



SEC/SE/025/2024-25  
Coimbatore, July 15, 2024

**BSE Limited**  
Phiroze Jeejeeboy Towers  
Dalal Street  
Mumbai – 400 001

**The National Stock Exchange of India Limited**  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (E),  
Mumbai – 400 051

**Scrip Code: 533007**

**Symbol: LGBFORGE**

**Sub: Updated Annual Report for the financial year 2023-24 (including Addendum to Annexure – 1 of the Independent Auditor's Report)**

---

Dear Sir / Madam,

Further to our letter dated July 13, 2024 intimating the submission of notice of 18<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2023-24, we hereby attached the updated Annual Report for the financial year 2023-24. The updated Annual Report contains Addendum to the Annexure – 1 of the Independent Auditor's Report (as attached in Page 129 of the Annual Report) which was inadvertently not included in the earlier intimation.

The updated Annual Report containing the Notice is also being uploaded on the Company's website i.e., [www.lgbforge.com](http://www.lgbforge.com).

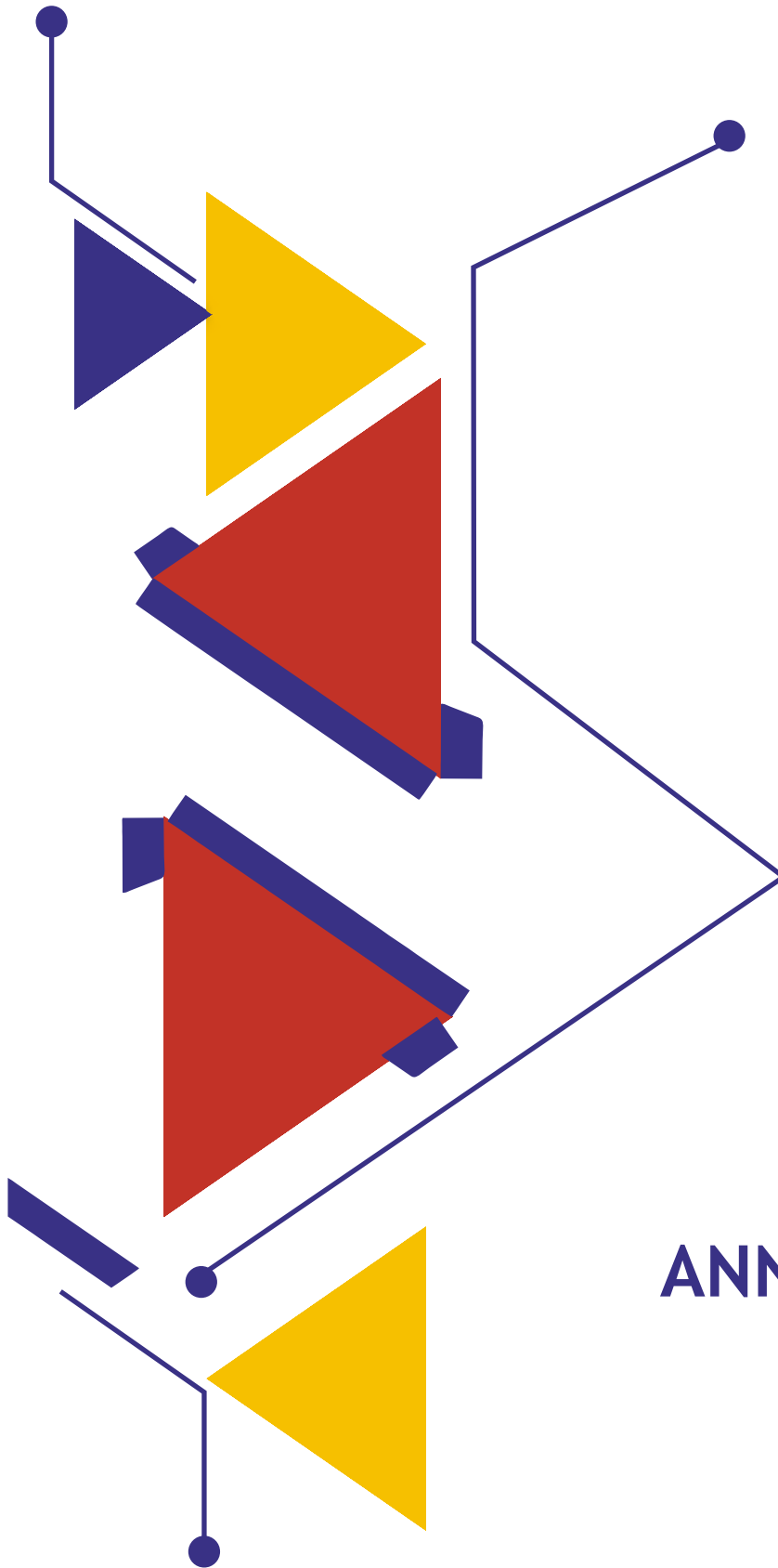
You are requested to take the same on record and oblige.

Thanking you,

Yours faithfully,  
**For LGB Forge Limited**

**K. Kousalya**  
**Company Secretary and Compliance Officer**  
**Membership No. ACS 68426**

Encl: As above.



18<sup>th</sup>  
ANNUAL REPORT  
2023-24

**LGB FORGE LIMITED**



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**Sri. B. Vijayakumar**

Chairman and Non-Executive Director

**Smt. Rajsri Vijayakumar**

Managing Director

**Sri. A. Sampath Kumar**

Whole Time Director

**Sri. V. Ragupathi**

Non-Executive Director

**Sri. P. Shanmugasundaram**

Independent Director

**Sri. P.V. Ramakrishnan**

Independent Director

**Sri. Prem Kumar Parthasarathy**

Independent Director

**Sri. Sajeev Mathew Rajan**

Independent Director

**Sri. Murugesu Saravana Marthandam**

Independent Director

### **CHIEF FINANCIAL OFFICER**

Smt. Geetha Manjari

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

Sri. K. Maheswaran (up to May 20, 2023)

Smt. K. Kousalya (w.e.f. August 29, 2023)

### **BANKERS & FINANCIAL INSTITUTIONS**

Axis Bank Limited

ICICI Bank Limited

IDBI Bank Limited

### **STATUTORY AUDITORS**

**M/s. N.R. Doraiswami & Co**

Chartered Accountants

No. 48, "MANCHILLU",

Race Course, Coimbatore – 641018.

