part of the Annual Report.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, an amount of Rs.1.72 Lakhs being unclaimed dividend (2005-06) was transferred during the year to the Investors Education and Protection Fund established by the Central Government.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, your Directors provide the Audited Consolidated Financial Statements in the Annual Report.

AUDITORS

The Statutory Auditors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and the Board recommend the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors and the Company has received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 the Central Government has prescribed Cost Audit for the

Company. Based on recommendations of the audit committee and subject to approval of the Central Government, M/s. GLS & Associates, Cost Accountants, Coimbatore have been appointed as Cost Auditors for the year. The relevant cost audit report for the financial year 2012-13 has been filed within the due date

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

INDUSTRIAL RELATIONS

Your Company firmly believes that people are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and all the units of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is regularly working in the areas of Health Care, Education etc. in discharging of its social obligations.

ADDITIONAL DISCLOSURES

Management Discussion and Analysis Report, Corporate Governance Report, Segment report, and Related Party Disclosures provided elsewhere in the Annual Report form a part of this Report as required under the Listing Agreement entered into with the Stock Exchanges

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

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in a separate annexure, which forms a part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

- ❖ As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state:
- ❖ that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ❖ that appropriate accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date.
- ❖ that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company

and for preventing and detecting fraud and other irregularities; and

- ❖ that the annual accounts have been prepared on going concern basis.

ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation of the customers, suppliers and investors for the support extended. We also gratefully acknowledge the continued assistance and co-operation extended by Government authorities, financial institutions and banks to the Company.

The Directors wish hereby to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whom the growth of the Company is unattainable. Your Directors look forward to the long term future with confidence

Coimbatore
15.05.2014

By Order of the Board
B. VIJAYAKUMAR
Chairman cum Managing Director

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

A. CONSERVATION OF ENERGY

Furnishing of this information in the prescribed format in Form - A is not applicable to the Company. However the Company is making continuous efforts to conserve and optimize energy wherever practicable by economizing on fuel and power

FORM B

1. RESEARCH & DEVELOPMENT		
a)	Specific areas in which R & D is carried out by the Company	a) Timing Chain-Drive chain system. b) Friction Reduction c) Sealed Chains Development
b)	Benefits derived as a result of the above R & D	a) New Business b) Cost Reduction c) Export Oppurtunities
c)	Future plan of Action	To Develop : a) New application of Timing and Drive Systems b) Cost Reduction by new design and learn manufacturing process
d)	Expenditure on R & D	
	i) Capital	₹ 74.43 Lakhs
	ii) Recurring	₹ 292.52 Lakhs
	iii) Total R & D Expenditure	₹ 366.95 Lakhs
	iv) Total R & D expenditure as a % to total Turnover.	0.37%
2. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION		
a)	Efforts, in brief, made towards technology absorption, adaptation and innovation	a) Continuous interaction with chain consultant b) Product benchmarking c) Training
b)	Benefits derived as a results of the above efforts e.g., Product improvement, cost reduction, import substitution etc.	a) Import substitution of chains b) Export of chains
c)	In case of Imported Technology during the last 5 Years reckoned from the beginning of the financial year, following information may be furnished.	
	1) Technology Imported	Silent Chain technology for 4WD application
	2) Year of Import	2009 - 2011
	3) Has technology been fully absorbed	in the phases
	4) If not fully absorbed, areas where this has not taken place reasons therefore and future plan of action.	it is a continuous development

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned through Exports amount to : ₹ 9085.89 Lakhs

Foreign Exchange used : ₹ 6365.18 Lakhs

By Order of the Board

Coimbatore
15.05.2014

B. VIJAYAKUMAR
Chairman cum Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian automobile industry has witnessed a period of sluggish demand for almost three consecutive years with signs of recovery still appearing distant. The automobile sector is cyclical and dependent on the growth of the economy and improvement in infrastructure. Today India's component industry has the capability to manufacture the entire range of auto-components and the industry has emerged as one of the key auto components centres in Asia and is today seen as a significant player in the global automotive supply chain. India is now a supplier of a range of high-value and critical automobile components to global. Over the medium term, however, we expect the auto components industry's revenues to grow at a relatively faster pace than the OEM segment riding on several factors including auto OEMs' growing thrust on localization, auto suppliers' efforts to expand business in new geographies, the strong upside potential to replacement market demand and increasing sophistication of vehicles shoring up part prices.

OPPORTUNITIES

Current challenges on economic front notwithstanding, the mid to long-term economic growth prospects remain bright for India.

The competitive advantage comes from its full service supply capability as well, which makes India a favourable destination. Besides, the quality consciousness of the industry matches the global standards.

The capability to produce the entire range of auto components along with increasing quality standards of the auto component industry has caught the eye of domestic as well as foreign OEMs in past few years, subsequently giving impetus to indigenisation levels at OEMs. OEM demand growth coupled with the growth in indigenisation levels led to the upsurge in demand for domestic auto component industry. Your Company has been strenuously acting now to capture the next wave of growth with low-cost and adequate production capacity with world class technology.

THREATS

The automotive sector is directly dependent on the general economic conditions in both Indian and in other key global markets.

A slowdown in the economy is a serious concern for the automobile segment as the sales are hugely correlated with the economic activity in the country and purchasing capacity of the customers. The other key challenges identified are exposure to cyclical downturns in the automobile industry are rising interest rates, labor costs, price of raw materials, counterfeit market, power problem and depreciating currency.

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The company periodically reviews the adequacy and effectiveness of the control systems.

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

HEALTH, SAFETY, SECURITY ENVIRONMENT

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

HUMAN RESOURCES / INDUSTRIAL RELATIONS

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

employed in the Company as on 31st March 2014 was 4604.

RISK MANAGEMENT

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

Coimbatore
15.05.2014

CAUTIONARY STATEMENT

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

By Order of the Board

B. VIJAYAKUMAR

Chairman cum Managing Director

CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

LGB believes that the Company belongs to all the stakeholders and the corporate objective is to maximize shareholder value ethically and legally.

2. Board of Directors

Your Company's Board has an optimum combination of executive, non-executive and independent directors as per requirements of Clause 49 of the Listing Agreement. The details of composition of the Board of Directors and directorship held in other companies / board committees by each member of the Board of Directors of the Company as on 31st March, 2014 is as under:

Name of the Directors	Category	No of Directorship*	No. of Board Committee Memberships/ Chairmanships held		Attendance Particulars		Relationship interse Directors
			Member	Chairman	Board Meeting	Last AGM	
Sri. B. Vijayakumar Chairman Cum Managing Director	Executive Promoter	10	4	-	4	Yes	Father of Smt. Rajsri Vijayakumar & Sri. V. Rajvirdhan
Sri. P. Prabakaran Deputy Managing Director	Executive	5	-	-	4	Yes	
Smt. Rajsri Vijayakumar	Non-Executive Promoter	3	-	-	2	No	Daughter of Sri. B. Vijayakumar & Sister of Sri. V. Rajvirdhan
Sri. V. Rajvirdhan	Non-Executive Promoter	6	1	-	4	Yes	Son of Sri. B. Vijayakumar & Brother of Smt. Rajsri Vijayakumar
Sri. S. Sivakumar	Non-Executive Non-Independent	6	-	-	4	Yes	
Sri. P. Balasubramanian	Non- Executive Independent	1	2	-	4	Yes	
Dr. T. Balaji	Non-Executive Independent	3	-	-	3	No	
Sri. V. Govindarajulu	Non- Executive Independent	1	2	1	4	Yes	
Sri. P. Shanmugasundaram	Non- Executive Independent	2	-	2	4	Yes	
Sri. R. Vidhya Shankar	Non- Executive Independent	2	1	3	3	No	

* Exclude Directorship in Private Companies and Foreign Companies.

Details of the Board meetings held during the financial year 2013 - 2014

During the year, 4 (Four) Meetings of the Board of Directors of the Company were held on 30th April 2013, 06th August, 2013, 31st October, 2013, and 30th January, 2014.

3. Audit Committee

The terms of reference of this committee has been mandated with the same as specified in Clause 49 of the Listing Agreement with Stock Exchange and also with the requirement of Section 292 A of the Companies Act, 1956.

Meetings

During the financial year ended 31st March 2014, four Audit Committee Meetings were held on 29th April, 2013, 05th August, 2013, 30th October, 2013 and 29th January, 2014. All members were present at these meetings.

The composition of the Audit Committee and the details of meetings attended by the Members are as follows:

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

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

Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Audit Committee and the Company Secretary officiates as the Secretary of the Committee.

The audited quarterly results, annual audit plan, compliance with accounting standards, audit observations on the Annual Accounts and other related matters are discussed by the Audit Committee. The significant observations of the Internal Audit Department and the follow-up action on matters raised are also reviewed by the Committee.

The Audit Committee has considered and reviewed the quarterly audited accounts & annual accounts for the year 2013-2014 and recommended to the Board for its adoption.

4. Remuneration Committee

A Remuneration Committee has been constituted by the Board of Directors to review and/or determine the remuneration package of the executive Directors of the Company in accordance with the guidelines laid out by the statute and the listing agreement with the Stock Exchanges. The Composition of Committee is given below:-

The following Directors are the members of the Remuneration Committee:

Name of the Member	Category	Designation
Sri. R. Vidhya Shankar	Independent	Chairman
Sri. P. Balasubramanian	Independent	Member
Sri. V. Govindarajulu	Independent	Member

The Committee has no need to meet during the financial year.

The Company currently does not have any stock option scheme.

Details of Remuneration paid to Directors during the financial year 2013-2014

a) Remuneration paid/payable to the Executive Directors for the financial year ended March 31, 2014 is given as under :

Name	Salary and perquisites ₹ in Lakhs	Service Contract
Sri. B. Vijayakumar, Chairman cum Managing Director	197.33	Re-appointed for a period of 5 years from 01.01.2010 to 31.12.2014
Sri. P. Prabakaran, Deputy Managing Director	54.05	Appointed for a period of 5 years from 01.06.2011 to 31.05.2016

Remuneration includes salary, Company's contribution to Provident Fund, commission.

b) Remuneration paid/payable to the Non-Executive Directors for the financial year ended March 31, 2014 is given as under

The Non-Executive Directors were not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and / or Committees thereof. The details of the sitting fees paid to the Non-Executive Directors are as under:

Name of the Directors	Sitting Fees (₹)
Sri. P. Balasubramanian	115,000
Sri. S. Sivakumar	60,000
Sri. V. Govindarajulu	115,000
Sri. P. Shanmugasundaram	115,000
Dr. T. Balaji	45,000
Sri. V. Rajvirdhan	60,000
Smt. Rajsri Vijayakumar	30,000
Sri. R. Vidhya Shankar	45,000
Total	585,000

c) Statement showing number of Equity Shares of ₹ 10/- each of the Company held by the present Non-Executive Directors as on March 31,2014:

Name	No. of shares held (as on 31.03.2014)	% of Holding
Smt. Rajsri Vijayakumar	5,444,788	6.940
Sri. V. Rajvirdhan	1,099,293	14.010
Dr. T. Balaji	400	0.000
Sri. P. Balasubramanian	1,000	0.010
Sri. S. Sivakumar	642	0.008
Sri. V. Govindarajulu	Nil	-
Sri. P. Shanmugasundaram	Nil	-
Sri. R. Vidhya Shankar	Nil	-

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

5. Shareholders' / Investors' Grievance Committee:

The Shareholders and Investors Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. The committee also approves transfer, transmission, transposition, consolidation, split, name deletion, and issue of duplicate share certificates of the equity shares of the Company.

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

The Shareholders'/Investors' Grievance Committee consists of the following Directors.

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

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

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

The Company has been receiving various correspondences from shareholders and required information/documents are furnished immediately to the satisfaction of shareholders. At the beginning of the year, no complaint was pending. During the year ended 31st March, 2014, the Company received one complaint from an investor and replied to the satisfaction of the investor. No investor complaint was pending on 31st March 2014.

Unclaimed Suspense Account

As per SEBI's circular CIR/CFD/DIL/10/2010 dated December 16, 2010 read with Clause 5A of the Listing Agreement, the Company has opened Unclaimed Suspense Account, i.e. "L.G.Balakrishnan & Bros Limited - Unclaimed Suspense Account" with Kotak Securities Limited and the unclaimed 24,865 Equity Shares of the Company belonging to 276 Members are lying with the Company have been dematerialized and credited to L.G. Balakrishnan & Bros Limited - Unclaimed Suspense Account.

Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL), Central Depository Services (India) Ltd. (CDSL) and in physical form with the total number of paid-up/listed capital. The audit confirms that the total paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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 3 AGM are given as under

Year	Date	Time	Venue
2011	15.06.2011	10.45 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18
2012	09.07.2012	10.15 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18
2013	08.08.2013	10.15 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18

No special resolutions was passed at the Annual General Meeting

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

No special resolutions were put through postal ballot last year. During the year the Company proposed to pass Special Resolutions by Postal Ballot.

8. Disclosures

(i) Related Party Transactions

In terms of the Accounting Standard - 18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Notes to the Accounts forming part of this Annual Report.

The Company has not had any transactions of material nature with the Directors and / or their relatives, promoters, management during the year ended on March, 31, 2014 that may have conflict with the interests of the Company.

(ii) Compliances by the Company

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines of SEBI, No Penalties have been levied or strictures have been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets, in the last three years.

(iii) Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is posted on the website of the Company.

(iv) CEO / CFO certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49 (V) of the Listing Agreement and the certificate forms part of Annual Report.

The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the Agreement.

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under clause 49 of the listing agreement.

Company has a Remuneration Committee comprises of three Non-executive Directors.

9. Whistle Blower Policy

The Company does not have any Whistle Blower Policy. However any employee, if he/she so desires, would have free access to meet Senior Level Management and Report any matter of concern.

10. Means of Communication

(i) Quarterly and Half-yearly financial results

The Quarterly, Half yearly and Annual Results of the Company are available on the website of the Company www.lgb.co.in. The hard and soft copies are also sent to concerned stock exchanges immediately after they are approved by the Board so as to enable them to put them on their notice board/ website and also published in one widely circulated English Newspaper (Financial Express) and a Vernacular (Tamil) Newspaper (Malaimalar). The Company has a dedicated help desk with email ID: secretarial@lgb.co.in in the Secretarial Department for providing necessary information to the investors.

(ii) Official News Releases

Official news releases are made whenever it is considered necessary

(iii) The presentation made to institutional investors or to the analysts

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

11. Shareholder Information

1. Annual General Meeting is proposed to be held at 10.30 A.M. on Wednesday the 9th July, 2014 at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018.

2. Financial Calendar

Financial Year : April to March

For the year ended 31st March 2014, results were announced on 15.05.2014.

Financial Year - 2014-2015

- Quarter ending June 30, 2014 - End of July 2014*
- Quarter ending September 30, 2014 - End of October 2014*
- Quarter ending December 31, 2014 - End of January 2015*
- Year ending 31-03-2015 - End of April or May 2015*

* Tentative

3. Date of Book Closure - Will be intimated separately to the Stock Exchanges and published in the News paper
4. Dividend payment date - 20th July, 2014.
5. a) Listing on Stock Exchanges - Bombay Stock Exchange Ltd.
The National Stock Exchange of India Ltd.
- b) Securities Code - Bombay Stock Exchange Ltd. Equity 500250
- The National Stock Exchange of India Ltd. - LGBBROSLTD
- c) The International Security Identification Number (ISIN) - INE337A01034

The Company has paid the Listing Fees for the year 2014 - 2015 to the above Stock Exchanges.

6. Stock market price data for the year 2013-2014

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

	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2013	204.00	171.00	206.00	181.00
May	199.95	184.50	199.00	185.10
June	192.95	171.25	195.00	171.20
July	180.00	160.10	180.00	161.40
August	170.00	150.00	169.90	160.00
September	175.00	155.00	176.00	158.05
October	195.00	165.05	212.00	176.00
November	240.00	210.15	234.90	210.10
December	258.05	210.00	261.00	216.00
January - 2014	320.00	257.05	301.00	255.00
February	338.00	281.00	334.95	280.00
March	417.90	309.00	418.00	309.80

Distribution of Shareholding as on 31st March, 2014

Range	No. of Holders	No. of Shares (Face Value ₹ 10/-)	% of Shares
1 - 100	11,101	408,648	5.21
101 - 500	2,371	572,102	7.29
501 - 1000	438	331,347	4.22
1001 - 2000	242	352,055	4.49
2001 - 3000	82	204,176	2.60
3001 - 4000	59	203,964	2.60
4001 - 5000	31	141,919	1.81
5001 - 10000	50	345,638	4.40
10001 - and above	43	5,288,255	67.38
Total	14,417	7,848,104	100.00

Pattern of Shareholding as on 31st March 2014

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and promoters group	17	3,586,948	45.70
2	Mutual Funds / UTI	1	410,000	5.22
3	Financial Institutions, Banks	2	1,602	0.02
4	Foreign Institutional Investors/NRI/OCB	112	39,388	0.51
5	Bodies Corporate	270	272,680	3.47
6	Public	14,015	3,537,486	45.08
	Total	14,417	7,848,104	100.00

Dematerialization of Shares as on 31st March, 2014.

The Equity Shares of the Company are compulsorily traded in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

Demat & Physical Shares

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	6,122,111	78.01
Central Depository Services (India) Limited	746,194	9.51
Physical	979,799	12.48
Total	7,848,104	100.00

Registrar & Transfer Agents

(For share transfers and other communication relating to share certificates, Dividend and change of address)

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

Compliance Officer's Details

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

In order to facilitate investor servicing, the Company has designated an e-mail-id: secretarial@lgb.co.in mainly for registering complaints by investors.

Share Transfer System

The Shares transfers are registered and returned within a period of 15 days of receipt if documents are in order. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL within 4 working days. The share transfers are approved by the Share Transfer Committee which meets as and when required.

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

12. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March, 2014

- The Company's Chairman cum Managing Director's declaration to this effect forms a part of this report.

13. Code for Prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors / officers / designated employees. The Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

14. Address for Correspondence

All correspondences should be addressed to

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

15. DECLARATION ON CODE OF CONDUCT

To

The Members of L.G. Balakrishnan & Bros Limited

In accordance with Clause 49 sub-clause I (D) of The Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel including myself, have affirmed compliance to their respective Codes of Conduct, as applicable for the Financial Year ended 31st March, 2014.

Place: Coimbatore
Date: 15.05.2014

B. VIJAYAKUMAR
Chairman cum Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by M/s.L.G.Balakrishnan & Bros Limited for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors' Relation Committee.

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

Coimbatore
15.05.2014

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

CERTIFICATION BY CHAIRMAN CUM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We, B.Vijayakumar, Chairman Cum Managing Director, and N.Rengaraj, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- a) we have reviewed the financial statements and cash flow statement for the year ended March, 31, 2014 and to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March, 31, 2014 are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) we have indicated to the Auditors and Audit Committee that :
 - (i) there have not been any significant changes in internal controls over financial reporting during the year ended March, 31, 2014;
 - (ii) there have not been any significant changes in accounting policies during the year ended March, 31, 2014 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there has not been any instance during the year ended March, 31, 2014 of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Coimbatore
15.05.2014

N. RENGARAJ
Chief Financial Officer

B. VIJAYAKUMAR
Chairman cum Managing Director

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

Report on the Financial Statements

We have audited the accompanying financial statements of **L.G.BALAKRISHNAN & BROS LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March , 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (“the Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit/loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

Coimbatore
15.05.2014

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

C.R. RAJAGOPAL
Membership No.23418
Partner

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'

Section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses 4(xiii), 4(xiv) and 4(xx) are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (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 were 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.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has not granted any loans during the year. At the year-end, the outstanding balances of loans granted in the previous year aggregated ₹ 2.44 Lakhs (number of party one) and the maximum amount outstanding during the year was ₹ 123.48 Lakhs (number of party one).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
 - (d) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has taken loans aggregating ₹ 2408 Lakhs from Eleven parties (11) during the year. At the year-end, the outstanding balances of such loans taken aggregated ₹ 695.00 lakhs (number of parties Eleven) and the maximum amount involved during the year was ₹ 1850.00 Lakhs (number of parties 11).

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- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
- (c) The payments of principal amounts and interest in respect of such loans are regular/ as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of ₹ 5 lakhs in respect of any party, having regard to our comments in paragraph (iv) above, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
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(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of statute	Nature of the disputes	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in lakhs)
Central Excise	Differential duty	CESTAT Chennai	2006 - 07 2007 - 08	41.73
	ED - Transfer of Division	CESTAT Chennai	2009 - 10	347.72
	Purchase of machines against CT3 Form	CESTAT Chennai	2006	2.60
	MRP valuation	CESTAT Chennai	2006	30.86
	Discount to wholesale dealers	CESTAT Chennai	2000 - 2002	5.49
Finance Act, 1994	Service Tax Credit on GTA and windmill	CESTAT, Chennai	Various periods	15.73
Finance Act, 1994	Service Tax on import of services	Hon'ble Supreme Court	Various periods	5.07
Finance Act, 1994 & Central Excise Act	Rebate claim for export done on payment of duty	CESTAT, Chennai	Various periods	107.06
Finance Act, 1994	Service Tax on Machinery leasing	Commissioner (Appeals) Service Tax	2007 - 08	0.61
Central Excise Act	Classification and Interpretation	Commissioner (Appeals) Excise	Various Periods	3.34
Tamil Nadu Tax on Entry of Motor Vehicles into Local Areas Act, 1990.	Entry Tax	High Court of Madras (Stayed by the High Court)	2007 - 08	408.36
Tamil Nadu General Sales Tax Act	Assesment Matters	High Court of Madras (Stayed by the High Court)	2002 - 03	43.94
Tamil Nadu General Sales Tax Act	Difference Duty	High Court of Madras (Stayed by the High Court)	2002 - 03	206.60
Tamil Nadu General Sales Tax Act	Turnover Difference Rate and Classification differences	Tamil Nadu Sales Tax Tribunal at various locations	2006 - 07	1.05
			2010 - 11	4.86
Karnataka Entry tax	Entry tax	Karnataka Appellate Tribunal	2005 - 06	19.93
West Bengal	VAT	Sr. Jt. CCT Sales Tax Dept.	2005 - 06	11.12
Maharashtra	VAT	Sales Tax Department.	2005 - 06	2.31
				1,258.38

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- (xi) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 - (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
 - (xiii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
 - (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
 - (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long- term investment.
 - (xvii) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - (xviii) During the year covered by our audit report, the Company has not issued any debentures.
 - (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

C.R. RAJAGOPAL
Membership No.23418
Partner

Coimbatore
15.05.2014

BALANCE SHEET AS AT 31.03.2014

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	784.81	784.81
(b) Reserves and surplus	4	29,289.37	24,956.78
		<u>30,074.18</u>	<u>25,741.59</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	5,329.30	8,254.62
(b) Deferred tax liabilities (net)	27.7	1,777.56	1,829.54
		<u>7,106.86</u>	<u>10,084.16</u>
3 Current liabilities			
(a) Short-term borrowings	6	5,004.63	4,138.97
(b) Trade payables	7	13,594.59	11,040.41
(c) Other current liabilities	8	6,813.36	7,043.11
(d) Short-term provisions	9	642.73	183.64
		<u>26,055.31</u>	<u>22,406.13</u>
TOTAL		<u>63,236.35</u>	<u>58,231.88</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.a	21,807.77	20,017.00
(ii) Intangible assets	10.b	297.30	287.25
(iii) Capital work-in-progress		904.03	349.28
(b) Non-current investments	11	3,566.33	3,399.88
(c) Long-term loans and advances	12	2,833.85	2,092.63
(d) Other non-current assets	13	37.83	39.92
		<u>29,447.11</u>	<u>26,185.96</u>
2 Current assets			
(a) Current investments	14	-	46.00
(b) Inventories	15	19,456.17	18,336.96
(c) Trade receivables	16	12,511.06	11,010.75
(d) Cash and cash equivalents	17	514.41	583.41
(e) Short-term loans and advances	18	1,272.92	1,864.17
(f) Other current assets	19	34.68	204.63
		<u>33,789.24</u>	<u>32,045.92</u>
TOTAL		<u>63,236.35</u>	<u>58,231.88</u>

Corporate information and Significant Accounting policies 1 & 2

See accompanying notes forming part of the financial statements 3 - 29

"In terms of our report attached"

For DELOITTE HASKINS & SELLS

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

15.05.2014

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

P. PRABAKARAN

Deputy Managing Director

N. RENGARAJ

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014 (₹ in Lakhs)

Particulars	Note No.	For the Year ended 31.03.2014	For the Year ended 31.03.2013
A. CONTINUING OPERATIONS			
1 Revenue from operations (gross)	20	108,478.97	102,125.78
Less : Excise duty	20	9,686.70	8,463.31
Revenue from operations (net)		98,792.27	93,662.47
2 Other income	21	474.03	412.45
3 Total revenue (1 + 2)		99,266.30	94,074.92
4 Expenses:			
(a) Cost of materials consumed	22 a	41,526.45	35,892.56
(b) Purchases of stock-in-trade (traded goods)	22 b	7,173.91	13,380.37
(c) Changes in inventories of finished goods, wip and stock-in-trade	22 c	(382.21)	990.21
(d) Employee benefits expense	23	11,511.42	9,648.33
(e) Finance costs	24	1,691.03	2,247.52
(f) Depreciation and amortisation expense	10 c	3,137.12	2,911.22
(g) Other expenses	25	27,755.19	24,783.52
Total Expenses		92,412.91	89,853.73
5 Profit/(Loss) before exceptional and extraordinary items and tax (3-4)		6,853.39	4,221.19
6 Exceptional items		-	-
7 Profit/(Loss) before extraordinary items and tax (5-6)		6,853.39	4,221.19
8 Extraordinary Items		-	-
9 Profit/(Loss) before tax (7-8)		6,853.39	4,221.19
10 Tax expense/(benefit):			
(a) Current tax/Mat tax expense		1,569.36	843.28
Less: Mat Credit Entitlement		-	47.19
		1,569.36	796.09
(b) Mat Credit related prior year		(98.41)	-
(c) Net current tax expense		1,470.95	796.09
(d) Deferred tax		(51.98)	57.37
11 Profit/(Loss) for the year from continuing operations (9-10)		5,434.42	3,367.73
B. DISCONTINUING OPERATIONS			
12 i Profit/(Loss) for the year from discontinuing operations (before tax)		-	-
12 ii Less: Tax expense of discontinuing operations		-	-
13 Profit/(Loss) from discontinuing operations (12.i - 12.ii)		-	-
C. TOTAL OPERATIONS			
14 Profit/(Loss) for the year (11 + 13)		5,434.42	3,367.73
15 Earnings per share (of ₹10/- each)			
(a) Basic			
(i) Continuing operations	2.18	69.25	42.91
(ii) Total operations	2.18	69.25	42.91
(b) Diluted			
(i) Continuing operations	2.18	69.25	42.91
(ii) Total operations	2.18	69.25	42.91

Corporate information and Significant Accounting policies 1 & 2

See accompanying notes forming part of the financial statements 3-29

"In terms of our report attached"

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

15.05.2014

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

P. PRABAKARAN

Deputy Managing Director

N. RENGARAJ

Chief Financial Officer

Notes forming part of the financial statements

1 Corporate Information

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to

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

2.3 Inventories

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

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

2.4 Cash and cash equivalents (for the purpose of Cash Flow Statement)

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

2.5 Cash Flow Statement

Cashflows are reported using the indirect method, whereby profit/ (loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The

cash flows from operating, investing and financing Activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation Depreciation on Plant and Machinery, Motor Cars, Trucks and Vans has been provided on straight-line method at the rates specified in the Schedule XIV of the Companies Act, 1956.

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

Depreciation in respect of other assets has been provided on written down value basis as per the rates specified in Schedule XIV of the Companies Act, 1956.

Development cost in respect of estate property is written off over a period of five years.

Individual assets whose actual cost does not exceed ₹ 5,000/- are fully depreciated in the year of purchase.

Based on technical opinion, windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

Leasehold Land are amortized over the duration of the lease.

Policy for amortization of Intangibles:

Intangible assets are amortized over their useful life as follows:

Technical knowhow - 10 years

Computer software - 2-3 years

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year.

2.7 Revenue recognition

Sale of goods:

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

Income from Service:

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

Export Incentive

Export incentive under various schemes notified by the Government has been recognised on the basis of Export of goods and after receipt of licence.

2.8 Other income

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

2.9 Tangible fixed assets:

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

Capital work-in-progress:

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

2.10. Intangible assets:

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

2.11 Foreign currency transactions and translations

Foreign exchange transactions are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities

denominated in foreign currency and outstanding at the year-end are reinstated at the year-end exchange rates. All foreign exchange gains and losses are taken to Statement of Profit & Loss. Net investments in non-integral foreign operations are carried at historical cost.

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

2.12 Government grants and subsidies.

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

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

2.13 Investments

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

2.14 Employee benefits

(a) Short-term:

Short-term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Leave encashment benefit is paid annually and charged to the respective period.

(b) Post retirement:

Post Retirement Benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted for as follows:

i) Provident Fund (Government PF)

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

ii) Superannuation Fund

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

iii) Gratuity Fund

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

2.15 Borrowing cost

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

2.16 Segment reporting

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

2.17 Leases

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

2.18 Earnings per share

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

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

2.19 Taxes on income

Current tax is determined on the taxable income for the year as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences,

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

2.20 Research and development expenses

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

2.21 Impairment of assets

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

2.22 Provisions, contingent liabilities and contingent assets

A Provision is recognized, in terms of Accounting Standard 29 - ‘Provisions, Contingent Liabilities and Contingent Assets’ notified by the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be reliably estimated.

Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

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

Contingent Assets are not recognised in the financial statements.

2.23 Service tax input credit

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

2.24 Operating Cycle

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
3 SHARE CAPITAL				
(a) Authorised				
Equity Shares of ₹10/- each with voting rights	12,000,000	1,200.00	12,000,000	1,200.00
	12,000,000	1,200.00	12,000,000	1,200.00
(b) Issued				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
	7,848,104	784.81	7,848,104	784.81
(c) Subscribed and fully paid-up				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
Total	7,848,104	784.81	7,848,104	784.81

Notes:

3 (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/ ESOP	Conversion/ Buyback	Closing balance
Equity Shares with voting rights					
Year ended 31st March, 2014					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81
Year ended 31st March, 2013					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81

Notes forming part of the financial statements

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

Sl. No.	Name of the Shareholder	As at 31 March 2014		As at 31 March 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Equity Shares with voting rights				
1.	B. Vijayakumar	1,170,000	14.91	1,003,000	12.78
2.	V. Rajvirdhan	1,099,293	14.01	976,293	12.44
3.	V. Rajsri	544,788	6.94	444,788	5.66
4.	Relience Capital Trustee Co. Ltd A/c. Relience Small Cap	410,000	5.22	-	-
5.	Elgi Automotive Services (P) Limited	20,000	0.25	410,000	5.22
6.	L.G.B. Educational Foundation	387,564	4.94	481,564	6.14
7.	International Finance Corporation	-	-	551,069	7.02
	Particulars	As at 31.03.2014 ₹ in lakhs		As at 31.03.2013 ₹ in lakhs	
4	RESERVES AND SURPLUS				
	(a) Capital Reserve				
	Opening balance		30.00		30.00
	Add: Capital subsidy for investment in Pantnagar		-		-
	Closing balance		30.00		30.00
	(b) Securities premium account:				
	Opening balance		3,100.61		3,100.61
	Closing balance		3,100.61		3,100.61
	(c) Revaluation reserve (Land)				
	Opening balance		138.91		138.91
	(On account of acquisition of M/s.L.G.B.Industries Limited in 1998)				
	Closing balance		138.91		138.91
	(d) General reserve				
	Opening balance		18,500.00		16,000.00
	Add: Transfer from surplus in Statement of Profit and Loss		4,000.00		2,500.00
	Closing balance		22,500.00		18,500.00
	e) Surplus/(Deficit) in Statement of Profit and Loss				
	Opening balance		3,187.25		3,004.83
	Add : Profit/(Loss) for the year		5,434.42		3,367.73
	Less : Interim Dividend		392.41		431.65
	Dividend proposed to be distributed to equity shareholders (₹ 7.00 per Share: Previous Year ₹ 2.00 per Share)		549.37		156.96
	Tax on Dividend		160.04		96.70
	Transferred to General reserve		4,000.00		2,500.00
	Closing balance		3,519.85		3,187.25
	Total		29,289.37		24,956.78

Notes forming part of the financial statements

Particulars	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
5 LONG-TERM BORROWINGS		
(a) Term Loans		
From Banks		
Secured	4,875.00	7,449.62
(b) Fixed Deposits:		
From other parties		
Unsecured	88.55	106.00
From related parties		
Unsecured	365.75	699.00
Total	5,329.30	8,254.62

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

- Term Loans from banks are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Annur Unit, Vaiyampalayam Unit, Mysore Unit, Windmill Unit, Fine Products Division, Chakkan Plant and Jalna Plant.
- Interest rate relating to Term Loan from banks is in the range of 11.75% to 12.50%

5 (ii) Repayment schedule

₹ in lakhs

Particulars	As at 31.03.2014		As at 31.03.2013	
	Secured	Unsecured	Secured	unsecured
a) Term loan from banks:				
Axis Bank	-	-	2,449.62	-
(Term of repayment : Repayable in 20 quarterly installments of ₹ 350 Lakhs from March'10)				
ICICI Bank	4,875.00	-	5,000.00	-
(Term of repayment : Repayable in 20 quarterly installments of ₹ 375 Lakhs from July'14)				
Total - Term loans from banks	4,875.00	-	7,449.62	-
(b) Fixed Deposits:				
From other parties		88.55		106.00
Total - deposits from others		88.55		106.00
From related parties				
M/s. LG Farm Products (P) Limited		-		40.00
M/s. Elgi Automotive Services (P) Limited		60.00		80.00
M/s. L.G.B. Auto Products (P) Limited		75.00		75.00
M/s. LGB Rolon Chain Limited		-		5.00
Minor. Samriddhi Andal Rajiv		141.00		142.00
Minor. Vidhur Narayanan Rajiv		88.00		122.00
Mr. Rajvirdhan V		-		40.00
Mr. Vijayakumar B		-		130.00

Notes forming part of the financial statements

5 (ii) Repayment schedule (Contd.)