Phone No.: 0422 - 2223780

### **SECRETARIAL AUDITORS**

**M/s. P. Eswaremoorthy and Company**

No. 44 & 44/1, 5<sup>th</sup> Street,

Ramalinga Jothi Nagar,

Near Corporation Office,

Nanjundapuram Road,

Ramanathapuram, Coimbatore - 641045.

Phone No.: 0422 - 2322333

### **INTERNAL AUDITORS**

**Sri. G. Jawaharlal**

Chartered Accountant,

"Aishwaryamz", No. 5/172/1, Raja Rajan Nagar,

Alagapuram, Periapudur, Salem - 636016.

Phone No.: 0427 - 2332249

### **REGISTRAR AND SHARE TRANSFER AGENT**

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

"Subramanian Building",

No. 1, Club House Road,

Chennai - 600002.

Phone No.: 044 - 28460390

### **REGISTERED OFFICE**

6/16/13, Krishnarayapuram Road,

Ganapathy, Coimbatore - 641006.

Email: [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com)

Website: [www.lgbforge.com](http://www.lgbforge.com)

Phone.: 0422 - 2532325

### **LISTED - STOCK EXCHANGES**

BSE Limited

National Stock Exchange of India Limited

**CIN: L27310TZ2006PLC012830**

## TABLE OF CONTENTS

|    |                                           |   |    |
|----|-------------------------------------------|---|----|
| 1. | Notice                                    | - | 3  |
| 2. | Boards' Report                            | - | 21 |
| 3. | Management Discussion and Analysis Report | - | 39 |
| 4. | Corporate Governance Report               | - | 43 |
| 5. | Independent Auditor's Report              | - | 65 |
| 6. | Financial Statements                      | - | 76 |

## 18<sup>TH</sup> ANNUAL GENERAL MEETING

|                                                                                        |                                                                                               |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>Day, Date and Time of AGM:</b><br>Wednesday, August 14, 2024<br>at 11.00 A.M. (IST) | <b>Remote e-voting start time and date:</b><br>Sunday, August 11, 2024<br>at 09.00 A.M. (IST) |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|

|                                                                            |                                                                                              |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <b>Mode:</b><br>Video Conference (VC) /<br>Other Audio-Visual Means (OAVM) | <b>Remote e-voting end time and date:</b><br>Tuesday, August 13, 2024<br>at 05.00 P.M. (IST) |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|

|                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Participation through VC / OAVM:</b><br>Members can login from 10.45 A.M. on the date of the AGM at<br><a href="https://www.evotigindia.com">https://www.evotigindia.com</a> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**NOTICE OF 18<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Eighteenth (18<sup>th</sup>) Annual General Meeting (“AGM”) of LGB Forge Limited will be held on Wednesday August 14, 2024 at 11:00 A.M. (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 with the reports of the Board of Directors’ and Auditor’s thereon.
2. To appoint a Director in place of Sri. B. Vijayakumar (DIN: 00015583), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 at this Annual General Meeting and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **Appointment of Sri. S. Ganesh (DIN: 08617166) as an Independent Director (Non-Executive) of the Company.**

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 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (“Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Regulation 16, 17 and 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company at their meetings held on May 14, 2024 and May 22, 2024 respectively, Sri. S. Ganesh (DIN: 08617166) who was appointed as Additional Director in the capacity of Non-Executive Independent Director with effect from May 22, 2024 and who has submitted a declaration that he meets the criteria of independent director, as envisaged in Section 149(6) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term up to 5 consecutive years with effect from May 22, 2024 to May 21, 2029 (both days inclusive) and who shall not be liable to retire by rotation.”

“**Resolved further that** Smt. Rajsri Vijayakumar, Managing Director, Sri. A. Sampath Kumar, Whole Time Director and Smt. K. Kousalya, Company Secretary and Compliance Officer of the Company, be and are hereby authorised severally on behalf of the Company to do all such other acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

4. **Appointment of Sri. C. Rajaram (DIN: 01972102) as an Independent Director (Non-Executive) of the Company.**

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 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (“Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Regulation 16, 17 and 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendations

of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company at their meetings held on May 14, 2024 and May 22, 2024 respectively, Sri. C. Rajaram (DIN: 01972102) who was appointed as Additional Director in the capacity of Non-Executive Independent Director with effect from May 22, 2024 and who has submitted a declaration that he meets the criteria of independent director, as envisaged in Section 149(6) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term up to 5 consecutive years with effect from May 22, 2024 to May 21, 2029 (both days inclusive) and who shall not be liable to retire by rotation.”

“**Resolved further that** Smt. Rajsri Vijayakumar, Managing Director, Sri. A. Sampath Kumar, Whole Time Director and Smt. K. Kousalya, Company Secretary and Compliance Officer of the Company, be and are hereby authorised severally on behalf of the Company to do all such other acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

**5. Approval of Material Related Party Transactions between the Company and M/s. L.G. Balakrishnan & Bros Limited.**

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

“**Resolved that** in supersession of all earlier resolutions passed pursuant to the provisions of Section 188 and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force from time to time and subject to such approvals, consents, sanctions and permissions of any regulatory authority as may be necessary, approval of the shareholders of the Company be and is hereby accorded to the Board of Directors to enter into a contract(s) / arrangement(s) / transaction(s) with M/s. L.G. Balakrishnan & Bros Limited as detailed in the table forming part of the Explanatory Statement annexed to this notice with respect to sale, purchase or supply of goods or materials, leasing of property of any kind, availing and rendering of any services, transfer of resources, services or obligations and appointment of agent for purchase or sale of goods, materials, services or property, in any financial year for an amount not exceeding ₹ 50 Crores from the conclusion of the 18<sup>th</sup> Annual General Meeting till the conclusion of the 19<sup>th</sup> Annual General Meeting.”