₹ in lakhs

Particulars	Secured	As at 31.03.2014		As at 31.03.2013	
		Unsecured	Secured	Unsecured	Secured
From related parties (contd.)					
Mrs. Rajsri V		-		40.00	
Super Transports Private Limited		-		25.00	
Rolon Fine Blank Limited		1.75		-	
Total - deposits from related parties		365.75		699.00	
Total - Long-term borrowings	4,875.00	454.30	7,449.62	805.00	

5 (iii) a. There was no default in the repayment of the loans and interest during the year

b. Interest rate relating to Fixed Deposits is in the range of 9.5% to 11.00%

Particulars	Secured	As at 31.03.2014		As at 31.03.2013	
		Unsecured	Secured	Unsecured	Secured
6 SHORT-TERM BORROWINGS					
(a) Loan repayable on demand					
From banks - Secured / Unsecured	2,309.63	1,000.00	1,882.64	1,023.33	
(b) From Financial Institutions - Unsecured		1,000.00		500.00	
(c) Loan from related parties - Unsecured		-		240.00	
(d) Loan from Directors - Unsecured		240.00		191.00	
(e) Loan from Inter corporates - Unsecured		455.00		302.00	
	2,309.63	2,695.00	1,882.64	2,256.33	

Notes

6 (i) Details of security for short-term borrowings:

a. Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company

b. Interest rate relating to Short Term Borrowings from Banks is in the range of 7.50% to 13.25%

Particulars	Secured	As at 31.03.2014		As at 31.03.2013	
		Unsecured	Secured	Unsecured	Secured
Loan from Financial Institution					
Andhra Bank	-		(6.59)		
Axis Bank	(7.12)		(13.49)		
Bank of Nov Scotia	1,500.00		1,500.00		
Corporation Bank	256.82		10.02		
HDFC Bank	(262.93)		50.33		
ICICI Bank	423.52		65.88		
IndusInd Bank	(14.00)		(12.71)		
Industrial Development Bank of India	417.66		299.61		
Union Bank of India	(4.32)		(3.98)		
Bnp Paribas	-		(6.43)		
HSBC Ltd		1,000.00		1,000.00	
Axis Bank		-		23.33	
Total - Loan from banks	2,309.63	1000.00	1,882.64	1,023.33	

Notes forming part of the financial statements

(₹ in lakhs)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Secured	Unsecured	Secured	Unsecured
Notes				
6 (i) (Contd.)				
Loan from Financial Institution				
Bajaj Finance Limited		1,000.00		500.00
Loan from related parties				
Rajiv Parthasarathy		-		200.00
B. Sarojini		-		40.00
Total - Loan from related parties		-		240.00
Loan from Directors				
B. Vijayakumar		186.00		175.00
V. Rajvirdhan		6.00		16.00
V. Rajsri		48.00		-
Total - Loan from Directors		240.00		191.00
Loan from Inter Corporates				
Tribe Investments and Services Private Limited		50.00		200.00
L.G.Farm Products (P) Limited		20.00		15.00
Elgi Automotive Services (P) Limited		190.00		29.00
L.G.B.Auto Products (P) Limited		85.00		58.00
L.G. Sports Limited		25.00		-
Super Speeds (P) Limited		85.00		-
Total - Loan from inter corporates		455.00		302.00
Total - Short-term borrowings	2,309.63	2,695.00	2,882.64	1,256.33

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

Particulars	As at 31.03.2014 (₹ in lakhs)		As at 31.03.2013 (₹ in lakhs)	
	7 TRADE PAYABLES			
Other than acceptances (Refer Note No. 26.2)		13,594.59		11,040.41
Total		13,594.59		11,040.41

8 OTHER CURRENT LIABILITIES				
(a) Current maturities of long-term debt		1,977.95		2,442.14
(b) Interest accrued but not due on secured loans		9.90		7.16
(c) Interest accrued but not due on Unsecured loans		88.69		33.68
(d) Unpaid bond interest		0.39		0.43
(e) Unclaimed Dividends		47.54		45.11

Notes forming part of the financial statements

Particulars	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
8 OTHER CURRENT LIABILITIES (CONTD.)		
(f) Other payables:		
(i) Statutory remittances	697.50	785.75
(ii) Payable on purchase of fixed assets	318.12	588.64
(iii) Interest accrued on deposits from customers	28.09	24.20
(iv) Advance and deposits from customers etc.,	1,038.92	1,166.64
(v) Liability for expenses	2,606.26	1,949.36
Total	6,813.36	7,043.11
Note :		
8 (i) Current maturities of Long-term debt:		
Refer Note 5(i) for the details of Securities, Guarantee and repayment terms etc.,		
Term Loan		
From Banks		
Secured		
Axis Bank Ltd.	350.00	1,400.00
The Bank of Nova Scotia	-	857.14
ICICI Bank Ltd	1,125.00	-
Total - Term Loan from banks	<u>1,475.00</u>	<u>2,257.14</u>
Fixed Deposits:		
From Related		
Unsecured		
L.G. Farm Products Private Limited	40.00	-
Elgi Automotive Services Private Limited	20.00	-
L.G.B. Rolon Chain Limited	5.00	-
Minor. Samriddhi Andal Rajiv	49.00	-
Minor. Vidhur Narayanan Rajiv	82.00	-
Rajvirdhan V	40.00	40.00
Vijayakumar B	130.00	100.00
Rajsri V	40.00	30.00
Super Transports Private Limited	25.00	1.75
Total - from related parties	<u>431.00</u>	<u>171.75</u>
From others		
Unsecured	71.95	13.25
Total - deposit from others	<u>71.95</u>	<u>13.25</u>
Total - Current maturities of Long-term debt	1,977.95	2,442.14
9 SHORT-TERM PROVISIONS		
(a) Provision - others:		
(i) Provision for proposed equity Dividend	549.37	156.96
(ii) Provision for tax on proposed equity Dividend	93.36	26.68
Total	642.73	183.64

Notes forming part of the financial statements												₹ in Lakhs	
10. FIXED ASSETS												NET BLOCK	
GROSS BLOCK												ACCUMULATED DEPRECIATION AND IMPAIRMENT	
Description of Assets	Balance as at 1 April, 2013	Additions	Disposals	Other Adjustments	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation / amortisation expense for the year	Eliminated on Disposal of Assets	Other Adjustments	Balance as at 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013	
A. TANGIBLE ASSETS													
(a) Land													
Free Hold	1476.22 (963.10)	580.50 (513.12)	- (-)	- (-)	2056.72 (1476.22)	- (-)	- (-)	- (-)	- (-)	- (-)	2056.72 (1476.22)	1476.22 (963.10)	
Lease Hold	198.78 (198.78)	335.53 (-)	- (-)	- (-)	534.31 (198.78)	13.56 (11.35)	4.12 (2.21)	0.00 (-)	- (-)	17.68 (13.56)	516.63 (185.22)	185.22 (187.43)	
(b) Buildings													
Own use	3535.97 (3379.70)	966.05 (156.27)	40.45 (-)	526.05 (-)	4987.62 (3535.97)	1743.55 (1565.19)	265.51 (178.36)	13.42 (-)	121.43 (-)	2117.07 (1,743.55)	2870.55 (1792.42)	1792.42 (1814.51)	
Given under operating Lease	533.44 (559.20)	- (-)	- (25.76)	(526.05) (-)	7.39 (533.44)	123.57 (85.52)	0.26 (46.16)	- (8.11)	(121.43) (-)	2.40 (123.57)	4.99 (409.87)	409.87 (473.68)	
(c) Plant and Equipment													
Owned	30100.25 (27001.69)	2759.91 (3134.18)	93.51 (35.62)	20.62 (-)	32787.27 (30100.25)	15069.47 (12736.03)	2523.50 (2351.27)	61.69 (17.83)	23.09 (-)	17508.19 (15069.47)	15279.08 (15030.78)	15030.78 (14233.78)	
Given under operating Lease	223.08 (235.27)	28.33 (-)	- (12.19)	(20.62) (-)	230.79 (223.08)	197.42 (198.93)	11.07 (10.62)	- (12.13)	(23.09) (-)	231.58 (197.42)	(0.79) (25.66)	25.66 (68.22)	
(d) Furniture and Fixtures													
Owned	251.68 (224.77)	24.31 (29.23)	1.10 (2.32)	- (-)	274.89 (251.68)	177.31 (157.60)	20.09 (21.77)	0.88 (2.06)	- (-)	196.52 (177.31)	78.37 (74.37)	74.37 (67.17)	
(e) Vehicles													
Owned	253.29 (225.39)	50.47 (39.69)	33.81 (11.79)	- (-)	269.95 (253.29)	98.97 (83.97)	24.05 (21.39)	17.04 (6.39)	- (-)	105.98 (98.97)	163.97 (154.32)	154.32 (141.42)	
(f) Office equipment													
Owned	120.77 (91.77)	19.15 (31.26)	3.85 (2.26)	- (-)	136.07 (120.77)	45.48 (42.03)	7.89 (4.94)	2.60 (1.49)	- (-)	50.77 (45.48)	85.30 (75.29)	75.29 (49.74)	
(g) Electrical Fittings													
Owned	1289.39 (1181.27)	34.21 (115.22)	1.42 (7.10)	- (-)	1322.18 (1289.39)	771.22 (668.32)	108.91 (108.78)	1.25 (5.88)	- (-)	878.88 (771.22)	443.30 (518.17)	518.17 (512.95)	
(h) Other Assets													
Owned	1087.73 (995.06)	129.53 (96.08)	11.11 (3.41)	- (-)	1206.15 (1087.73)	813.05 (736.88)	94.23 (79.49)	10.78 (3.32)	- (-)	896.50 (813.05)	309.65 (274.68)	274.68 (258.18)	
Total	39070.60 (35056.00)	4927.99 (4115.05)	185.25 (100.45)	- (-)	43813.34 (39070.60)	19053.60 (16285.82)	3059.63 (2824.99)	107.66 (57.21)	- (-)	22005.57 (19053.60)	21807.77 (20017.00)	20017.00 (18770.18)	

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

(₹ in lakhs)

Particulars	As at 31st March 2014				As at 31st March 2013			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
Investments (At Cost)								
A) Trade								
(a) Investment in Equity instruments:								
(i) Subsidiary								
BCW V Tech India Private Limited	4999999	-	499.99	499.99	4999999	-	499.99	499.99
LGB - USA, INC			1244.32	1244.32			1077.87	1077.87
(ii) Associate:								
Renold Chain India Private Limited	10250000		1025.00	1025.00	10250000	-	1025.00	1025.00
(iii) Others:								
Supreme Rubber Reclaimers Ltd	50	0.01		0.01	50	0.01	-	0.01
Bharath Rubber								
Regenerating Co. Ltd	200	-		-	200	-	-	-
Elgi Equipments Ltd	1229706	112.50		112.50	1229706	112.50	-	112.50
LGB Forge Limited	29000000	612.89		612.89	29000000	612.89	-	612.89
Silent Chain India (P) Limited	770		0.15	0.15	770	-	0.15	0.15
LG Farm Products (P) Ltd	10000		1.00	1.00	10000	-	1.00	1.00
Rolon Fine Blank Limited	5000		0.50	0.50	5000	-	0.50	0.50
LGB Rolon Chain Limited	5000		0.50	0.50	5000	-	0.50	0.50
South Western Engineering								
India Limited	537		65.52	65.52	537	-	65.52	65.52
B. Non-trade								
(a) Investment in Equity instruments:								
(i) Others:								
Super Spinning Mills Ltd	10000	0.01		0.01	10000	0.01	-	0.01
Tube Investments of India Ltd	1100	0.01		0.01	1100	0.01	-	0.01
Corporation Bank	2400	1.92		1.92	2400	1.92	-	1.92
Tata Refractory Ltd	5000		2.01	2.01	5000	-	2.01	2.01
Manish Commercial Premises								
Co-operative Society Ltd, Mumbai	5				5	-	-	-
Kaveri Steels Ltd	100				100	-	-	-
		727.34	2838.99	3566.33		727.34	2,672.54	3,399.88

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investments	727.34	727.34
Aggregate market value of the listed and quoted investments	1,706.72	1,374.59
Aggregate value of listed but not quoted investments	-	-
Aggregate value of unquoted investments	2,838.99	2,672.54

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
12 LONG-TERM LOANS AND ADVANCES		
(a) Capital advance		
Unsecured, considered good	1,556.93	849.34
(b) Security and other deposits		
Unsecured, considered good	304.34	355.29
(c) Loans and advances to employees		
Unsecured, considered good	0.12	2.31
(d) Advance income-tax (net of provision ₹ 6037.86 Lakhs) (As at 31.03.2013 ₹ 4666.03 Lakhs)		
Unsecured, considered good	248.92	241.98
(e) Mat credit entitlement		
Unsecured, considered good	300.15	399.27
(f) Other loans and advances		
(i) Advance recoverable		
Unsecured, considered good	124.21	14.14
Unsecured, considered doubtful	-	-
Less: provision for other loans and doubtful advances	-	-
(ii) Rent and other advances		
Unsecured, considered good	299.18	230.30
Total	2,833.85	2,092.63

13 OTHER NON-CURRENT ASSETS

(a) Accruals:		
(i) Interest accrued on Deposits	-	0.18
(ii) Income and claims receivables	37.83	37.83
(b) Others:		
(i) Margin Money with Banks - maturity above 12 months	-	0.87
(ii) Fixed Deposits with Banks - maturity above 12 months	-	1.04
Total	37.83	39.92

14 CURRENT INVESTMENT

	As at 31st March 2014				As at 31st March 2013			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
(a) Investment in Government securities								
(i) National Highways Authority of India Bond	-	-	-	-	460		46.00	46.00

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
15 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	4,086.40	3,867.71
(b) Work-in-progress (Refer Note No. (i))	6,973.97	6,052.11
(c) Finished products (Refer Note No. (ii))	4,361.03	3,960.66
(d) Stock-in-trade (acquired for trading)	1,127.07	1,579.13
Goods in Transit	236.88	724.84
(e) Others		
(i) Packing materials	270.78	173.20
(ii) Stores & spares	1,392.53	1,208.75
(iii) Loose tools	1,007.51	763.19
(iv) Agricultural produce	-	7.37
Total	19,456.17	18,336.96
Notes:		
15(i) Details of inventory of work-in-progress		
Transmission	4,849.47	4,299.51
Metal forming	1,683.81	1,384.77
Others	440.69	367.83
Total	6,973.97	6,052.11
(ii) Details of inventory of finished goods		
Transmission	3,693.03	3,253.14
Metal forming	659.60	637.79
Others	8.40	69.73
Total	4,361.03	3,960.66

16 TRADE RECEIVABLE		
(a) Trade Receivable outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	46.75	115.01
(ii) Unsecured, considered doubtful	92.26	42.52
Less: Provision for doubtful trade receivables	92.26	42.52
-	-	-
(b) Other Trade receivable		
(i) Unsecured, considered good	12,464.31	10,895.74
(ii) Unsecured, considered doubtful	40.21	69.29
Less: Provision for doubtful trade receivables	40.21	69.29
-	-	-
Total	12,511.06	11,010.75
Note:		
16(i) Trade Receivable include debt due from		
Private companies in which any Director is a Director:		
LGB Fuel Systems (P) Limited	0.04	0.09
Super Speeds (P) Limited	0.10	0.11
Silent Chain India (P) Limited	0.11	0.12
Renold Chain India (P) Limited	323.27	275.58
Total	323.52	275.90

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
17 CASH AND CASH EQUIVALENTS		
(a) Cash- on- Hand	26.61	38.36
(b) Cheque and Demand Drafts on Hand	2.20	3.80
(c) Balances with Banks		
(i) In Current Account	74.79	94.54
(ii) In Collection Account	298.31	322.34
(iii) In Deposit Account	12.43	-
(iv) In Earmarked Accounts		
Unpaid Dividend Account	47.54	45.11
Unpaid Interest Account	0.39	0.43
(d) Others		
(i) In Fixed Deposits	51.27	68.08
(ii) In Margin money with Banks	0.87	10.75
Total	514.41	583.41
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS3 Cash Flow Statements is {a+b+c}	462.27	504.58

18 SHORT-TERM LOANS AND ADVANCES		
(a) Loans and advances to employees		
Unsecured and considered good	49.49	56.07
(b) Prepaid expenses		
Unsecured and considered good	27.71	33.19
(c) Balance with govt authorities:		
(i) Cenvat credit receivable	413.58	958.15
(ii) Vat credit receivable	161.96	132.14
(iii) Service tax credit receivable	330.41	191.07
(d) Due from subsidiary Company		
Unsecured and considered good	98.95	222.17
(e) Advance recoverable		
Unsecured and considered good	190.82	271.38
Total	1,272.92	1,864.17

19 OTHER CURRENT ASSETS		
(a) Others		
(i) Income and claims receivable	31.16	191.99
(ii) Interest accrued on deposits	3.52	12.64
Total	34.68	204.63

Notes forming part of the financial statements

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
20 REVENUE FROM OPERATIONS		
a) Sale of products (Refer Note (i) below)	102,026.06	96,829.40
b) Sale of services (Refer Note (ii) below)	161.36	130.52
c) Other operating revenue (Refer Note (iii) below)	6,291.55	5,165.86
Revenue from operations (Gross)	108,478.97	102,125.78
Less: Excise duty	9,686.70	8,463.31
Total	98,792.27	93,662.47
Note:		
(i) Sale of products		
Manufactured goods:		
Chains	76,675.32	66,435.19
Metal Forming	16,436.06	15,798.69
Others	938.46	936.72
Total - sale of manufactured goods	94,049.84	83,170.60
Traded goods:		
Light commercial vehicles	7,976.22	13,658.80
Total - Sale of traded goods	7,976.22	13,658.80
Total - Sale of products	102,026.06	96,829.40
(ii) Sale of services:		
Service income on vehicles	161.36	130.52
Total - Sale of services	161.36	130.52
(iii) Other operating revenue:		
Scrap sales	6,156.13	5,110.72
Duty drawback and other export incentives	135.42	55.14
Total - other operating revenue	6,291.55	5,165.86
Total	108,478.97	102,125.78

21 OTHER INCOME		
a) Interest income (Refer Note (i) below)	11.78	29.41
b) Dividend income:		
from long-term investments		
(i) Associates	1.93	3.29
(ii) Others	12.94	13.00
c) Net gain on foreign currency transactions & translation	-	13.38
d) Other non-operating income		
(i) Rental and lease income	97.02	103.68
(ii) Agricultural income	10.20	14.79
(iii) Profit on sale of assets (net)	340.16	232.52
(iv) Miscellaneous receipts	-	2.38
Total	474.03	412.45

Notes forming part of the financial statements

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
Note:		
(i) Interest income:		
Interest on fixed deposit with banks	6.49	7.81
Interest on deposit with TNEB	1.17	8.25
Interest on inter corporate deposit	3.67	11.07
Interest on NHAI bonds	0.45	2.28
Total - Interest income	11.78	29.41

22-a COST OF MATERIALS CONSUMED		
Opening Stock:	4,040.92	3,692.69
Add: Purchases	41,842.71	36,240.79
Less: Closing Stock	4,357.18	4,040.92
Cost of material consumed	41,526.45	35,892.56
Material consumed comprises:		
Steel Strips, Wires, rods, bars	30,177.84	28,254.73
Blanks, 'O' Rings and others	8,560.17	5,361.19
Rubber and Chemicals	283.14	308.28
Packing Materials	2,505.30	1,968.36
Total	41,526.45	35,892.56

22-b PURCHASE OF TRADED GOODS		
Purchase of light commercial vehicle	7,173.91	13,380.37
Total	7,173.91	13,380.37

22-c CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished goods	4,361.03	3,960.66
Work-in-progress	6,973.97	6,052.11
Stock-in-trade	1,363.95	2,303.97
	12,698.95	12,316.74
Inventories at the beginning of the year		
Finished goods	3,960.66	4,738.05
Work-in-progress	6,052.11	6,450.21
Stock-in-trade	2,303.97	2,118.69
	12,316.74	13,306.95
Net (increase)/ decrease	(382.21)	990.21

23 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	9,830.09	8,386.59
(b) Contribution to provident and other funds	935.79	574.13
(c) Staff welfare expenses	745.54	687.61
Total	11,511.42	9,648.33

Notes forming part of the financial statements

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
24 FINANCE COST		
(a) Interest expenses:		
(i) On borrowings:	1,422.42	1,848.70
(b) Other borrowing cost	268.61	398.82
Total	1,691.03	2,247.52

25 OTHER EXPENSES		
(a) Consumption of stores and spare parts (Refer Note 26.7)	6,792.29	5,963.10
(b) Processing charges	5,985.99	5,852.40
(c) Power, fuel and lighting	4,046.66	3,622.15
(d) Rent including lease rentals (Refer Note 26.5)	629.10	506.60
(e) Repairs & maintenance of		
(i) Buildings	219.48	207.99
(ii) Machinery	1,648.03	1,484.41
(iii) Other assets	399.98	363.94
(f) Insurance	87.31	84.45
(g) Rates and taxes	145.17	84.28
(h) Travelling and conveyance	697.38	566.41
(i) Printing and stationery	75.75	65.21
(j) Postage, telegram and telephones	164.18	174.18
(k) Freight, packing & forwarding	3,526.68	2,960.97
(l) Advertisement, publicity and selling expenses	462.52	469.30
(m) Trade discount	1,738.27	1,541.43
(n) Donations	7.50	60.00
(o) Legal and accountancy charges	155.98	179.36
(p) Auditors' remuneration (Refer note (i) below)	13.50	11.00
(q) Bad debts written off	19.94	4.41
(r) Assets condemned and written off	15.68	7.89
(s) Provision for doubtful debts/advances	12.02	12.49
(t) Exchange difference	260.23	-
(u) Sales-tax, entry tax & octroi	128.30	92.47
(v) Sitting fees	5.85	5.85
(w) Watch and Ward	431.11	366.97
(x) Agricultural expenses	16.11	12.14
(y) Miscellaneous expenses	70.18	84.12
	27,755.19	24,783.52
Note		
(i) Details of Auditors' remuneration:		
Payment to auditors comprises (net of service tax input credit wherever applicable)		
As auditors - statutory audit	9.00	9.00
For taxation matters	2.50	2.00
For other services	2.00	-
Total	13.50	11.00

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
26 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT:		
26.1 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debt - disputed tax liability.		
i. Central Excise	538.80	318.77
ii. Entry Tax	408.36	408.36
iii. Service tax	21.41	20.26
iv. VAT / CST	289.81	235.48
	1,258.38	982.87
(b) Guarantee given by Bankers and outstanding	85.88	21.05
(c) Corporate guarantee given for others	5,750.00	7,150.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	1,522.94	1,386.06

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

(ii) Commitments:

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	6,701.99	1,791.58

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

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

Other disclosures are as under:

Sl. No.	Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
(i)	Principal amount remaining unpaid to any supplier as at end of the accounting year	165.28	170.81
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	NIL	NIL

Notes forming part of the financial statements

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

Sl. No.	Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
(iii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
(iv)	Amount of interest due and payable for the period of delay in making payment but without adding interest as specified in the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(v)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

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

Particulars	Relationship	As at 31.03.2014	Maximum balance outstanding during the year
Loans and advances: BCW V Tech India Private Limited	Subsidiary	-	-
		(-)	(85.96)
LGB - USA, INC	Subsidiary	2.44	123.48
		(123.48)	((289.12))

26.4 Details on derivative instruments and unhedged foreign currency exposures:

I. The following derivative positions are open as at 31st March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Note 2.11.

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

(i) Outstanding forward exchange contracts entered into by the Company as on 31st March, 2014

Currency	in Lakhs	Buy/sell	Cross currency
USD	- (-)	Buy	Rupees
EUR	24.00 (42.00)	Sell	Rupees

Notes forming part of the financial statements

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

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

As at March 31, 2014		As at March 31 2013	
Currency	Receivable/(Payable) in Foreign currency	Currency	Receivable/ (Payable) in Foreign currency
USD	11.99	USD	12.66
USD	(9.84)	USD	(11.68)
EUR	18.77	EUR	13.45
EUR	(0.41)	EUR	(4.83)
JPY	-	JPY	-
JPY	(-)	JPY	(4.10)
GBP	0.10	GBP	0.03
GBP	(-)	GBP	(-)
CHF	-	CHF	-
CHF	(-)	CHF	(-)

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
26.5. Value of imports calculated on CIF basis		
Raw Materials	5,486.04	6,070.89
Stores and Spares	132.11	369.02
Capital Goods	591.00	566.74
Total	6,209.15	7,006.65
26.6. Expenditure in foreign currency		
Travelling	22.90	17.23
Technical know-how fee	56.19	44.41
Interest	4.77	29.62
Others	72.17	35.53
Total	156.03	126.79
26.7. Details of consumption of imported and indigenous items	For the year ended 31 March 2014	
Raw Material	Value	%
Imported	5,374.50	12.94
	(6,241.18)	(17.39)
Indigenous	36,151.95	87.06
	(29,651.38)	(82.61)
Total	41,526.45	100.00
	(35,892.56)	(100.00)
Spare Parts & Components:		
Imported	185.13	2.73
	(330.48)	(5.54)
Indigenous	6,607.16	97.27
	(5,632.62)	(94.46)
Total	6,792.29	100.00
	(5,963.10)	(100.00)

Notes forming part of the financial statements

26.8. Earnings in foreign exchange

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
On account of Export of Goods at FOB value	9,085.89	7,535.72

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

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	CMD	DMD	CMD	DMD
Salaries & Allowances	54.44	30.00	51.84	30.00
Commission	136.36	20.45	84.24	12.64
Contribution to Provident Fund	6.53	3.60	6.22	3.60
Total	197.33	54.05	142.30	46.24

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

b) Computation of net profit under Section 309(5) of the Companies Act, 1956 and commission payable to the Chairman cum Managing Director and Deputy Managing Director:

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
Profit before tax	6,853.39	4,221.19
Add: Managerial remuneration (Refer Note)	251.38	188.54
Sitting fees to Directors	5.85	5.85
Provision for doubtful debts/advances	12.02	16.78
Bad debts written off	19.94	4.41
Loss on Sales of Assets	1.59	5.86
Assets condemned and written off	15.68	7.89
Less: Profit on Sale of Assets/Investments	341.75	238.38
Net profit	6,818.10	4,212.14
Maximum remuneration payable to Chairman cum Managing Director and Deputy Managing Director - 10% of the net profit	681.81	421.21
Commission payable @ 2% of Net Profit to CMD	136.36	84.24
Commission payable @ 0.30% of Net Profit to DMD	20.45	12.64

Note: The remuneration paid / payable to the Chairman cum Managing Director and Deputy Managing Director for the year is within the limits specified in Section 198 / 309 of the Companies Act, 1956.

26.10. Excise duty amounting to ₹ 69.20 Lakhs (Previous Year: ₹ 80.72 Lakhs) is included in the finished goods stock value, pending clearance from factories

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
27.1 Details of government grants		
Duty drawback and other export incentives	135.42	55.14
Total	135.42	55.14

27.2 Employee benefit plans

Defined Contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 387.08 Lakhs (Year ended 31 March, 2013 ₹ 332.72 Lakhs) for Provident Fund contributions and ₹ 7.60 Lakhs (Year ended 31 March, 2013 ₹ 5.25 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

State plans:

The Company makes ESI contributions to Employees State Insurance Scheme. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 154.72 Lakhs (Year ended 31 March, 2013 ₹ 106.93 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Defined Benefit Plan - Gratuity:

The Company provides gratuity benefit to all eligible employees, which is funded with Life Insurance Corporation of India.

Other disclosures required under revised Accounting Standard 15 are as follows:

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
Components of employer expenses		
Current service cost	70.66	61.95
Interest cost	64.97	46.15
Expected return on Plan Assets	(85.41)	(79.36)
Actuarial (gains) / losses	58.51	52.47
Past service cost		
Total expense recognized in Statement of Profit and Loss*	108.73	81.22
Actual contribution and the benefit payments for the year		
Actual benefit payments	(37.98)	(28.29)
Actual contribution	0.14	100.00
Net Asset/(Liability) recognized in the Balance Sheet		
Present value of benefit obligation	877.43	729.01
Fair value of plan assets	1,126.22	1,086.38
Funded Status [Surplus/(Deficit)] *	248.79	357.37

Notes forming part of the financial statements

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
Other disclosures required under revised Accounting Standard 15 (Contd.)		
Unrecognised past service cost	-	-
Net Asset/(Liability) recognized in the Balance Sheet	248.79	357.37
Change in defined benefit obligations(DBO) during the year		
Present value of DBO at beginning of the year	729.00	587.80
Current service cost	70.66	61.95
Interest cost	64.97	46.15
Actuarial (gain) / loss on obligation	50.78	62.00
Benefits paid	(37.98)	(28.89)
Present value of DBO at the end of the year	877.43	729.00
Change in the Fair Value of assets during the year		
Plan Assets at beginning of the year	1,086.38	926.39
Acquisition adjustment		
Expected return on Plan Assets	85.41	79.36
Contributions by the employer	0.14	100.00
Actuarial gain / (loss)	(7.73)	9.52
Benefits paid	(37.98)	(28.89)
Plan Assets at the end of the year	1,126.22	1,086.38
Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	877.43	729.01
Closing FV of Plan Assets	1,126.22	1,086.38
Funded Status [Surplus/(Deficit)] *	248.79	357.37
* - Included under the head "Employee Benefits" in Note 23 - Provisions		
Composition of the Plan assets is as follows:		
Equity instruments		
Debt instruments		
Property		
Insurer managed asset *		
*-The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.		
Actuarial assumptions		
Discount Rate (per annum)	9.15%	8.05%
Rate of increase in compensation levels (per annum)	7.50%	7.00%
Expected return on plan assets (per annum)	8.00%	8.05%
* - Included in "Contribution to Provident & Other Funds" in Note 23 - Employee Costs		
Experience adjustments		
Actuarial (Gains) and Losses on obligation	50.78	62.00
Actuarial (Gains) and Losses due to change in Assumptions	-	-
Actuarial (Gains) and Losses on Plan assets	7.73	(9.52)
Total (Gain) / and Losses for the year	58.51	52.48
Actuarial (Gains) and Losses Recognised in the year	58.51	52.48
Unrecognised Actuarial (Gains) and Losses for the year	-	-

Notes forming part of the financial statements

27.3 Segment information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily transmission, metal forming and others. Revenues and expenses directly attributable to segments are reported under each reportable segments. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company and within India and outside India.

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
Primary Segment Information (Business Segments):		
A. Segment Revenue:		
Transmission	72,950.08	63,081.29
Metal Forming	16,594.93	15,718.26
Others	9,247.26	14,862.92
Total	98,792.27	93,662.47
B. Segment Results:		
Transmission	7,392.82	5,673.75
Metal Forming	1,531.39	536.55
Others	(379.99)	258.41
Total	8,544.42	6,468.71
Interest Expenses	1,691.03	2,247.52
Unallocated corporate expenses, net of unallocated income		-
Profit before tax	6,853.39	4,221.19
Provision for taxation	1,418.97	853.46
Profit after tax	5,434.42	3,367.73

C. Other Information:

₹ in lakhs

Particulars	As at 31 March, 2014		For the year ended 31 March, 2014		
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	31203.77	11999.89	3781.12	1264.91	9.05
	(25815.37)	(9995.88)	(1644.37)	(1187.80)	(27.59)
Metal Forming	19665.66	4164.38	912.44	1385.10	34.89
	(18516.81)	(3467.07)	(1730.11)	(1289.68)	(0.09)
Others	8551.69	2908.46	321.97	487.11	5.29
	(10211.84)	(2362.09)	(802.88)	(433.73)	(2.98)
Unallocated	3815.24	14089.44	-	-	-
	(3687.85)	(16665.24)	(-)	(-)	(-)

Note: Components of business segments are as under:

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

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
Secondary Segment Information (Geographical Segment)		
1) Segment Revenue:		
Within India	89,706.38	86,126.75
Outside India	9,085.89	7,535.72
Total	98,792.27	93,662.47
2) Segment Assets:		
Within India	56,980.54	56,616.95
Outside India	2,440.58	1,614.93
Total	59,421.12	58,231.88
3) Capital Expenditure:		
Within India	5,015.53	4,177.36
Outside India	-	-
Total Capital Expenditure	5,015.53	4,177.36

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

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

i) **Enterprise over which the Company may exercise significant influence**

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

ii) **Associates**

Renold Chain India Private Limited

iii) **Subsidiary Company**

BCW V Tech India Private Limited - 100%
LGB USA, INC - 74.19%

vi) **Fellow Subsidiary Company**

GFM Acquisition LLC Holding by LGB USA : 90.97%	GFM LLC Holding by GFM Acquisition LLC: 100%
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v) **Key Management Personnel**

a. Sri. B. Vijayakumar, Chairman cum Managing Director	b. Sri. P. Prabakaran, Deputy Managing Director
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vi) **Relatives of Key Management Personnel**

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakhs)

Nature of transactions	Associates / Others	Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Managerial Remuneration					
B. Vijayakumar	-	-	197.33	-	197.33
	-	-	(142.30)	-	(142.30)
P. Prabakaran	-	-	54.05	-	54.05
	-	-	(46.24)	-	(46.24)
Loan Receipts (Borrowing)	1090.00	-	788.00	530.00	2,408.00
	(504.00)	(-)	(417.00)	(815.00)	(1736.00)
Loan Repayment (Borrowing)	937.00	-	777.00	732.00	2,446.00
	(471)	(-)	(341.00)	(929.00)	(1741.00)
Interest Receipts	-	3.67	-	-	3.67
	(-)	(11.06)	(-)	(-)	(11.06)
Interest Expense	57.63	-	33.10	34.48	125.21
	(25.62)	-	(20.68)	(33.82)	(80.12)
Loan Granted	-	-	-	-	-
	(-)	(580.08)	(-)	(-)	(580.08)
Loan Repayment	-	134.84	-	-	134.84
	(-)	(163.53)	(-)	(-)	(163.53)
Equity Investment	-	-	-	-	-
	(507.39)	(1,287.86)	(-)	(-)	(1795.25)
Dividend Receipts	1.93	-	-	-	1.93
	(3.29)	(-)	(-)	(-)	(3.29)
Dividend Payments	73.85	-	78.57	118.18	270.60
	(174.07)	(-)	(165.53)	(252.28)	(591.88)
Rent Income	46.75	14.56	-	-	61.31
	(62.40)	(8.56)	(-)	(-)	(70.96)
Rent / Lease Expenses	110.97	-	-	-	110.97
	(25.71)	(-)	(-)	(-)	(25.71)
Purchase of Materials, Spares & power	1,729.23	-	-	-	1,729.23
	(1,355.69)	(3.35)	(-)	(-)	(1,359.04)
Processing / Conversion Cgs Payment	282.13	42.36	-	-	324.49
	(356.87)	(16.30)	(-)	(-)	(373.17)
Sale of Materials, Stores and Service Charges	1,500.22	78.37	-	-	1,578.59
	(1,484.43)	(29.88)	(-)	(-)	(1,514.31)
Processing Charges Receipts	17.23	15.78	-	-	33.01
	(108.87)	(-)	(-)	(-)	(108.87)
Sale of Fixed Assets	9.29	-	-	-	9.29
	(3.82)	(1.10)	(-)	(-)	(4.92)
Purchase of Fixed Assets	1,452.83	105.53	-	-	1,558.36
	(370.79)	(-)	(-)	(-)	(390.79)
Receivable Balance	337.22	51.42	-	-	388.65
	(325.21)	(144.12)	(-)	(-)	(469.33)
Payable Balance	296.62	(45.08)	-	-	251.54
	(91.39)	(74.60)	(-)	(-)	(16.79)
Unsecured borrowings balance	455.00	-	186.00	54.00	695.00
	(302.00)	(-)	(175.00)	(256.00)	(733.00)