**By Order of the Board of Directors**

**K. KOUSALYA**

Company Secretary and Compliance Officer  
Membership No. ACS 68426

**Place : Coimbatore**

**Date : May 22, 2024**

**NOTES:**

1. Pursuant to the General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.

2. Since this AGM will be held through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”), (a) Members will not be able to appoint proxies for the meeting and (b) Attendance Slip & Route Map are not annexed to this Notice.
3. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) intending to attend and vote at the meeting through VC/OAVM by their Authorised Representative are requested to send a duly certified copy of the Board Resolution / Power of Attorney to the Company through email to [eswarfcs@gmail.com](mailto:eswarfcs@gmail.com) with a copy marked to the Company at [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com) and to its RTA at <https://wisdom.cameoindia.com> authorising their representatives to attend and vote at the meeting.
4. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, and in compliance with the Circulars mentioned above, electronic copy of the Notice of the 18<sup>th</sup> Annual General Meeting of the company, inter-alia, indicating the process and manner of e-voting along with the Annual Report 2023-24 will also be made available on the Company’s website: [www.lgbforge.com](http://www.lgbforge.com) , websites of the Stock Exchanges i.e., National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited (“CDSL”) (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com) .
5. The Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business under Item No. 3, 4 and 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM are also annexed.
6. Participants, i.e. Members and other eligible persons to whom this notice is being circulated are allowed to submit their queries / questions etc. mentioning their name, DP ID and Client ID / Folio Number and Mobile Number at least 2 days before the AGM in advance to the e-mail address of the Company: [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com). Further, queries / questions may also be posed concurrently during the AGM.
7. The facility of joining the 18<sup>th</sup> AGM through VC / OAVM will be opened 15 minutes before and after the scheduled time of the commencement of the 18<sup>th</sup> AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 members on a first-come first-serve basis. This will not include large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first-come first-serve basis.
8. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
9. The Company reserves the right to restrict the number of questions and number of speakers depending on the availability of time for the AGM.
10. In compliance with the aforementioned MCA and SEBI Circulars, the Integrated Annual Report for 2023-24, the Notice of the 18<sup>th</sup> AGM and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / Depository Participant(s) (DP). Therefore, those members whose email address is not registered with the Company or with their respective Depository Participants and who wish to receive the Notice of the 18<sup>th</sup> AGM and the Annual Report for the year 2023-24, can get their email address registered by following the steps as given below:



- a. For Members holding shares in physical form, please send an email request mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, Aadhaar) supporting the registered address of the Member to the Company's email address: [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com).
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participants.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 08, 2024 to Wednesday, August 14, 2024 (both days inclusive) for annual closing.
  12. The information under Regulation 36 of the SEBI (LODR) Regulations, 2015 as amended, in respect of the Director seeking appointment / re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declaration for appointment / re-appointment.
  13. 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 their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to the Company / Cameo Corporate Services Limited.
  14. All documents referred to in the Notice requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection without any fees in electronic mode by the Members by writing an email to [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com) during normal business hours on working days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting. The register of directors and key managerial personnel (KMP) and their shareholding maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM.
  15. As per Section 72 of the Act, members holding shares in physical mode may submit their nomination by submitting Form SH-13 which can be downloaded from the Company's website at [www.lgbforge.com](http://www.lgbforge.com). Members holding shares in demat mode may contact their respective DPs to update the nomination.
  16. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly, as per the amended regulation that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In this regard, Members are requested to dematerialize / demat their shares or securities held in physical form.
  17. All communications relating to shares may please be addressed to the Company's Registrar and Share Transfer Agent at the following address:  
  
M/s. Cameo Corporate Services Limited  
"Subramanian Building" No.1, Club House Road, Chennai – 600 002  
Tel: +91 44 4002 0700  
Online Investor Portal: <https://wisdom.cameoindia.com>  
Website: [www.cameoindia.com](http://www.cameoindia.com)
  18. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended), and MCA & SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e- voting system on the date of the AGM will be provided by CDSL. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. As per the provisions of the Companies Act, 2013, it may be noted that Voting by show of hands will not be available to the members.

**The Instructions for shareholders for e-voting and joining virtual meetings are as under:**

- Step 1 : Access through Depositories CDSL / NSDL e-voting system in case of individual shareholders holding share in demat mode.
- Step 2 : Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
1. The e-voting period begins on **Sunday, August 11, 2024 (09.00 a.m. IST)** and ends on **Tuesday, August 13, 2024 (5.00 p.m. IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, August 02, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of SEBI (LODR) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

**Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.**

In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of shareholders                                                                 | Login methods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Individual Shareholders holding securities in Demat mode with CDSL Depository</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Individual Shareholders holding securities in demat mode with NSDL Depository</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |

| Type of shareholders                                                                                               | Login methods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

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

**Step 2: Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

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

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| <b>For Physical shareholders and other than individual shareholders holding shares in Demat</b> |                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                                                                                             | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).<br>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |

|                       |                                                                                                                                                        |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dividend Bank Details | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. |
| OR                    |                                                                                                                                                        |
| Date of Birth (DOB)   | If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.     |

- 7) After submitting these details appropriately, click on “SUBMIT” tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach “Password Creation” menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for LGB FORGE LIMITED on which you choose to vote.
- 11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- 14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes by clicking on “click here to print” option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User Id and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- 18) **Notes for Non – Individual Shareholders and Custodians –For Remote Voting only:**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non-Individual Shareholders are required mandatory to send the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorized

signatory who are authorized to vote to the Scrutinizer and to the Company at the email address viz., [eswarfcs@gmail.com](mailto:eswarfcs@gmail.com) or [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their view/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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



If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact attoll free no. 1800 22 55 33.

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

**Other Instructions:**

1. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).
2. The e-voting periods commences on **Sunday, August 11, 2024 (09.00 a.m. IST)** and ends on **Tuesday, August 13, 2024 (05.00 p.m. IST) (both days inclusive)**. During this period members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e., **Friday, August 02, 2024**, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
3. 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 **Friday, August 02, 2024**. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice but before the cut-off date for voting i.e., **Friday, August 02, 2024** may kindly refer to the notice uploaded in the Company's website at [www.lgbforge.com](http://www.lgbforge.com) and website of National Stock Exchange of India Limited (NSE) at [www.nseindia.com](http://www.nseindia.com) and website of BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and CDSL Website at [www.evotingindia.com](http://www.evotingindia.com).
4. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The Board of Directors has appointed Mr. P. Eswaramoorthy, M/s. P. Eswaramoorthy and Company, Practising Company Secretaries (Membership No. FCS 6510 and CP No. 7069) as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
6. The scrutiniser shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within 2 working days from the conclusion of the meeting make a consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by the Chairman or person authorised by the Chairman in writing for counter signature.
7. The results shall be declared either by Chairman or by any person authorised by the Chairman in writing and the resolution will be deemed to have been passed on the AGM date subject to the receipt of the requisite number of votes in favour of the resolution(s).
8. Immediately after declaration of the results, the same shall be placed along with the Scrutiniser Report on the Company's website [www.lgbforge.com](http://www.lgbforge.com) and on the website of CDSL and communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed for placing the same in their website.