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

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
LOAN RECEIPTS:		
Associates/Others:		
L.G. Farm Products Pvt.Ltd.	12.00	17.00
Super Speeds (P) Limited	205.00	80.00
South Western Engineering India Limited	-	315.00
LGB.Auto Products (P) Limited	117.00	63.00
Elgi Automotive Services (P) Limited	731.00	29.00
Key managerial personnel:		
Sri. B. Vijayakumar	788.00	417.00
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	-	450.00
Smt. V.Rajsri	198.00	132.00
Sri. V.Rajvirdhan	326.00	160.00
LOAN REPAYMENT:		
Associates/Others:		
South Western Engineering India Limited	-	315.00
Super Speeds Private Limited	120.00	110.00
Tribe Investments & Services (P) Limited	150.00	-
LGB Auto Products (P) Limited	90.00	5.00
Elgi Automotive Services (P) Limited	570.00	-
Key managerial personnel:		
Sri. B. Vijayakumar	777.00	341.00
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	200.00	500.00
Smt. V. Rajsri	150.00	211.00
Sri. V. Rajvirdhan	336.00	169.00
INTEREST EXPENSE:		
Associates/Others:		
Tribe Investments and Services (P) Limited	10.92	22.00
Elgi Automotive Services (P) Limited	24.48	0.74
LGB Auto Products (P) Limited	12.33	1.27
Super Speeds (P) Limited	7.99	0.93
Key managerial personnel		
B. Vijayakumar	33.10	20.68
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	17.95	25.09
Smt. V. Rajsri	5.39	2.48
Sri. V. Rajvirdhan	9.08	3.41

Notes forming part of the financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
DIVIDEND PAYMENT:		
Associates/Others:		
Elgi Automotive Services (P) Limited	28.70	67.65
LGB Auto Products (P) Limited	26.60	62.70
L.G.Farm Products (P) Limited	14.00	33.00
Key managerial personnel:		
Sri. B. Vijayakumar	78.57	165.50
Relatives of key managerial personnel:		
Sri. V. Rajvirdhan	74.49	161.09
Smt. V. Rajsri	36.13	73.39
Sale of Fixed Assets:		
Associates/Others:		
South Western Engineering India Limited	4.20	3.30
LG Sports Limited	0.29	-
Super Transports Private Limited	4.69	-
Purchase of Fixed Assets:		
Associates/Others:		
LGB Forge Limited	1,432.38	358.33
Rent income		
Associates/Others:		
LGB Forge Limited	36.26	44.19
South West Engineering India Limited	-	5.51
Rent /Lease payment		
Associates/Others:		
LGB Forge Limited	72.46	4.51
Renold Chain India (P) Limited	2.65	5.74
LGB Auto Products (P) Limited	20.80	14.00
Purchase of material, spares & power		
Associates/Others:		
Renold Chain India (P) Limited	1,417.22	1,077.36
L.G. Balakrishnan & Bros, Karur	241.19	252.99
Processing/conversion charges payment		
Associates/Others:		
South Western Engineering India Limited	235.70	304.58
Silent Chain India (P) Limited	46.43	50.66
Processing receipts		
Associates/Others:		
LGB Forge Limited	16.89	108.87
Sale of Material ,Stores and Service charges		
Associates/Others:		
Renold Chain India (P) Limited	1,359.75	1,305.64

Notes forming part of the financial statements

Note	Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
27.5	Details of leasing arrangements		
	As Lessor		
27.5.a	The Company has entered into operating lease arrangements for certain surplus facilities and equipments. The lease is non-cancellable and may be renewed based on mutual agreement of the parties.		
	Future minimum lease payments		
	Not later than one year	94.78	52.46
	Later than one year and not later than five years	101.02	14.36
	Later than five years	-	-
-	Contingent rents recognised as income during the year (state basis)	NA	NA
	Depreciation recognised on the leased assets	11.07	10.62
	Impairment losses recognised on the leased assets	-	-
	Impairment losses reversed on the leased assets	-	-
	As Lessee		
27.5.b	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and may be renewed based on mutual agreement of the parties.		
	Future minimum lease payments not later than one year	344.30	429.46
	Later than one year and not later than five years	229.00	309.10
	Later than five years	-	-
	Lease payments recognised in the Statement of Profit and Loss	629.10	506.60
	Contingent rents recognised as expense during the year (state basis)	NA	NA
27.6	Earnings per share		
	Basic & Diluted:		
	Continuing operations:		
	Net profit after tax from continuing operations - (₹ in lakhs)	5,434.42	3,367.73
	Profit attributable to Equity Shareholders - (₹ in lakhs) (A)	5,434.42	3,367.73
	Total number of Equity Shares outstanding at Balance Sheet date.	7,848,104	7,848,104
	Weighted average number of Equity Shares outstanding, considered for the purpose of computing Basic EPS (B)	7,848,104	7,848,104
	Nominal value of Equity Shares - In ₹	10	10
	Basic and Diluted Earnings Per Share-In ₹ (A/B)(Not annualized)	69.25	42.91
27.7	Deferred tax liability		
	Tax effect of items constituting Deferred Tax liability		
	On difference between book balance and tax balance of fixed assets	1,777.56	1,829.54

Notes forming part of the financial statements

Note	Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
28	DETAILS OF R&D EXPENSES		
	1) Capital	74.43	116.02
	2) Salaries & Wages	165.36	124.06
	3) R&D Materials	26.44	50.63
	4) Maintenance	21.49	23.87
	5) Other Expense	79.23	55.24
		366.95	369.82

Note:

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

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

"In terms of our report attached"

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

15.05.2014

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

P. PRABAKARAN

Deputy Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

Cash Flow Statement for the year ended 31 March, 2014

PARTICULARS	31.03.2014 (₹ in Lakhs)	31.03.2013 (₹ in Lakhs)
A. Cash flow from operating activities		
Net Profit before Tax and Extra ordinary items	6,853.39	4,221.19
Adjustments for		
Depreciation	3,137.12	2,911.22
Asset Condemned and written off	15.68	7.89
(Profit) or Loss on sale of assets	(340.16)	(232.52)
(Profit) or Loss on sale of investments	-	-
Finance charges	1,691.03	2,247.52
Interest income	(11.78)	(29.41)
Dividend income	(14.87)	(16.29)
Rental income on operating lease	(97.02)	(103.68)
Bad debts written off	19.94	4.41
Provision for doubtful trade receivables	12.02	12.49
Net unrealised foreign exchange loss	75.69	(31.21)
Operating profit before working capital changes	11,341.04	8,991.62
Changes in Working Capital		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1,119.21)	796.12
Trade Receivables	(1,601.63)	(505.41)
Short term Loans and advances	591.26	2.78
Long term Loans and advances	(635.87)	(835.87)
Other current assets excluding advance tax	169.96	46.07
Other Non- current assets	0.18	1.12
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	2,547.86	251.06
Other current Liabilities	234.42	252.24
Other non-current Liabilities	(51.98)	57.37
Short Term Provisions	-	0.00
Cash generated from operations	11,476.03	9,057.10
Income tax paid	(1,524.32)	(824.03)
Net Cash from operating activities (A)	9,951.71	8,233.07
B. Cash flow from Investing activities		
Purchase of Fixed assets	(5,570.28)	(4,199.12)
Proceeds from sale of fixed assets	402.07	267.87
Purchase of Investments	(120.45)	-
Proceeds from sale of investments	-	(1,795.25)
Bank balances not considered as Cash and cash equivalents		
Fixed Deposit with banks matures more than 3 months	28.60	-15.50
Dividend received		
from associates	1.93	3.29
from others	12.94	13.00
Interest received		
from subsidiaries	3.67	11.07
from others	8.11	18.34
Rental income on operating lease	97.02	103.68
Net cash outflow from Investing activities (B)	(5,136.39)	(5,592.62)

Cash Flow Statement for the year ended 31 March, 2014

PARTICULARS	31.03.2014 (₹ in Lakhs)	31.03.2013 (₹ in Lakhs)
C. Cash flow from financing Activities		
(Repayment)/Proceeds of Secured Loan	(2,953.10)	769.21
Proceeds/(Repayment) of Unsecured Loan	429.25	383.60
Interest paid	(1,691.03)	(2,247.52)
Dividend paid	(642.73)	(1,505.01)
Extra Ordinary Items		
Net cash used in financing activities (C)	(4,857.63)	(2,599.72)
Net increase in cash and cash equivalents (A) + (B) + (C)	(42.31)	40.73
Opening Balance	504.58	463.85
Closing Balance	462.27	504.58
Reconciliation of Cash and cash equivalent with the Balance Sheet		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
comprises		
(a) Cash- on- Hand	26.61	38.36
(b) Cheque and Demand Drafts on Hand	2.20	3.80
(c) Balances with Banks		
(i) In Current Account	74.79	94.54
(ii) In Collection Account	298.31	322.34
(iii) In Deposit Account	12.43	0.00
(iv) In Earmarked Accounts		
Unpaid Dividend Account	47.54	45.11
Unpaid Interest Account	0.39	0.43
In Margin Monery with Banks	-	-
	462.27	504.58

Corporate information and Significant Accounting policies 1 & 2

See accompanying notes forming part of the financial statements 3 - 29

“In terms of our report attached”

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

15.05.2014

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

P. PRABAKARAN

Deputy Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

Statement of information relating to subsidiaries including subsidiaries of subsidiaries (In terms of Government of India, Ministry of Corporate Affairs General Circular No: 2/2011, No: 5/12/2007-CL-III dated 8th February, 2011) in compliance with Section 212 of the Companies Act, 1956 for the year ended 31 March, 2014												
												(₹ in Lakhs)
Name of the subsidiary	Period of the financial statements considered	Reporting Currency	Share Capital including share application money	Reserves	Total Assets (Non-current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-current Investments	Total Liabilities (Preference Share Capital of Subsidiary + Non-current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Non-current and Current Investment (except investment in subsidiaries)	Turnover (Net)	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend (Including Corporate Dividend Tax)
1												
BCWV Tech India (P) Limited	Apr'13 to Mar'14	INR	499.99 (499.99)	166.15 (118.46)	1535.28 (1372.82)	869.14 (754.37)	-	1069.66 (656.37)	-57.67 (136.70)	9.98 (64.48)	47.69 (72.22)	-
LGB-USA - INC & its Subsidiaries	Jan'13 to Dec'13	INR	1748.87 (1629.33)	894.76 (-)	6180.56 (4428.76)	3536.93 (2799.43)	-	11047.02 (1329.56)	1104.46 (-49.42)	60.83 (19.02)	1043.63 (-30.40)	-
Notes:												
(i) Figures in brackets relate to the previous year.												
(ii) For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, following exchange rates are used for 1 INR.												
Sr. No.	Reporting Currency	Balance Sheet (closing date)		Statement of Profit and Loss (Average Rate)								
		As at 31 December, 2013	As at 31 December, 2012	For the Year ended 31 December, 2013	For the Year ended 31 December, 2012							
1	USD	61.90	54.57	60.08	54.23							
(iii) The Consolidated financial statements are in compliance with applicable Accounting Standards in India.												
(iv) In compliance with the requirements of Clause 32 of the Listing Agreement, the consolidated financial statements are duly audited by the auditors.												
(v) Full accounts of the aforesaid subsidiaries are available for inspection at the Registered office of the Company and on request same will be made available to the shareholders of the holding company and subsidiary companies.												

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
L. G. BALAKRISHNAN & BROS LIMITED
Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **L.G.BALAKRISHNAN & BROS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The consolidated financial statements include the unaudited financial statements of Three subsidiaries (Previous year ended 31st March, 2013: Two subsidiaries), whose financial statements reflect total assets (net) of ₹ 6,180.56 Lakhs as at 31st March, 2014 (As at 31st March, 2013: ₹ 4428.76 Lakhs), total revenue of ₹ 11047.02 Lakhs (Previous year ended 31st March, 2013: ₹ 1329.56 Lakhs) and net cash flows amounting to ₹ 213.50 Lakhs (Previous year ended 31st March, 2013: ₹ 440.95 Lakhs) for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on such unaudited financial statements/ financial information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statement of BCW V Tech India Private Limited subsidiary, whose financial statement

reflect total assets (net) of ₹1487.20 Lakhs as at 31st March, 2014, total revenues of ₹ 1027.30 Lakhs and net cash flows amounting to ₹ (6.84) lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statement have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

Our opinion is not qualified in respect of this matter.

Coimbatore
15.05.2014

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

CONSOLIDATED BALANCE SHEET AS AT 31.03.2014		(₹ in Lakhs)	
Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
A EQUITY AND LIABILITIES			
1	Shareholders' funds		
	(a) Share capital	784.81	784.81
	(b) Reserves and surplus	30,107.46	25,059.56
		30,892.27	25,844.37
2	Minority interest	965.69	546.72
3	Non-current liabilities		
	(a) Long-term borrowings	6,598.94	8,607.47
	(b) Deferred tax liabilities (net)	1,698.68	1,784.62
		8,297.62	10,392.09
4	Current liabilities		
	(a) Short-term borrowings	6,350.29	5,669.49
	(b) Trade payables	14,639.20	11,925.15
	(c) Other current liabilities	7,218.75	7,620.24
	(d) Short-term provisions	642.73	183.64
		28,850.97	25,398.52
	TOTAL	69,006.55	62,181.70
B ASSETS			
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	23,848.82	21,331.17
	(ii) Intangible assets	310.11	308.68
	(iii) Capital work-in-progress	904.03	349.30
	(b) Goodwill on consolidation	1,312.69	1,132.75
	(c) Non-current investments	1,822.00	1,822.00
	(d) Long-term loans and advances	3,368.88	2,116.79
	(e) Other non-current assets	47.71	50.86
		31,614.24	27,111.55
2	Current assets		
	(a) Current investments	-	46.00
	(b) Inventories	20,752.31	19,601.11
	(c) Trade receivables	14,610.36	12,414.63
	(d) Cash and cash equivalents	649.53	1,027.62
	(e) Short-term loans and advances	1,344.59	1,768.82
	(f) Other current assets	35.52	211.97
		37,392.31	35,070.15
	TOTAL	69,006.55	62,181.70

Corporate information and Significant Accounting policies 1 & 2

See accompanying notes forming part of the financial statements 3-29

"In terms of our report attached"

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

15.05.2014

For and on behalf of Board of Directors

B. VIJAYAKUMAR

Chairman cum Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

P. PRABAKARAN

Deputy Managing Director

N. RENGARAJ

Chief Financial Officer

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014			
			(₹ in Lakhs)
Particulars	Note No.	For the Year ended 31.03.2014	For the Year ended 31.03.2013
A. CONTINUING OPERATIONS			
1 Revenue from operations(gross)	20	120,571.79	104,158.80
Less: Excise duty	20	9,715.53	8,540.13
Revenue from operations (net)		110,856.26	95,618.67
2 Other income	21	459.61	382.63
3 Total revenue (1+2)		111,315.87	96,001.30
4 Expenses:			
(a) Cost of materials consumed	22 a	47,741.26	36,743.35
(b) Purchases of stock-in-trade (Traded goods)	22 b	7,173.91	13,380.37
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22 c	(371.34)	971.62
(d) Employee benefits expense	23	13,395.19	9,998.99
(e) Finance costs	24	1,789.75	2,293.61
(f) Depreciation and amortisation expense	10 c	3,278.71	2,989.39
(g) Other expenses	25	30,303.65	25,590.00
Total Expenses		103,311.13	91,967.33
5 Profit/(Loss) before exceptional and extraordinary items and tax (3-4)		8,004.74	4,033.97
6 Exceptional items		-	-
7 Profit/(Loss) before extraordinary items and tax (5-6)		8,004.74	4,033.97
8 Extraordinary Items		-	-
9 Profit/(Loss) before tax (7-8)		8,004.74	4,033.97
10 Tax expense / (benefit):			
(a) Current tax/Mat tax expense		1,674.13	843.28
Less: Mat Credit Entitlement		-	47.19
(b) Current-tax expense relating to prior year		(98.41)	(22.03)
(c) Net current tax expense		1,575.72	774.06
(d) Deferred tax		(85.94)	(4.10)
11 Profit/(Loss) for the year ended from continuing operations (9-10)		6,514.96	3,264.01
B. DISCONTINUING OPERATIONS			
12. i Profit/(Loss) for the year ended from discontinuing operations (before tax)		-	-
12. ii Less: Tax expense of discontinuing operations		-	-
13 Profit/(Loss) from discontinuing operations (12.i - 12.ii)		-	-
TOTAL OPERATIONS			
14 Profit/(Loss) after tax before share of Profit / (Loss) of minority interest (11+13)		6,514.96	3,264.01
14.i Minority interest		323.50	(9.00)
15 Profit/(Loss) for the year ended (11+13)		6,191.46	3,273.01
16 Earnings per share (of ₹ 10/- each)			
(a) Basic			
(i) Continuing operations	27.4	78.89	41.70
(ii) Total operations	27.4	78.89	41.70
(b) Diluted			
(i) Continuing operations	27.4	78.89	41.70
(ii) Total operations	27.4	78.89	41.70

Corporate information and Significant Accounting policies 1 & 2

See accompanying notes forming part of the financial statements 3-29

“In terms of our report attached”

For DELOITTE HASKINS & SELLS

Chartered Accountants

C.R. RAJAGOPAL

Partner

Coimbatore

15.05.2014

For and on behalf of Board of Directors

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Chairman cum Managing Director

P. PRABAKARAN

Deputy Managing Director

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

N. RENGARAJ

Chief Financial Officer

Notes forming part of the Consolidated financial statements

Note: 1 Corporate Information

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

Note: 2 Significant accounting policies (consolidation)

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

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The Company has not consolidated the associates, as there is no significant influence.

a) Principles of consolidation:

The consolidated financial statements relate to M/s. L.G. Balakrishnan & Bros Limited (the 'Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2014, except for certain subsidiary companies as mentioned in (vii) below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and resultant unrealized profits or losses, unless cost cannot be recovered have been fully eliminated.
- (iii) In case of the foreign subsidiary, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rate of prevailing at the year end. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- (iv) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of the Company.
- (v) The difference between the cost of investment in the subsidiary and the share of net assets at the time of acquisition of shares in the subsidiary is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- (vi) Goodwill arising on consolidation is not amortized but tested for impairment.
- (vii) The following subsidiary companies have been considered in the preparation of consolidated financial statements:

Notes forming part of the Consolidated financial statements

Sl. No.	Name of Subsidiary Company	Relationship	Country of Incorporation	Ownership held by	Reporting date of the financial Statements used in consolidation	% of holding directly or indirectly through subsidiary as at	
						31.03.2014	31.03.2013
1.	M/s. BCW V TECH INDIA (P) LTD	Wholly owned subsidiary	INDIA	L.G. Balakrishnan & Bros Ltd	31.03.2014	100.00	100.00
2	LGB - USA, INC	Subsidiary	USA	L.G. Balakrishnan & Bros Ltd	31.12.2013	74.19	70.90
3	GFM Acquisition LLC Formerly known as GFM Corporation)	Subsidiary	USA	LGB - USA, INC	31.12.2013	90.97	88.00
4	GFM LLC	Subsidiary	USA	GFM Acquisition LLC	31.12.2013	100.00	NA

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
3 SHARE CAPITAL				
(a) Authorised				
Equity Shares of ₹10/- each with voting rights	12,000,000	1,200.00	12,000,000	1,200.00
	12,000,000	1,200.00	12,000,000	1,200.00
(b) Issued				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
	7,848,104	784.81	7,848,104	784.81
(c) Subscribed and fully paid-up				
Equity Shares of ₹10/- each with voting rights	7,848,104	784.81	7,848,104	784.81
Total	7,848,104	784.81	7,848,104	784.81

Notes:

3 (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/ ESOP	Conversion/ Buyback	Closing balance
Equity Shares with voting rights					
Year ended 31st March, 2014					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81
Year ended 31st March, 2013					
Number of shares	7,848,104	-	-	-	7,848,104
Amount (₹ in lakhs)	784.81	-	-	-	784.81

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

Name of the Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares with voting rights				
B. Vijayakumar	1,170,000	14.91	1,003,000	12.78
V. Rajvirdhan	1,099,293	14.01	976,293	12.44
V. Rajsri	544,788	6.94	444,788	5.66
Relience Capital Trustees Co. Ltd				
A/c. Relience Small Cap Fund	410,000	5.22	-	-
Elgi Automotive Services (P) Limited	20,000	0.25	410,000	5.22
LGB Educational Foundation	387,584	4.94	481,564	6.14
International Finance Corporation	-	-	551,069	7.04

Particulars	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
4 RESERVES AND SURPLUS		
(a) Capital Reserve		
Opening balance	30.00	30.00
Add: Capital subsidy for investment in Pantnagar	-	-
Closing balance	30.00	30.00
(b) Securities premium account:		
Opening balance	3,100.61	3,100.61
Closing balance	3,100.61	3,100.61
(c) Revaluation reserve (Land)		
Opening balance	249.61	249.61
(On account of acquisition of M/s. L.G.B. Industries Ltd in 1998- 138.91)		
(On A/c. of revaluation of land held by BCW V Tech India (P) Ltd - 110.70)		
Closing balance	249.61	249.61
(d) General reserve		
Opening balance	18,500.00	16,000.00
Add: Transfer from surplus in Statement of Profit and Loss	4,000.00	2,500.00
Closing balance	22,500.00	18,500.00
(e) Foreign Currency Translation Reserve		
Opening balance	6.83	-
Add : Adjustment for translation of Non integral Foreign operations	(41.74)	6.83
Closing balance	(34.91)	6.83
(f) Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	3,172.51	3,084.81
Add: Profit/(Loss) for the year ended	6,191.46	3,273.01
Less: Interim Dividend	392.41	431.65
Dividend proposed to be distributed to Equity Shareholders (₹ 7.00 per Share ; Previous year ₹ 2.00 per Share)	549.37	156.96
Tax on Dividend	160.04	96.70
Transferred to: General reserve	4,000.00	2,500.00
Closing balance	4,262.15	3,172.51
Total	30,107.46	25,059.56

Notes forming part of the Consolidated financial statements

Particulars	As at	
	31.03.2014 ₹ in lakhs	31.03.2013 ₹ in lakhs
5 LONG-TERM BORROWINGS		
(a) Term Loans		
From Banks		
Secured	5,325.75	7,802.47
From Other		
Secured	818.89	-
(b) Fixed Deposits:		
From other parties		
Unsecured	88.55	106.00
From related parties		
Unsecured	365.75	699.00
Total	6,598.94	8,607.47

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

- Term Loans from banks are secured by hypothecation of Plant and Machineries and are collaterally secured by equitable mortgage by deposit of title deeds of immovable properties of Annur Unit, Vaiyampalayam Unit, Mysore Unit, Windmill Unit, Fine Products Division, Chakkan Plant and Jalna Plant.
- Interest rate relating to Term Loan from Banks is in the range of 11.75% to 12.50%
- The Term Loan from The National Huntington Bank is secured by substantially all assets of the Company and bears Interest rate @ 1 month Libor + 2.5% (2.67% at December 2013)

5 (ii) Repayment schedule

(₹ in lakhs)

Particulars	As at		As at	
	Secured	Unsecured	Secured	Unsecured
(a) Term loan from banks:				
Axis Bank	-	-	2,449.62	-
(Term of repayment : Repayable in 20 quarterly instalments of ₹ 350 Lakhs from March'12)				
ICICI Bank	4,875.00	-	5,000.00	-
(Term of repayment : Repayable in 20 quarterly instalments of ₹ 375 Lakhs from July'14)				
The Huntington National Bank	450.75	-	352.85	-
(Term of repayment : Repayable in 48 monthly instalments of \$8980 from Dec'13)				
The Huntington National Bank	818.89	-	-	-
(Term of repayment : Repayable in 60 monthly instalments of \$7393 from Dec'13)				
Total - Term loans from banks	6,144.64	-	7,802.47	-
(b) Fixed Deposits:				
From other parties		88.55		106.00
Total - deposits from others		88.55		106.00

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)		As at 31.03.2013 (₹ in lakhs)	
	Secured	Unsecured	Secured	Unsecured
5 (ii) Repayment schedule (Contd.)				
(b) From related parties				
Fixed Deposits: (Contd.)				
M/s. L.G. Farm Products (P) Limited		-		40.00
M/s. Elgi Automotive Services (P) Limited		60.00		80.00
M/s. L.G.B. Auto Products (P) Limited		75.00		75.00
M/s. LGB Rolon Chain Limited		-		5.00
Minor. Samriddhi Andal Rajiv		141.00		142.00
Minor. Vidhur Narayanan Rajiv		88.00		122.00
Mr. Rajvirdhan V		-		40.00
Mr. Vijayakumar B		-		130.00
Mrs. Rajsri V		-		40.00
Super Transports Private Limited		-		25.00
Rolon Fine Blank Limited		1.75		-
Total - deposits from related parties		365.75		699.00
Total - Long-term borrowings	6,144.64	454.30	7,802.47	805.00

5 (iii) a. There was no default in the repayment of the loans and interest during the year

b. Interest rate relating to Fixed Deposits is in the range of 9.50% to 11.00%

Particulars	As at 31.03.2014 (₹ in lakhs)		As at 31.03.2013 (₹ in lakhs)	
	Secured	Unsecured	Secured	Unsecured
6 SHORT-TERM BORROWINGS				
(a) Loan repayable on demand				
From banks - Secured / Unsecured	3,185.29	1,000.00	3,017.16	1,023.33
(b) From Financial Institutions-Unsecured	-	1,000.00	-	500.00
(c) Loan from related parties-Unsecured	-	-	-	590.00
(d) Loan from Directors - Unsecured	-	690.00	-	210.50
(e) Loan from Inter corporates-Unsecured	-	475.00	-	328.50
	3,185.29	3,165.00	3,017.16	2,652.33

Notes:
6 (i) Details of security for short-term borrowings:

a. Working capital loans from banks are primarily secured by hypothecation of inventories and book debts of the Company

b. Interest rate relating to Short Term borrowings from banks is in the range of 7.50% to 13.25%

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)		As at 31.03.2013 (₹ in lakhs)	
	Secured	Unsecured	Secured	Unsecured
6 (i) Loan repayable on Demand				
From Banks				
Andhra Bank	-		(6.59)	
Axis Bank	(7.12)		(13.49)	
Bank of Nov Scotia	1,500.00		1,500.00	
Corporation Bank	256.82		10.02	
HDFC Bank	(258.29)		161.66	
ICICI Bank	423.52		65.88	
IndusInd Bank	(14.00)		(12.71)	
Industrial Development Bank of India	417.66		299.61	
Union Bank of India	(4.32)		(3.98)	
Bnp Paribas	-		(6.43)	
The Huntington National Bank	871.02	-	1023.19	-
Hongkong Shanghai Banking Corporation Ltd		1,000.00		1,000.00
Axis Bank		-		23.33
	3,185.29	1,000.00	3,017.16	1,023.33
Loan from financial institution				
M/s. Bajaj Finance Limited	-	1,000.00	-	500.00
Loan from related parties	-	-	-	-
Mr. Rajiv Parthasarathy	-	-	-	550.00
Smt. B. Sarojini	-	-	-	40.00
Total - Loan from related parties	-	-	-	590.00
Loan from Directors				
Mr. B. Vijayakumar		636.00		181.50
Mr. V. Rajvirdhan		6.00		22.50
Smt. V. Rajsri		48.00		6.50
Total - Loan from Directors		690.00		210.50
Loan from inter corporates				
M/s. Tribe Investments and Services (P) Ltd		70.00		220.00
M/s. L.G. Farm Products (P) Limited		20.00		15.00
M/s. Elgi Automotive Services (P) Limited		190.00		29.00
M/s. L.G.B. Auto Products (P) Limited		85.00		58.00
M/s. LG Sports Limited		25.00		-
M/s. Super Speeds (P) Limited		85.00		6.50
Total - Loan from inter corporates		475.00		328.50
Total - Short-term borrowings	3,185.29	3,165.00	4,017.16	1652.33

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

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
7 TRADE PAYABLES		
(a) Other than acceptances	14,639.20	11,925.15
Total	14,639.20	11,925.15

8 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	2,084.09	2,500.95
(b) Interest accrued but not due on unsecured loans	9.90	7.16
(c) Interest accrued but not due on secured loans	88.69	33.68
(d) Unpaid bond interest	0.39	0.43
(e) Unclaimed Dividends	47.54	45.11
(f) Other payables:		
(i) Statutory remittances	708.16	789.34
(ii) Payable on purchase of fixed assets	318.12	588.64
(iii) Interest accrued on deposits from customers	28.09	24.20
(iv) Advance and deposits from customers etc.,	1,038.93	1,166.64
(v) Liability for expenses	2,894.83	2,464.09
Total	7,218.75	7,620.24

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

Refer Note 5(i) for the details of Securities, Guarantee and repayment terms etc.,

Term Loan From Banks - Secured		
Axis Bank Ltd.	350.00	1,400.00
The Bank of Nova Scotia	-	857.14
ICICI Bank Ltd	1,125.00	-
The Huntingdon National Bank	106.14	58.81
Fixed Deposits:		
From Related - Unsecured		
LG Farm Products Private Limited	40.00	-
Elgi Automotive Services Private Limited	20.00	-
LGB Rolon Chain Limited	5.00	-
Minor. Samriddhi Andal Rajiv	49.00	-
Minor Vidhur Narayanan Rajiv	82.00	-
Rajvirdhan V	40.00	40.00
Vijayakumar B	130.00	100.00
Rajsri V	40.00	30.00
Super Transports Private Limited	25.00	1.75
From others - Unsecured	71.95	13.25
Total - Current maturities of Long-term debt	2,084.09	2,500.95
9 SHORT TERM PROVISIONS		
(a) Provision - others:		
(i) Provision for proposed equity Dividend	549.37	156.96
(ii) Provision for tax on proposed equity Dividend	93.36	26.68
Total	642.73	183.64

Notes forming part of the financial statements																			
10. FIXED ASSETS						GROSS BLOCK						ACCUMULATED DEPRECIATION AND IMPAIRMENT						NET BLOCK	
Description of Assets	Balance as at 1 April, 2013	Additions	Disposals	Other Adjustments	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation / amortisation expense for the year	Eliminated on Disposal of Assets	Other Adjustments	Balance as at 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013							
A. TANGIBLE ASSETS:																			
(a) Land																			
Free Hold	1595.47 (1082.35)	580.50 (513.12)	- (-)	- (-)	2175.97 (1595.47)	- (-)	- (-)	- (-)	- (-)	- (-)	2175.97 (1595.47)	1595.47 (1082.35)							
Lease Hold	202.78 (198.78)	335.53 (4.00)	- (-)	- (-)	538.31 (202.78)	13.59 (11.35)	4.33 (2.24)	- (-)	- (-)	17.92 (13.59)	520.39 (189.19)	189.19 (187.43)							
(b) Buildings Own use	3541.05 (3379.70)	1792.75 (161.35)	40.45 (-)	526.05 (-)	5819.40 (3541.05)	1743.80 (1565.19)	266.00 (178.61)	13.42 (-)	-121.43 (-)	2117.81 (1743.80)	3701.59 (1797.25)	1797.25 (1814.51)							
Given under operating Lease	533.44 (559.20)	- (-)	- (25.76)	(526.05) -	7.39 (533.44)	123.57 (85.52)	0.26 (46.16)	- (8.11)	121.43 (-)	2.40 (123.57)	4.99 (409.87)	409.87 (473.68)							
(c) Plant and Equipment Owned	31362.07 (27413.76)	2871.21 (3910.74)	175.87 (35.62)	(20.62) 73.19	34036.79 (31362.07)	15228.31 (12781.64)	2646.20 (2422.71)	82.47 (17.83)	23.09 (41.79)	17768.95 (15228.31)	16267.84 (16133.76)	16133.76 (14632.12)							
Given under operating Lease	261.93 (347.31)	28.33 (-)	38.85 (12.19)	20.62 (73.19)	272.03 (261.93)	205.84 (248.42)	12.58 (11.34)	9.93 (12.13)	(23.09) 41.79	231.58 (205.84)	40.45 (56.09)	56.09 (98.89)							
(d) Furniture and Fixtures Owned	257.93 (227.82)	24.31 (32.43)	1.10 (2.32)	- (-)	281.14 (257.93)	178.66 (158.38)	20.59 (22.34)	0.89 (2.06)	- (-)	198.35 (178.66)	82.78 (79.27)	79.27 (69.45)							
(e) Vehicles Owned	258.38 (225.39)	50.47 (44.78)	33.81 (11.79)	- (-)	275.04 (258.38)	99.15 (87.39)	24.54 (21.57)	17.04 (6.39)	- (-)	106.65 (99.15)	168.39 (159.23)	159.23 (141.42)							
(f) Office equipment Owned	135.68 (91.77)	29.03 (46.17)	3.85 (2.26)	- (-)	160.86 (135.68)	45.70 (42.03)	9.61 (5.16)	2.61 (1.49)	- (-)	52.70 (45.70)	108.16 (89.98)	89.98 (49.74)							
(g) Electrical Fittings Owned	1311.61 (1196.00)	34.21 (122.71)	1.42 (7.10)	- (-)	1344.40 (1311.61)	776.47 (672.22)	110.55 (110.13)	1.25 (5.88)	- (-)	885.77 (776.47)	458.63 (535.14)	535.14 (523.78)							
(h) Other Assets Owned	1099.16 (995.06)	129.53 (107.51)	11.11 (3.41)	- (-)	1217.58 (1099.16)	813.24 (736.88)	97.94 (79.68)	13.23 (3.32)	- (-)	897.95 (813.24)	319.63 (285.92)	285.92 (258.18)							
Total	40559.50 (35717.14)	5875.87 (4942.81)	306.46 (100.45)	- (-)	46128.91 (40559.50)	19228.33 (16389.02)	3192.60 (2899.94)	140.84 (57.21)	- (-)	22280.09 (19228.33)	23848.82 (21331.17)	21331.17 (19331.55)							
Previous Year																			