**ANNEXURE TO THE NOTICE**

**Explanatory Statement pursuant to Section 102(1) and any other applicable provisions of the Companies Act, 2013 (hereinafter) referred to as “the Act”, the rules made thereunder, Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and Secretarial Standards on General Meetings (SS-2):**

**Item No.3: Appointment of Sri. S. Ganesh (DIN: 08617166) as the Independent Director (Non-Executive) of the Company**

The Board of Directors of the Company at their meeting held on Wednesday, May 22, 2024, based on the recommendation of Nomination and Remuneration Committee of the Board, has approved and recommended to the shareholders, the appointment of Sri S. Ganesh as an Independent Director of the Company for a term of five years with effect from May 22, 2024 to May 21, 2029 (both days inclusive) and he shall not be liable to retire by rotation. His appointment is subject to the approval of the shareholders by way of a Special Resolution.

In the opinion of the Board, Sri. S. Ganesh (DIN: 08617166) is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and SEBI (LODR) Regulations, 2015 for his appointment as an Independent Director (Non-Executive) of the Company. Brief Profile of Sri. S. Ganesh (DIN: 08617166) and other details as required under the Act and the SEBI (LODR) Regulations, 2015 are provided hereinbelow and the manner in which he meets such requirements is provided in the Corporate Governance Report forming part of the Annual Report.

The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of Independent Director.

The Company has received from Sri S. Ganesh, all statutory disclosures / declarations including:

- (i) Consent in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and
- (iii) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013, sub-rule (1) and (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

He is eligible for appointment as a Director and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received a Notice from a member in writing under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director. Sri. S. Ganesh (DIN: 08617166) has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. The terms and conditions of appointment of Sri. S. Ganesh (DIN: 08617166) as an Independent Director, would be made available for inspection to the members on sending a request along with their DP / Client ID or Folio No. from their registered email address to the Company at [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com).

**Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives:**

Except Sri. S. Ganesh being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Special Resolution set out as Item No.3.

Disclosure under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2) can be referred below.



**Item No.4: Appointment of Sri. C. Rajaram (DIN: 01972102) as the Independent Director (Non-Executive) of the Company.**

The Board of Directors of the Company at their meeting held on Wednesday, May 22, 2024, based on the recommendation of Nomination and Remuneration Committee of the Board, has approved and recommended to the shareholders, the appointment of Sri C. Rajaram as an Independent Director of the Company for a term of five years with effect from May 22, 2024 to May 21, 2029 (both days inclusive) and he shall not be liable to retire by rotation. His appointment is subject to the approval of the shareholders by way of a Special Resolution.

In the opinion of the Board, Sri. C. Rajaram (DIN: 01972102) is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and SEBI (LODR) Regulations, 2015 for his appointment as an Independent Director (Non-Executive) of the Company. Brief Profile of Sri. C. Rajaram (DIN: 01972102) and other details as required under the Act and the SEBI (LODR) Regulations, 2015 are provided hereinbelow and the manner in which he meets such requirements is provided in the Corporate Governance Report forming part of the Annual Report.

The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of Independent Director.

The Company has received from Sri . C. Rajaram, all statutory disclosures / declarations including:

- (i) Consent in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and
- (iii) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013, sub-rule (1) and (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

He is eligible for appointment as a Director and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received a Notice from a member in writing under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director. Sri. C. Rajaram (DIN: 01972102) has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. The terms and conditions of appointment of Sri. C. Rajaram (DIN: 01972102) as an Independent Director, would be made available for inspection to the members on sending a request along with their DP / Client ID or Folio No. from their registered email address to the Company at [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com).

**Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives:**

Except Sri. C. Rajaram being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Special Resolution set out as Item No.4.

Disclosure under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2) can be referred below.

**Item No. 5: Approval of Material Related Party Transactions between the Company and M/s. L.G. Balakrishnan & Bros Limited.**

Pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a related party with respect to transactions specified therein except with the consent of the Board of Directors given by a resolution at a meeting. Similarly, irrespective of quantum of paid up share capital, no Company shall enter into any contract or

arrangement with a related party for sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property amounting to ten per cent or more of the turnover of the Company except with the consent of the Board of Directors given by a resolution at a meeting and prior approval of shareholders. However, approval requirements as stipulated under Section 188 shall not apply to any transactions entered into by the Company which are entered in its ordinary course of business and are at arm's length.

Though exempted under Section 188(1) of the Companies Act, 2013, transactions have to be approved by the Members by way of an ordinary resolution as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in case such transactions are of material nature, i.e. if the related party transaction individually or taken together with previous transactions during a financial year reaches the materiality limit, i.e. exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company (whichever is lower).

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the transaction(s) by the Company or with all its Subsidiaries together, with a related party exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company (whichever is lower), it shall require prior approval of the Audit Committee & Shareholders of the Company from the conclusion of 18<sup>th</sup> Annual General Meeting till the conclusion of 19<sup>th</sup> Annual General Meeting, then such transaction shall be classified as material related party transaction(s) and requires approval of the shareholders by way of an ordinary resolution.

In the Annual General Meeting dated September 25, 2023, the Company had obtained approval material related party transactions with M/s. L.G. Balakrishnan & Bros Limited with respect to sale, purchase or supply of goods or materials, leasing of property of any kind, availing and rendering of any services, transfer of resources, services or obligations and appointment of agent for purchase or sale of goods, materials, services or property, in any financial year for an amount not exceeding ₹ 40 Crores till the conclusion of the 18<sup>th</sup> Annual General Meeting.