Notes forming part of the consolidated financial statements

Description of Assets	GROSS BLOCK					ACCUMULATED DEPRECIATION AND IMPAIRMENT					NET BLOCK	
	Balance as at 1 April, 2013	Additions	Disposals	Other Adjustments	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation/ amortisation expense for the year	Eliminated on Disposal of Assets	Other Adjustments	Balance as at 31 March, 2014	Balance as at 31 March, 2013	
B. INTANGIBLE ASSETS:												
(a) Computer - Software	454.03 (424.66)	29.25 (29.37)	- (-)	- (-)	483.28 (454.03)	368.85 (328.43)	43.27 (40.42)	- (-)	- (-)	412.12 (368.85)	71.16 (85.18)	85.18 (96.23)
(b) Technical Know-How	629.51 (580.22)	58.29 (49.29)	- (-)	- (-)	687.80 (629.51)	406.01 (356.98)	42.84 (49.03)	- (-)	- (-)	448.85 (406.01)	238.95 (223.50)	223.50 (223.24)
Total	1083.54	87.54	-	-	1171.08	774.86	86.11	-	-	860.97	310.11	308.68
Previous Year	1,004.88	(78.66)	(-)	(-)	(1,083.54)	(685.41)	(89.45)	(-)	(-)	(774.86)	(308.68)	(319.47)

C) Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Depreciation and amortisation for the year on tangible assets as per note 10 A	3,192.60	2899.94
Depreciation and amortisation for the year on intangible assets as per note 10 B	86.11	89.45
Total	3,278.71	2989.39

Notes:

(i) Details of revaluation of assets during the preceding 5 years

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013	For the year ended 31 March, 2012	For the year ended 31 March, 2011	For the year ended 31 March, 2010
Land:					
Opening balance	110.70	110.70	-	-	-
GROSS BLOCK					
Added on revaluation	-	-	110.70	-	-
Closing balance	110.70	110.70	110.70	-	-

Notes forming part of the Consolidated financial statements

11. NON-CURRENT INVESTMENT

Particulars	As at 31st March 2014				As at 31st March 2013			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
Investments (At Cost)								
A. Trade								
(a) Investment in Equity instruments:								
(i) Associate:								
Renold Chain India Private Limited	10250000		1025.00	1025.00	10250000	-	1025.00	1025.00
(ii) Others:								
Supreme Rubber Reclaimers Ltd	50	0.01	-	0.01	50	0.01	-	0.01
Bharath Rubber Regenerating Co. Ltd	200	-	-	-	200	-	-	-
Elgi Equipments Ltd	1229706	112.50	-	112.50	1229706	112.50	-	112.50
LGB Forge Limited	29000000	612.88	-	612.88	29000000	612.88	-	612.88
Silent Chain India (P) Limited	770	-	0.15	0.15	770	-	0.15	0.15
LG Farm Products (P) Ltd	10000	-	1.00	1.00	10000	-	1.00	1.00
Rolon Fine Blank Limited	5000	-	0.50	0.50	5000	-	0.50	0.50
LGB Rolon Chains Limited	5000	-	0.50	0.50	5000	-	0.50	0.50
South Western Engineering India Limited	537	-	65.52	65.52	537	-	65.52	65.52
B. Non-trade								
(a) Investment in Equity instruments:								
(i) Others:								
Super Spinning Mills Ltd	10000	0.01	-	0.01	10000	0.01	-	0.01
Tube Investments of India Ltd	1100	0.01	-	0.01	1100	0.01	-	0.01
Corporation Bank	2400	1.92	-	1.92	2400	1.92	-	1.92
Tata Refractory Ltd	5000	-	2.01	2.01	5000	-	2.01	2.01
Manish Commercial Premises								
Co-operative Society Ltd, Mumbai	5	-	-	-	5	-	-	-
Kaveri Steels Ltd	100	-	-	-	100	-	-	-
C. Other Investments								
(a) Investment in Government securities								
(i) National Highways Authority of India Bond	-	-	-	-	460	-	-	-
		727.33	1,094.68	1,822.01		727.33	1,094.68	1,822.01

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investments	727.33	727.33
Aggregate market value of the listed and quoted investments	1,706.72	1,374.59
Aggregate value of listed but not quoted investments	-	-
Aggregate value of unquoted investments	1,094.68	1,094.68

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
12 LONG-TERM LOANS AND ADVANCES		
(a) Capital advance		
Unsecured, considered good	1,556.93	704.34
(b) Security and other deposits	698.90	497.36
Unsecured, considered good		
(c) Loans and advances to employees		
Unsecured, considered good	0.12	2.31
(d) Advance income-tax (net of provision ₹ 6049.48 Lakhs) (As at 31.03.2013 ₹ 4666.03)		
Unsecured, considered good	356.29	241.98
(e) Mat credit entitlement	333.18	421.30
Unsecured, considered good		
(f) Other loans and advances		
(i) Advance recoverable		
Unsecured, considered good	124.22	14.34
Unsecured, considered doubtful	-	-
Less: provision for other loans and doubtful advances	-	-
(ii) Rent and other advances		
Unsecured, considered good	299.24	235.36
Total	3,368.88	2,116.79

13 OTHER NON-CURRENT ASSETS		
(a) Unamortised expenses		
(i) Ancillary Borrowing cost	47.71	48.77
(b) Accruals:		
(i) Interest accrued on Deposits	-	0.18
(c) Others:		
(i) Margin Money with Banks - maturity above 12 months	-	0.87
(ii) Fixed Deposit with Banks - maturity above 12 months	-	1.04
Total	47.71	50.86

14 CURRENT INVESTMENT	As at 31st March 2014				As at 31st March 2013			
	Number of Shares	Quoted	Un Quoted	Total	Number of Shares	Quoted	Un Quoted	Total
Investments at Cost								
A. Other Investments								
(a) Investment in Government securities								
(i) National Highways Authority of India Bond	-		-	-	460	-	46.00	46.00
	-		-	-	460	-	46.00	46.00

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
15 INVENTORIES		
(At Lower of cost and net realisable value)		
(a) Raw Materials	4,408.23	4,136.20
(b) Work-in-progress (Refer Note (i))	7,614.61	6,658.66
(c) Finished products (Refer Note (ii))	4,512.54	4,157.12
(d) Stock-in-trade (acquired for trading)	1,127.07	1,579.13
Goods in Transit	236.88	724.84
(e) Others		
(i) Packing materials	273.09	174.17
(ii) Stores & spares	1,572.38	1,238.77
(iii) Loose tools	1,007.51	924.85
(iv) Agricultural produce	-	7.37
Total	20,752.31	19,601.11
Notes:		
15(i) Details of inventory of work-in-progress		
Transmission	4,849.47	4,299.51
Metal forming	1,683.81	1,384.77
Others	1,081.33	974.38
Total	7,614.61	6,658.66
(ii) Details of inventory of (Finished goods)		
Transmission	3,693.02	3,253.14
Metal forming	659.60	637.78
Others	159.92	266.19
Total	4,512.54	4,157.12
16 TRADE RECEIVABLE		
(a) Trade Receivable outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	54.36	149.20
(ii) Unsecured, considered doubtful	92.26	42.52
Less: Provision for doubtful trade receivables	92.56	42.52
(b) Other Trade receivable		
(i) Unsecured, considered good	14,556.00	12,265.43
(ii) Unsecured, considered doubtful	40.21	69.29
Less: Provision for doubtful trade receivables	40.21	69.29
Total	14,610.36	12,414.63

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
19 OTHER CURRENT ASSETS		
(a) Others		
(i) Income and claims receivable	31.99	199.41
(ii) Interest accrued on Deposits	3.53	12.56
Total	35.52	211.97

20 REVENUE FROM OPERATIONS		
a) Sale of products (Refer Note (i) below)	113,542.86	98,747.78
b) Sale of services (Refer Note (ii) below)	161.36	130.52
c) Other operating revenue (Refer Note (iii) below)	6,867.57	5,280.50
Revenue from Operations (Gross)	120,571.79	104,158.80
Less: Excise duty	9,715.53	8,540.13
Total	110,856.26	95,618.67
Note:		
(i) Sale of products		
Manufactured goods:		
Chains	76,675.32	66,435.19
Metal Forming	16,436.06	15,798.69
Others	12,455.26	2,855.10
Total - sale of manufactured goods	105,566.64	85,088.98
Traded goods:		
Light commercial vehicles	7,976.22	13,658.80
Total - Sale of traded goods	7,976.22	13,658.80
Total - Sale of products	113,542.86	98,747.78
(ii) Sale of services:		
Service income on vehicles	161.36	130.52
Total - Sale of services	161.36	130.52
(iii) Other operating revenue:		
Scrap sales	6,730.08	5,219.49
Duty drawback and other export incentives	137.49	61.01
Total - other operating revenue	6,867.57	5,280.50
Total	120,571.79	104,158.80

21 OTHER INCOME		
a) Interest income (Refer Note (i) below)	11.93	19.49
b) Dividend income:		
from long-term investments		
(i) Associates	1.93	3.29
(ii) Others	12.94	13.00
c) Other non-operating income		
(i) Rental and lease income	82.46	101.59
(ii) Agricultural income	10.20	2.65
(iii) Profit on sale of assets (net)	340.16	231.42
(iv) Miscellaneous receipts	-	11.19
Total	459.61	382.63

Notes forming part of the Consolidated financial statements

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
Note : (i) Interest Income		
Interest on fixed deposit with banks	6.49	7.81
Interest on deposit with TNEB	1.17	8.25
Interest on inter corporate deposit	3.82	1.15
Interest on NHAI bonds	0.45	2.28
Total - Interest income	11.93	19.49

22a COST OF MATERIALS CONSUMED		
Opening Stock:	4,310.37	4,002.23
Add: Purchases	48,112.22	37,051.49
Less: Closing Stock	4,681.33	4,310.37
Cost of material consumed	47,741.26	36,743.35
Material consumed comprises:		
Steel Strips, Wires, rods, bars	30,177.84	29,254.73
Blanks, 'O' Rings and others	14,763.36	6,208.66
Rubber and Chemicals	283.14	308.28
Packing Materials	2,516.92	1,971.68
Total	47,741.26	37,743.35

22b PURCHASE OF TRADED GOODS		
Purchase of light commercial vehicle	7,173.91	13,380.37
Total	7,173.91	13,380.37

22c CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year ended		
Finished goods	4,512.54	4,157.12
Work-in-progress	7,614.61	6,658.66
Stock-in-trade	1,363.95	2,303.97
	13,491.10	13,119.75
Inventories at the beginning of the year ended		
Finished goods	4,157.12	4,967.80
Work-in-progress	6,658.66	7,004.88
Stock-in-trade	2,303.97	2,118.69
	13,119.75	14,091.37
Net (increase)/ decrease	(371.34)	971.62

23 EMPLOYEE BENEFITS EXPENSES		
(a) Salaries and wages	11,541.31	8,701.69
(b) Contribution to provident and other funds	1,064.91	594.28
(c) Staff welfare expenses	788.97	703.02
Total	13,395.19	9,998.99

Notes forming part of the Consolidated financial statements

Particulars	Year ended 31.03.2014 (₹ in lakhs)	Year ended 31.03.2013 (₹ in lakhs)
24 FINANCE COST		
(a) Interest expenses:		
(i) On borrowings:	1,499.16	1,888.93
(b) Other borrowing cost	290.59	404.68
Total	1,789.75	2,293.61

25 OTHER EXPENSES		
(a) Consumption of stores and spare parts	7,169.55	6,125.57
(b) Processing charges	6,030.26	5,982.00
(c) Power, fuel and lighting	4,294.25	3,684.14
(d) Rent including lease rentals	733.34	534.80
(e) Repairs & maintenance of		
(i) Buildings	219.48	207.99
(ii) Machinery	1,648.60	1,485.52
(iii) Other assets	805.53	419.77
(f) Insurance	346.52	108.11
(g) Rates and taxes	176.91	91.77
(h) Travelling and conveyance	739.27	579.86
(i) Printing and stationery	76.01	65.66
(j) Postage, telegram and telephones	175.51	176.26
(k) Freight, packing & forwarding	3,626.77	2,995.85
(l) Advertisement, publicity and selling expenses	753.14	515.76
(m) Trade discount	2,235.67	1,599.78
(n) Donations	7.50	60.00
(o) Legal and accountancy charges	298.96	346.05
(p) Auditors' remuneration (Refer note (i) below)	13.88	11.39
(q) Bad debts written off	19.94	4.41
(r) Assets condemned & written off	15.68	7.89
(s) Provision for doubtful debts/advances	12.02	12.49
(t) Exchange difference	216.99	5.40
(u) Sales-tax, entry tax & octroi	128.30	92.47
(v) Sitting fees	5.85	5.85
(w) Watch and Ward	440.37	373.81
(x) Agricultural expenses	16.11	-
(y) Loss on sale of assets	-	-
(z) Miscellaneous expenses	97.06	97.20
(aa) Preliminary expenses written off	0.19	0.19
	30,303.65	25,590.00

Note

(i) Payment to auditors comprises (net of service tax input credit wherever applicable)		
As auditors - statutory audit	9.38	9.30
For taxation matters	2.50	2.09
For other service	2.00	-
Total	13.88	11.39

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
26 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENT		
26.1 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company, not acknowledged as debt - disputed tax liability.		
i. Central Excise	538.80	318.77
ii. Entry Tax	408.36	408.36
iii. Service tax	21.41	20.26
iv. VAT / CST	289.81	235.48
	1,258.38	982.87
(b) Guarantee given by Bankers and outstanding	85.88	21.05
(c) Corporate guarantee given for others	5,750.00	7,150.00
(d) Estimated customs duty obligation on imports, if corresponding export obligation is not satisfied.	1,522.94	1,386.06

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

(ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	6,701.99	1,791.58
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26.2 Other notes forming part of accounts

These are set at in and under schedules and notes forming part of the accounts for the year ended 31.03.2014 as given in unconsolidated statements of L.G. Balakrishnan & Bros Limited and its subsidiaries.

27.1 Employee benefit plans
Defined Contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 395.46 Lakhs (Year ended 31 March, 2013 ₹ 339.04 Lakhs) for Provident Fund contributions and ₹ 7.60 Lakhs (Year ended 31 March, 2013 ₹ 5.25 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

State plans:

The Company makes ESI contributions to Employees' State Insurance Scheme. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 158.84 Lakhs (Year ended 31 March, 2013 ₹ 113.23 Lakhs) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Scheme.

Notes forming part of the Consolidated financial statements

27.2. Related party transActions : (As identified by the Management and relied upon by Auditors)

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

i) Enterprise over which the Company may exercise significant influence

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

ii) Associates

Renold Chain India Private Limited

iii) Key Management Personnel

a. Sri. B. Vijayakumar, Chairman & Managing Director	b. Sri. P. Prabakaran, Deputy Managing Director
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iv) Relatives of Key Management Personnel

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

Notes forming part of the Consolidated financial statements

Nature of transactions	Associates / Others	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Managerial Remuneration				
B. Vijayakumar	-	197.33	-	197.33
	-	(142.30)	-	(142.30)
P. Prabakaran	-	54.05	-	54.05
	-	(46.24)	-	(46.24)
Loan Receipts (Borrowings)	1090.00	1238.00	530.00	2858.00
	(504.00)	(417.00)	(815.00)	(1736.00)
Loan Repayment (Borrowings)	937.00	777.00	1082.00	2796.00
	(471.00)	(341.00)	(929.00)	(1741.00)
Interest Expenses	57.63	33.10	34.48	125.21
	(25.62)	(20.68)	(33.82)	(80.12)
Dividend Receipts	1.93	-	-	1.93
	(3.29)	(-)	(-)	(3.29)
Dividend Payments	73.85	78.57	118.18	270.60
	(174.07)	(165.53)	(252.28)	(591.88)
Rent Income	46.75	-	-	46.75
	(62.40)	(-)	(-)	(62.40)
Rent / Lease Expenses	110.97	-	-	110.97
	(25.71)	(-)	(-)	(25.71)
Purchase of Materials, Spares & power	1729.23	-	-	1729.23
	(1355.69)	(-)	(-)	(1355.69)
Processing/Conversion Cgs Payment	282.13	-	-	282.13
	(356.87)	(-)	(-)	(356.87)
Sale of Materials, Stores and Service Charges	1500.22	-	-	1500.22
	(1484.43)	(-)	(-)	(1484.43)
Processing charges Receipts	17.23	-	-	17.23
	(108.87)	(-)	(-)	(108.87)
Sale of Fixed Assets	9.29	-	-	9.29
	(3.82)	(-)	(-)	(3.82)
Purchase of Fixed Assets	1452.83	-	-	1452.83
	(390.79)	(-)	(-)	(390.79)
Receivable balance	337.22	-	-	337.22
	(325.21)	(-)	(-)	(325.21)
Payable balance	296.62	-	-	296.62
	(91.39)	(-)	(-)	(91.39)
Unsecured borrowings balance	455.00	636.00	54.00	1145.00
	(302.00)	(175.00)	(256.00)	(733.00)

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

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
LOAN RECEIPTS:		
Associates/Others:		
L.G. Farm Products Pvt.Ltd.	12.00	17.00
Super Speeds (P) Limited	205.00	80.00
South Western Engineering India Limited	-	315.00
LGB.Auto Products (P) Limited	117.00	63.00
Elgi Automotive Services (P) Limited	731.00	29.00
Key managerial personnel:		
Sri. B. Vijayakumar	1,238.00	417.00
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	-	800.00
Smt. V.Rajsri	198.00	132.00
Sri. V.Rajvirdhan	326.00	160.00
LOAN REPAYMENT:		
Associates/Others:		
South Western Engineering India Limited	-	315.00
Super Speeds Private Limited	120.00	110.00
Tribe Investments & Services (P) Limited	150.00	-
LGB Auto Products (P) Limited	90.00	5.00
Elgi Automotive Services (P) Limited	570.00	-
Key managerial personnel:		
Sri. B. Vijayakumar	777.00	341.00
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	550.00	500.00
Smt. V. Rajsri	150.00	211.00
Sri. V. Rajvirdhan	336.00	169.00
INTEREST EXPENSE:		
Associates/Others:		
Tribe Investments and Services (P) Limited	13.32	22.00
Elgi Automotive Services (P) Limited	24.48	0.74
LGB Auto Products (P) Limited	12.33	1.27
Super Speeds (P) Limited	7.99	0.93
Key managerial personnel:		
B. Vijayakumar	49.90	20.68
Relatives of key managerial personnel:		
Sri. Rajiv Parthasarathy	50.86	52.19
Smt. V. Rajsri	5.39	2.48
Sri. V. Rajvirdhan	9.08	3.41

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
DIVIDEND PAYMENT:		
Associates/Others:		
Elgi Automotive Services (P) Limited	28.70	67.65
LGB Auto Products (P) Limited	26.60	62.70
L.G.Farm Products (P) Limited	14.00	33.00
Key managerial personnel:		
Sri. B. Vijayakumar	78.57	165.50
Relatives of key managerial personnel:		
Sri. V. Rajvirdhan	74.49	161.09
Smt. V. Rajsri	36.13	73.39
Sale of Fixed Assets:		
Associates/Others:		
South Western Engineering India Limited	4.20	3.30
LG Sports Limited	0.29	-
Super Transports Private Limited	4.69	-
Purchase of Fixed Assets:		
Associates/Others:		
LGB Forge Limited	1,432.38	358.33
Rent income		
Associates/Others:		
LGB Forge Limited	36.26	44.19
South West Engineering India Limited	-	5.51
Rent /Lease payment		
Associates/Others:		
LGB Forge Limited	72.46	4.51
Renold Chain India (P) Limited	2.65	5.74
LGB Auto Products (P) Limited	20.80	14.00
Purchase of material, spares & power		
Associates/Others:		
Renold Chain India (P) Limited	1,417.22	1,077.36
L.G. Balakrishnan & Bros, Karur	241.19	252.99
Processing/conversion charges payment		
Associates/Others:		
South Western Engineering India Limited	235.70	304.58
Silent Chain India (P) Limited	46.43	50.66
Processing receipts		
Associates/Others:		
LGB Forge Limited	16.89	108.87
Sale of Material ,Stores and Service charges		
Associates/Others:		
Renold Chain India (P) Limited	1,359.75	1,305.64

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
27.3. SEGMENT REPORTING		
Primary Segment Information		
(Business Segments):		
A. Segment Revenue:		
Transmission	72,950.08	63,081.29
Metal Forming	16,594.93	15,718.26
Others	21,311.25	16,819.12
Total	110,856.26	95,618.67
B. Segment Results:		
Transmission	7,392.82	5,673.75
Metal Forming	1,531.59	536.55
Others	870.08	117.27
Total	9,794.49	6,327.57
Interest Expenses	1,789.75	2,293.61
Unallocated corporate expenses, net of unallocated income	-	-
Profit before tax	8,004.74	4,033.97
Provision for taxation	1,489.78	769.96
Profit after tax	6,514.96	3,264.01

C. Other Information:

Particulars	As at 31 March, 2014		For the year ended 31 March, 2014		
	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation	Non-cash expenditure excluding depreciation
Transmission	31203.77	11999.89	3781.12	1264.91	3.57
	(25815.37)	(9995.88)	(1644.37)	(1187.80)	(27.59)
Metal Forming	19665.66	4164.38	912.44	1385.10	31.89
	(18516.81)	(3467.07)	(1730.11)	(1289.68)	(0.09)
Others	15958.82	4252.32	1269.86	628.70	2.67
	(15739.53)	(3765.14)	(1139.86)	(511.91)	(2.98)
Unallocated	2178.30	17697.69	-	-	-
	(2109.97)	(19109.22)	(-)	(-)	(-)

Note: Components of business segments are as under:

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

Notes forming part of the Consolidated financial statements

Particulars	As at 31.03.2014 (₹ in lakhs)	As at 31.03.2013 (₹ in lakhs)
A. Secondary Segment Information (Geographical Segment)		
1) Segment Revenue:		
Within India	100,884.49	87,584.60
Outside India	9,971.77	8,034.07
Total	110,856.26	95,618.67
2) Segment Assets:		
Within India	63,940.87	60,462.02
Outside India	2,887.38	1,719.68
Total	66,828.25	62,181.70
3) Capital Expenditure:		
Within India	5,015.53	5,078.50
Outside India	947.89	568.59
Total Capital Expenditure	5,963.42	5,647.09
27.4 Earnings per share		
Basic & Diluted:		
Continuing operations:		
Net profit after tax from continuing operations - (₹ in lakhs)	6,196.46	3,273.01
Profit attributable to Equity Shareholders - (₹ in lakhs) (A)	6,196.46	3,273.01
Total number of Equity Shares outstanding at Balance Sheet date.	7,848,104	7,848,104
Weighted average number of Equity Shares outstanding, considered for the purpose of computing Basic EPS (B)	7,848,104	7,848,104
Nominal value of Equity Shares - in ₹	10	10
Basic and Diluted Earnings Per Share-in ₹ (A/B)	78.89	41.70
27.5 DEFERRED TAX LIABILITY		
Tax effect of items constituting deferred tax liability:		
On difference between book balance and tax balance of fixed assets	1,698.68	1,784.62

28. The financial statement of foreign subsidiary have been prepared in accordance with generally accepted accounting principal of its country of incorporation. The difference in accounting policy of the Company and its subsidiaries are not material. The material transaction from 1st January, 2014 to 31st March, 2014 have been adjusted in the financial statement for the year ended 31st December, 2013.
29. Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification/disclosure.

“In terms of our report attached”
 For **DELOITTE HASKINS & SELLS**
 Chartered Accountants
C.R. RAJAGOPAL
 Partner
 Coimbatore
 15.05.2014

For and on behalf of Board of Directors

B. VIJAYAKUMAR Chairman cum Managing Director	P. PRABAKARAN Deputy Managing Director
M. LAKSHMI KANTH JOSHI General Manager cum Company Secretary	N. RENGARAJ Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31 March, 2014

PARTICULARS	31.03.2014 (₹ in Lakhs)	31.03.2013 (₹ in Lakhs)
A. Cash flow from operating activities		
Net Profit before Tax and Extra ordinary items	8,004.74	4,033.97
Adjustments for		
Depreciation	3,278.71	2,989.39
Asset Condemned and written off	15.68	7.89
(Profit) or Loss on sale of assets	(340.16)	(231.42)
(Profit) or Loss on sale of investments	-	-
Finance charges	1,789.75	2,293.61
Interest income	(11.93)	(19.49)
Dividend income	(14.87)	(16.29)
Rental income on operating lease	(82.46)	(101.59)
Bad debts written off	19.94	4.41
Provision for doubtful trade receivables	12.02	12.49
Net unrealised foreign exchange loss	75.69	(31.21)
Operating profit before working capital changes	12,747.11	8,941.76
Changes in Working Capital		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1,151.20)	(298.93)
Trade Receivables	(2,297.06)	(1,511.02)
Short term Loans and advances	424.23	(10.12)
Long term Loans and advances	(1,252.09)	(850.73)
Other current assets excluding advance tax	176.45	39.71
Other Non- current assets	1.24	(9.81)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	2,707.74	705.20
Other current Liabilities	(73.98)	760.57
Cash generated from operations	11,282.44	7,766.64
Preliminary expenses	0.19	0.19
Income tax paid	(1,702.51)	(759.50)
Net Cash from operating activities (A)	9,580.12	7,007.33
B. Cash flow from Investing activities		
Purchase of Fixed assets	(6,687.28)	(6,169.49)
Proceeds from sale of fixed assets	479.31	266.77
Purchase of Investments	46.00	(507.37)
Proceeds from sale of investments	-	-
Bank balances not considered as Cash and cash equivalents		
Fixed Deposit with banks matures more than 3 months	28.60	(15.50)
Dividend received		
from associates	1.93	3.29
from others	12.94	13.00
Interest received		
from others	11.93	19.49
Rental income on operating lease	82.46	101.59
Net cash outflow from Investing activities (B)	(6,024.11)	(6,288.21)

Consolidated Cash Flow Statement for the year ended 31 March, 2014

PARTICULARS	31.03.2014 (₹ in Lakhs)	31.03.2013 (₹ in Lakhs)
C. Cash flow from financing activities		
(Repayment)/Proceeds of Secured Loan	(1,929.88)	2,270.18
Proceeds/(Repayment) of Unsecured Loan	503.25	709.60
Proceeds from issue of Share Capital to Minority Shareholders	(48.30)	552.84
Interest paid	(1,789.75)	(2,293.61)
Dividend paid	(642.73)	(1,505.01)
Extra Ordinary Items	-	-
Net cash used in financing activities (C)	(3,907.41)	(266.00)
Net increase in cash and cash equivalents (A) + (B) + (C)	(351.40)	453.12
Opening Balance	948.79	495.67
Closing Balance *	597.39	948.79
Reconciliation of Cash and cash equivalent with the Balance Sheet		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
comprises		
(a) Cash- on- Hand	26.70	39.33
(b) Cheque and Demand Drafts on Hand	2.20	3.80
(c) Balances with Banks		
(i) In Current Account	209.82	537.78
(ii) In Collection Account	298.31	322.34
(iii) In Deposit Account	12.43	-
(iv) In Earmarked Accounts		
Unpaid Dividend Account	47.54	45.11
Unpaid Interest Account	0.39	0.43
In Margin Monery with Banks	-	-
	597.39	948.79

Corporate information and Significant Accounting policies 1 & 2
See accompanying notes forming part of the financial statements

“In terms of our report attached”
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
C.R. RAJAGOPAL
Partner
Coimbatore
15.05.2014

For and on behalf of Board of Directors

B. VIJAYAKUMAR Chairman cum Managing Director	P. PRABAKARAN Deputy Managing Director
M. LAKSHMI KANTH JOSHI General Manager cum Company Secretary	N. RENGARAJ Chief Financial Officer



L.G. Balakrishnan & BROS LIMITED



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

Sub.: Green Initiative in Corporate Governance - Electronic Mode of service of documents

The Ministry of Corporate Affairs (MCA) has, vide its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, allowed companies to serve all notices and correspondences to shareholders including Annual Reports i.e., Audited Financial Statements, Directors' Report, Auditors' Report, etc., through electronic mode (e-mail). The initiative taken by the MCA is a welcome move for the Society, as this will reduce paper consumption to a great extent, ensure prompt receipt of communication and avoid loss of document in postal transit. Keeping in view of the theme underlying the Circulars issued by MCA, we propose to henceforth send documents like notices, intimation under Section 302 of the Companies Act, 1956, Annual Reports, Financial Results, etc., to our shareholders through electronic mode.

We are sure that you will whole-heartedly support this initiative for a greener environment and co-operate with the Company to make it a success. We therefore request you to fill up the Information Slip below for registering your e-mail ID and send it to our Registrar & Share Transfer Agent (RTA), Cameo Corporate Services Limited. You can also send us an e-mail from your e-mail ID to secretarial@lgb.co.in for receiving the aforesaid documents in electronic form and mentioning therein your Folio No. / DP ID / Client ID as the case may be. On receipt of the Information Slip or an e-mail from you for registering your e-mail ID, we shall send such documents in electronic form to the said e-mail ID in future.

Please note that the Information Slip should be signed by the First / sole-holder as per the specimen signature recorded with the RTA. If you do not register your e-mail ID, a physical copy of the Annual Report and other communication / documents will be sent to you free of cost, as per the current practice. These documents will also be available on the Company's website www.lgb.co.in. for your ready reference under the Investors' Relations Section. Let's be part of this 'Green Initiative'

Thanking You,

Yours faithfully,

For L.G. BALAKRISHNAN & BROS LIMITED

(Sd./-)

M. LAKSHMI KANTH JOSHI

General Manager cum Company Secretary

✂ ————— Cut along the line —————

Cameo Corporate Services Limited

Unit: L.G. Balakrishnan & Bros Limited

"Subramanian Building"

No 1, Club House Road

Chennai- 600 002

Tel No.: 044 - 28460390 Fax : 044 - 2846 0129

Folio No./DP ID & Client ID :

Name of the First Holder :

E-mail ID address (to be registered) :

Phone number (with STD Code) / Mobile No. :
(in case the shares are held in physical form)

Date: _____

Signature of 1st Holder _____

Note : Shareholders are requested to keep DP / RTA / Company informed as and when there is any change in the e-mail address. Unless the e-mail ID given above is changed by you by sending another communication in writing / e-mail, the Company will continue to send the documents to you on the above mentioned e-mail ID.

ATTENDANCE SLIP

L.G. BALAKRISHNAN & BROS LIMITED

CIN : L29191TZ1956PLC000257

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

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

Phone: 0422 2532325, Fax: 0422 2532333

58th ANNUAL GENERAL MEETING

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

I hereby record my presence at the 58th ANNUAL GENERAL MEETING of the Company held on **Wednesday, July 9th, 2014 at 10.30 A.M.** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for FY 2013-14 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-14 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.



E-VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USED ID	PASSWORD*
140514060400417002	Folio No. / Client ID	PAN Number / Bank Account No / Date of Birth

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

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

Commencement of e-voting	End of e-voting
Thursday, 3 rd July, 2014 (from 9.00 A.M)	Saturday, 5 th July, 2014 (upto 6.00 P.M)

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

PROXY FORM

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

L.G. BALAKRISHNAN & BROS LIMITED

CIN : L29191TZ1956PLC000257

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

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

Phone: 0422 2532325, Fax: 0422 2532333

**58th ANNUAL GENERAL MEETING
9th July, 2014**

Name of the member(s):

Registered address:

E-mail ID:

Folio No/Client ID:

DP ID:

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

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

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

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

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

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

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

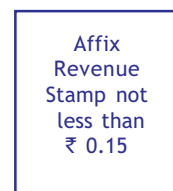
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on **Wednesday, July 09, 2014 at 10.30 A.M** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.

S.No	Resolutions	Optional *	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Balance Sheet as at 31 st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2	To confirm the Interim Dividend already paid and declare Final Dividend on the Equity Shares for the financial year ended 31st March, 2014.	<input type="checkbox"/>	<input type="checkbox"/>
3	To appoint a Director in the place of Sri.V.Rajvirdhan, who retires by rotation, and being eligible, offers himself for reappointment	<input type="checkbox"/>	<input type="checkbox"/>
4	To re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants as Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
Special Business			
5	Appointment of Dr.T.Balaji as an Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
6	Appointment of Sri.V.Govindarajulu as an Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
7	Appointment of Sri.P.Balasubramanian as an Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
8	Appointment of Sri.P.Shanmugasundaram as an Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
9	Appointment of Sri.R.Vidhya Shankar as an Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
10	To consider and approve Related Party Transaction(s) Under Section 188 of the Companies Act, 2013.-	<input type="checkbox"/>	<input type="checkbox"/>
11	To consider and approve Related Party Transaction(s) Under Section 188 of the Companies Act, 2013.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2014

Signature of Shareholder



Notes

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 58th Annual General Meeting
- 3.* It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate
4. Please complete all details including details of member(s) in the above box before submission.

To

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

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

1. Particulars of the shareholder

- a) Regd. Folio No. :
- b) Name of the first Regd. Holder (in block letters) :

2. Particulars of the Bank

- a) Name of the Bank :
- b) Address of the Branch :
- c) Account No. (As appearing in the cheque book) :

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

Please Tick relevant box

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

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DECLARATION

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

(Signature of the first Regd. holder)

(Signature of the second holder)

Place : Name :

Date : Address :

.....Pincode

Phone :

Email:.....

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



To (Your Depository Participant)

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

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

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

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

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DECLARATION

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

(Signature of the First (regd.) holder)

Place :

Date :

Phone :

Email:.....

Note : Please send this form to your Depository participant.



ANNUAL REPORT

If Undelivered Please Return to :



L.G. BALAKRISHNAN & BROS LIMITED

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

Tel : 0422 - 2532325, Fax : 0422 - 2532333

CIN : L29191TZ1956PLC000257

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