M/s. L.G. Balakrishnan & Bros Limited (LGB) is a Related Party as defined under Section 2(76) of the Act read with Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is proposing to enter into certain business transactions with a related party for a period of one year from the conclusion of this 18<sup>th</sup> Annual General Meeting to until the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company. The nature of transactions is in the form of sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind including movables, availing or rendering of any services or any other transaction of whatever nature with M/s. L.G. Balakrishnan & Bros Limited (LGB). All transactions to be entered into by the Company with LGB are in the ordinary course of business and are at arm's length basis and necessary approvals as required in compliance of the provisions under the Act / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have already been obtained from the Audit Committee / Board.

It may be noted that as per the amended definition provided in the explanation to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is effective from 1<sup>st</sup> April, 2022, a transaction with a related party shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceeds ₹ 1,000 Crores or ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity whichever is lower. Further, all Material Related Party Transactions require prior approval of the Members through a resolution and no related party shall vote to approve such resolution whether an entity is a related party to the particular transaction or not. The aggregate limit of transactions with M/s. L.G. Balakrishnan & Bros Limited for a period of one year from the conclusion of this 18<sup>th</sup> Annual General Meeting to until the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company are estimated to be ₹ 50 Crores (Rupees Fifty Crores only) and this amount exceeds the threshold limit, one of the criteria as prescribed in the amended definition of Material Related Party Transactions under Regulation 23(1)

of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore this would be considered as Material Related Party Transaction(s). Accordingly, it required approval of the Company by way of passing of an Ordinary Resolution under Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The particulars of the proposed transaction pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the information to be provided to the Shareholders for consideration of Related Party Transactions as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is as under:

| S. No. | Particulars                                                                                                                                                | M/s. L.G. Balakrishnan & Bros Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)     | A summary of the information provided by the management of the listed entity to the audit committee as specified in Ordinary Resolution in S. No. 5 above. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1      | Name of the related party                                                                                                                                  | M/s. L.G. Balakrishnan & Bros Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2      | Name of the Director or Key Managerial Personnel who is related                                                                                            | (a) Sri. B. Vijayakumar, Chairman and Non-Executive Director and (b) Smt. Rajsri Vijayakumar, Managing Director                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3      | Nature of Relationship                                                                                                                                     | Promoter Group Company holding 12.17% of share capital.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 4      | Price                                                                                                                                                      | As may be mutually discussed and on arm's length basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 5      | Nature, Type, Material Terms, Tenure and Particulars of the contract or arrangement                                                                        | The Contract will be for sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind including movables, availing or rendering of any services or any other transaction and will be valid for a period of one year from the conclusion of 18 <sup>th</sup> Annual General Meeting till the conclusion of the 19 <sup>th</sup> Annual General Meeting and shall be renewed thereafter, subject to approval of Audit Committee and the Board of Directors. |
| 6      | Value of the Proposed Transaction                                                                                                                          | Overall aggregate limit of ₹ 50 Crores with respect to the transactions as detailed hereunder: <ul style="list-style-type: none"> <li>1. Purchase of any goods or materials or services.</li> <li>2. Sale of any goods or materials or services.</li> <li>3. Selling or otherwise disposing of property of any kind.*</li> <li>4. Buying of property of any kind.*</li> <li>5. Rent/Leasing of Property of any kind.*</li> <li>6. Any other transactions.</li> </ul> *Property of any kind includes movables.                 |

| <b>S. No.</b> | <b>Particulars</b>                                                                                                                                                                                                                                                                                                                                            | <b>M/s. L.G. Balakrishnan &amp; Bros Limited</b>                                                                                                                                                    |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7             | Percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (2023-24), that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided). | 55.94%<br><br>(Note: Percentage is calculated based on the turnover of the Company excluding turnover from Pondicherry Division due to its discontinuity in operations.)                            |
| b)            | Justification as to why the RPT is in the interest of the listed entity                                                                                                                                                                                                                                                                                       | RPT Pricing mechanism would be as per arm's length criteria based on the market price or alternative pricing method or relevant materials and/or services. Arrangements is commercially beneficial. |
| c)            | Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details as specified below:                                                                                                                                                                           |                                                                                                                                                                                                     |
| i)            | details of the source of funds in connection with the proposed transaction.                                                                                                                                                                                                                                                                                   | Not Applicable                                                                                                                                                                                      |
| ii)           | where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,<br><br>• nature of indebtedness<br>• cost of funds and<br>• tenure                                                                                                                                                                     | Not Applicable                                                                                                                                                                                      |
| iii)          | applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, if secured the nature of security and                                                                                                                                                                                                      | Not Applicable                                                                                                                                                                                      |
| iv)           | the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT.                                                                                                                                                                                                                                               | Not Applicable                                                                                                                                                                                      |
| d)            | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.                                                                                                                                    | Nil                                                                                                                                                                                                 |
| e)            | Any other information that may relevant or important for the members to take a decision on the proposed transaction.                                                                                                                                                                                                                                          | Nil                                                                                                                                                                                                 |

Pursuant to Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, the nature of transactions with the related parties is provided in the said resolution. The Audit Committee has approved the above said transaction and recommended to the Board. The Board has approved the same and recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

The members are further informed that none of the related parties irrespective of whether the entity is a party to the above said transaction shall be entitles to vote on this Ordinary Resolution.



### **Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Sri. B. Vijayakumar, Chairman and Non-Executive Director and Smt. Rajsri Vijayakumar, Managing Director, no other Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise in the Ordinary Resolution set out at Item No.5 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

**By Order of the Board of Directors**

**K. KOUSALYA**

Company Secretary and Compliance Officer  
Membership No. ACS 68426

**Place : Coimbatore**  
**Date : May 22, 2024**

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

| <b>Name</b>                                                                                | <b>Sri. B. Vijayakumar</b>                                                                                                                                                                                | <b>Sri. S. Ganesh</b>                                                                                                                                                           | <b>Sri. C. Rajaram</b>                                                                                                                                                          |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Identification Number (DIN)                                                       | 00015583                                                                                                                                                                                                  | 08617166                                                                                                                                                                        | 01972102                                                                                                                                                                        |
| Age/Date of Birth                                                                          | 71 years / January 22, 1953                                                                                                                                                                               | 54 years / May 15, 1970                                                                                                                                                         | 65 years / March 01, 1959                                                                                                                                                       |
| Nationality                                                                                | Indian                                                                                                                                                                                                    | Indian                                                                                                                                                                          | Indian                                                                                                                                                                          |
| Date of first appointment on the Board                                                     | October 27, 2021                                                                                                                                                                                          | May 22, 2024                                                                                                                                                                    | May 22, 2024                                                                                                                                                                    |
| Brief Profile including areas of expertise and experience in the specific functional areas | More than 50 years of experience in Accounts.                                                                                                                                                             | 30 years of experience in Taxation, Accounting and Auditing.                                                                                                                    | 35 years of experience in different manufacturing industries.                                                                                                                   |
| Terms and Conditions of appointment / re-appointment                                       | Re-appointment as Non-Executive Director who is liable to retire by rotation.                                                                                                                             | Appointment as an Independent Director for a period of 5 consecutive years effective from May 22, 2024 to May 21, 2029 (both days inclusive), not liable to retire by rotation. | Appointment as an Independent Director for a period of 5 consecutive years effective from May 22, 2024 to May 21, 2029 (both days inclusive), not liable to retire by rotation. |
| Details of Remuneration last drawn (FY 2023-24)                                            | Sitting Fees of ₹ 90,000 only                                                                                                                                                                             | Not Applicable                                                                                                                                                                  | Not Applicable                                                                                                                                                                  |
| Details of Remuneration sought to be paid                                                  | Sitting Fees only                                                                                                                                                                                         | Sitting Fees only                                                                                                                                                               | Sitting Fees only                                                                                                                                                               |
| List of Directorships held in other companies (excluding foreign companies)                | 1. L.G. Balakrishnan & Bros Limited<br>2. Elgi Equipments Limited<br>3. South Western Engineering India Private Limited<br>4. L G Farm Products Private Limited<br>5. L G B Auto Products Private Limited | Nil                                                                                                                                                                             | 1. The Coimbatore Cosmopolitan Club<br>2. Spit-Fire Motor Sports Private Limited                                                                                                |

| <b>Name</b>                                                                                              | <b>Sri. B. Vijayakumar</b>                                                                                                                                                                                    | <b>Sri. S. Ganesh</b>           | <b>Sri. C. Rajaram</b>          |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| List of Directorships held in other companies (excluding foreign companies)                              | 6. L G Sports Private Limited<br>7. Super Transports Private Limited<br>8. Super Speeds Private Limited<br>9. D Engines Private Limited<br>10. Magriver Private Limited<br>11. Primekart Zone Private Limited |                                 |                                 |
| Chairmanship / Membership of Committees in other listed companies (excluding foreign companies)          | Member of Stakeholders Relationship Committee in L.G. Balakrishnan & Bros Limited                                                                                                                             | Nil                             | Nil                             |
| Names of listed companies from which the Director has resigned from Directorship in the past three years | Nil                                                                                                                                                                                                           | Nil                             | Nil                             |
| No. of Board Meetings attended during the FY 2023-24                                                     | Attended all the 6 meetings held during the FY 2023-24                                                                                                                                                        | Not Applicable                  | Not Applicable                  |
| Inter-se relationship with other Directors and Key Managerial Personnel of the Company                   | Father of Smt. Rajsri Vijayakumar                                                                                                                                                                             | None                            | None                            |
| Number of shares held in the Company                                                                     | 1,50,00,000 shares                                                                                                                                                                                            | Nil                             | Nil                             |
| Summary of Performance Evaluation of Independent Director to be re-appointed                             | Not Applicable                                                                                                                                                                                                | Not Applicable                  | Not Applicable                  |
| Justification for appointment of Independent Director                                                    | Not Applicable                                                                                                                                                                                                | Refer the explanatory statement | Refer the explanatory statement |



**BOARDS' REPORT**
**DEAR SHAREHOLDERS,**

Your Directors have pleasure in presenting their 18<sup>th</sup> Annual Report on the business operations, along with the audited financial statements of your Company for the year ended March 31, 2024.

**1. Financial Results:**

The key highlights of the audited financial statements of your Company for the financial year ended March 31, 2024, in comparison with the previous financial year ended March 31, 2023 are summarized below:

₹ in Lakhs

| Particulars                                                 | As on March 31, 2024 | As on March 31, 2023 |
|-------------------------------------------------------------|----------------------|----------------------|
| <b>Profit / (Loss) before Tax (After Exceptional items)</b> | <b>(562.34)</b>      | (886.11)             |
| Less : Current Tax                                          | -                    | -                    |
| Deferred Tax                                                | -                    | -                    |
| <b>Profit from Continuing Operations</b>                    | <b>(562.34)</b>      | (886.11)             |
| <b>Profit from Discontinued Operations (Net of Tax)</b>     | <b>(424.40)</b>      | (44.37)              |
| <b>Total Profit / (Loss) attributable to the Company</b>    | <b>(986.74)</b>      | (930.48)             |
| Appropriations :                                            |                      |                      |
| <b>Transferred to Retained Earnings</b>                     | <b>(986.74)</b>      | (930.48)             |

**2. Review of Operations:**

The highlights of the Company's performance for the year ended March 31, 2024 are as under:

Revenue from operations and other income for the financial year under review were ₹ 10,941.48 Lakhs as against ₹ 11,760.22 Lakhs for the previous financial year resulting in decrease by 6.96 %. The profit/(loss) before tax and exceptional item was (₹ 986.74) Lakhs and the profit/(loss) after tax was (₹ 986.74) Lakhs for the financial year under review as against (₹ 930.48) Lakhs and (₹ 930.48) Lakhs respectively for the previous financial year.

**3. Transfer to Reserve:**

Your Company does not propose to carry any amount to reserves during the financial year ending March 31, 2024.

**4. Sale of Machining Division in Pondicherry:**

Your Company has received approval from its Board of Directors in their meeting held on November 27, 2023 and approval from the Shareholders through Postal Ballot on December 28, 2023 for sale of Pondicherry Machining Division at R.S.No.74/2B, Madukarai Main Road, Mangalam, Villianur Commune, Puducherry – 605110 through Slump Sale to M/s. L.G. Balakrishnan & Bros Limited on a going concern basis.

**5. Dividend:**

The Board of Directors does not recommend any dividend for the year 2023-24.

**6. Transfer to Investor Education and Protection Fund ("IEPF"):**

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

**7. Share Capital:**

The authorised share capital of the Company as on March 31, 2024 was ₹ 25,00,00,000/- comprising of 25,00,00,000 equity shares of Re.1/- each. The issued, subscribed and paid-up equity share capital as on March 31, 2024 was ₹ 23,82,02,463/- comprising of 23,82,02,463 equity shares of Re.1/- each.

There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year under review. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor issued any convertible securities.

**8. Number of Meetings of the Board:**

The Board met six times during the financial year ended March 31, 2024. The said meetings were held on May 15, 2023, August 10, 2023, August 29, 2023, November 09, 2023, November 27, 2023 and February 07, 2024.

The Corporate Governance Report has details of these meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**9. Compliance with Secretarial Standards:**

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

**10. Directors and Key Managerial Personnel:**

As on March 31, 2024, the Board of Directors of the Company comprises of nine members viz.,

- Two Executive Directors (Smt. Rajsri Vijayakumar, Managing Director and Sri. A. Sampath Kumar, Whole Time Director),
- Two Non-Executive Directors (Sri. B. Vijayakumar and Sri. V. Ragupathi) and
- Five Independent Directors (Sri. P. Shanmugasundaram, Sri. P.V. Ramakrishnan, Sri. Prem Kumar Parthasarathy, Sri. Sajeev Mathew Rajan and Sri. Murugesu Saravana Marthandam)

There was no change in the Directors during the financial year.

**Director Retiring by Rotation:**

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association, Sri. B. Vijayakumar (DIN: 00015583) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholder approval for his reappointment forms part of the Notice of the Annual General Meeting. The Board of Directors recommend his re-appointment.

**Key Managerial Personnel:**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are as given herein below:

Smt. Rajsri Vijayakumar (DIN: 00018244) – Managing Director

Sri. A. Sampath Kumar (DIN: 00015978) – Whole Time Director

Smt. Geetha Manjari – Chief Financial Officer

Sri. K. Maheswaran – Company Secretary and Compliance Officer upto May 20, 2023.

Smt. K. Kousalya – Company Secretary and Compliance Officer with effect from August 29, 2023.

During the year under review, Sri. K. Maheswaran (Membership No. A29730) who was appointed as the Company Secretary and Compliance Officer of the Company, has resigned the Company with effect from May 20, 2023 due to personal reasons and Smt. K. Kousalya (Membership No. A68426) has been appointed as the Company Secretary and Compliance Officer of the Company with effect from August 29, 2023. There has been no change in the Key Managerial Personnel, except the changes mentioned herein above.

**11. Familiarization Programme:**

The Company has a familiarization programme for Independent Directors under Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. It aims to provide Independent Directors Company insight to enable understanding of the business in depth and contribute significantly to the Company. Overview and details of the programme for Independent Directors have been updated on the Company Website at <https://www.lgbforge.com/images/pdf/FamiliarisationProgramme2023-24.pdf>.

**12. Declaration given by Independent Directors:**

All the Independent Directors of the Company have given their declaration under Section 149(7) of the Companies Act, 2013, confirming that comply with the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 read with applicable schedule and rules issued thereunder and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (LODR) (Third Amendment) Regulations, 2021 and its corrigendum effective from January 01, 2022 and that their name is included in the Databank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, for being an Independent Director of the Company.

**13. Statement Regarding Opinion of the Board with regard to Integrity, Expertise and Experience (including the proficiency of the Independent Director):**

The Board of Directors have evaluated the Independent Directors during the year 2023-24 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

**14. Directors' responsibility statement as required under Section 134(5) of the Companies Act, 2013:**

Under Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) For the preparation of the annual financial statements, the applicable accounting standards were followed, accompanied by a proper explanation relating to material departures.
- b) Accounting policies were selected and applied consistently; fair judgment was used, and prudent estimates made to give an accurate view of the Company's state of affairs at the end of the financial year, and its profit and loss for that period.
- c) Proper and sufficient care was taken for maintaining adequate accounting records as per provisions of this Act to safeguard the Company's assets to prevent and detect fraud and other irregularities.
- d) Annual Financial Statements were prepared on a going concern basis.
- e) The Company laid down Internal Financial Controls and that such internal financial controls are adequate and these were operating effectively and
- f) Proper systems were devised to ensure compliance with all applicable laws, and such systems were adequate and operating effectively.

**15. Annual Evaluation of the Performance of the Board, its Committees and Individual Directors:**

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

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

A separate exercise was carried out to evaluate the performance of the Individual Directors including the Chairman of the Board. Further, the Independent Directors, at their separate meeting held during the year

2023-24 has evaluated the performance of the Board as whole, its Chairman and Non-Executive Non-Independent Directors and other items as stipulated under Schedule IV of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Committees of the Board were evaluated based on the terms of reference specified by the Board to the said Committee, frequency and effectiveness of Committee meetings, quality of relationship of the Committee and the Management etc. The Board of Directors were satisfied with the evaluation process which ensured that the performance of the Board, its Committees, Individual Directors including Independent Directors adheres to their applicable criteria.

**16. Policy on Directors' appointment and remuneration:**

The Company has a policy in place on Directors' appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a Director and other matters as required under Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Policy can be accessed on the Company's website at <https://www.lgbforge.com/images/pdf/nomination-and-remuneration-policy.pdf>. The salient features of the Policy have been disclosed in the Corporate Governance Report forming an integral part of this report.

**17. Criteria for making payment to Non-Executive Directors:**

The Non-Executive Directors were not paid any remuneration except Sitting Fees for attending the Board Meetings and Audit Committee Meetings. The criteria is also mentioned in the company website at <https://www.lgbforge.com/images/pdf/criteria-for-the-remuneration-of-non-executive-directors.pdf>.

**18. Annual Return:**

The Annual Return in form MGT-7 for the financial year ended March 31, 2024, as prescribed under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended, is disclosed on the website of the Company [www.lgbforge.com](http://www.lgbforge.com).

**19. Statutory Auditors:**

As per Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the Members of the Company at their 17<sup>th</sup> Annual General Meeting (17<sup>th</sup> AGM) held on September 25, 2023 had approved the re-appointment of M/s. N.R. Doraiswami & Co., Chartered Accountants (Firm Registration No. 000771S) as the Statutory Auditors of the Company to hold such office for a second term of five consecutive years from the conclusion of the 17<sup>th</sup> AGM till the conclusion of the 22<sup>nd</sup> AGM. Accordingly, no resolution for appointment of statutory auditor is included in the Notice convening the 18<sup>th</sup> Annual General Meeting.

**20. Explanation or Comments on Qualification, Reservation or Adverse Remarks or Disclaimers made by the Statutory Auditors:**

The report issued by M/s. N.R. Doraiswami & Co., Chartered Accountants, Statutory Auditors on the Financial Statements of your company for the financial year 2023-24 is part of the Annual Report. The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments. The Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimer.

**21. Details in respect of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government:**

During the year, the Statutory Auditors had not identified or reported any instances of fraud under sub-section (12) of Section 143 of the Companies Act, 2013.

**22. Maintenance of Cost Records:**

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records. Accordingly, the company has duly made and maintained the cost records as prescribed by the Central Government. However, there is no such requirement for appointment of cost auditor for the financial year ended March 31, 2024.

**23. Secretarial Audit Report:**

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. P. Eswaramoorthy and Company, Company Secretaries in Practice (CP No. 7069) as the Secretarial Auditors of the Company in the Board Meeting held on May 28, 2022 for the financial year 2022-23 and subsequent financial years. The Company has obtained Secretarial Audit Report in the prescribed Form MR-3 from Sri. P. Eswaramoorthy, Proprietor of M/s. P. Eswaramoorthy and Company (FCS No. 6510, CP No. 7069) and the same is annexed and forms part of this Report in **Annexure – A**. With respect to the observations of the Secretarial Auditor of the Company in his report, your Directors wish to state that necessary steps has been initiated to ensure compliance with all applicable statutory requirements.

Further, the Board of Directors has appointed M/s. P. Eswaramoorthy and Company, Practising Company Secretaries, Coimbatore as the Secretarial Auditors to carry out the Secretarial Audit for the financial year 2024-25 pursuant to Section 204 of the Companies Act, 2013 read with the relevant Rules made thereunder and the SEBI (LODR) Regulations, 2015.

**24. Particulars of loans, guarantees or investments:**

During the financial year ended March 31, 2024, the Company has not given any loan to any person, given any guarantee or provided security to any other body, corporate or person in connection with a loan. It has not acquired through subscription, purchase or otherwise the securities of any other body corporate. The Company has not made any investments as specified under Section 186 of the Companies Act, 2013.

**25. Particulars of contracts or arrangements with related parties:**

During the financial year 2023-24, all the contracts / arrangements / transactions entered by the Company with related parties were on an arms-length basis and in the ordinary course of business and were approved by the Audit Committee. Further, during the reporting period, the Company has entered into material related party transactions with M/s. L.G. Balakrishnan & Bros Limited. However, the aforesaid transactions fall within limits approved by the shareholders on January 08, 2023 (by way of Postal Ballot), September 25, 2023 (Annual General Meeting) and December 28, 2023 (by way of Postal Ballot). There are no materially-significant related party transactions made by the Company with Directors, key management personnel, senior management personnel, or other designated persons, which may have a potential conflict with the Company's interests at large. All related party transactions are placed before the Audit Committee and the Board of Directors for their prior approval.

The transactions entered pursuant to the omnibus approval so granted are tracked and verified. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval every quarter. The policy on Materiality of Related Party Transactions, as approved by the Board of Directors, is available on the Company's website:

<https://www.lgbforge.com/images/pdf/Policy-on-related-party-transactions.pdf>.

None of the Directors have any pecuniary relationship(s) or transaction(s) vis-à-vis the Company. The particulars of Material Related Party Transactions which are at arm's length basis is provided in Form AOC-2 and the same is annexed to the Board's Report as **Annexure – B** and also disclosed in the Notes to the Financial Statements.

**26. Policy for determining material subsidiaries:**

The company does not have a subsidiary company and hence the requirement of a policy determining material subsidiary is not required.

**27. Material changes and commitments, if any, affecting the financial position of the Company:**

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which the Company's financial statements relate and the date of the report.

**28. Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is furnished in **Annexure - C** attached to this report.

**29. Risk management:**

The Company has adequate risk management approach which includes collective identification of risks impacting the company's business and documents their process of identification, mitigation and optimization of such risks.

**30. Corporate Social Responsibility:**

According to Section 135 of the Companies Act, 2013, the Company has not crossed the threshold limit and hence there is no requirement for our Company to constitute the Corporate Social Responsibility Committee and for framing the CSR Policy. Hence, the requirement to furnish the details under Section 134(3)(o) of the Companies Act, 2013 does not arise.

**31. Public Deposits:**

The Company has not accepted or renewed any public deposits and as such, no amount of principal or interest was outstanding on the Balance Sheet as of date.

**32. Significant and Material Orders passed by the Regulators, Courts or Tribunals impacting the Going Concern Status and Company's Operations in Future:**

There are no significant and material orders passed by the regulators or courts or tribunals that may impact the Company as a going concern and/or its operations in future.

**33. Details of Application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year:**

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 ("IBC Code") during the Financial Year and does not have any proceedings related to IBC Code.

**34. Details of Difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with reasons thereof:**

The Company has not made any one-time settlement during the financial year 2023-24 with Banks or Financial Institution and hence the disclosure under this clause is not applicable.

**35. Adequacy of Internal Financial Controls:**

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations. The Company maintains all its records in the SAP System and the work flow and approvals are routed through SAP.



The internal control system is designed to identify and help mitigate risk and improve the Company's overall internal controls and to ensure that all financial and other records are reliable for preparing financial statements and for maintaining accountability of assets.

The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flow of organization is being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations.

Statutory Auditors' Report on Internal Financial Controls as required under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is annexed with the Independent Auditors' Report.

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

In accordance with the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement containing the names of top 10 employees in terms of remuneration drawn during the financial year and that of every employee employed throughout the financial year and in receipt of a remuneration of ₹ 1.02 Crores or more per annum or employed for part of the financial year and receipt of ₹ 8.50 Lakhs per month is annexed and forms a part of this Report in **Annexure – D** and the ratio of remuneration of each Director to that of median employees' remuneration, as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is part of this Report in **Annexure – D**.

**37. Subsidiaries, Branches and Joint Ventures:**

The Company does not have any subsidiaries or branches as on the financial year ended March 31, 2024. The Company does not have any joint ventures or associate companies during the reporting period.

**38. Change in the Nature of Business, if any:**

There was no change in the nature of business of the Company during the financial year ended March 31, 2024.

**39. Management Discussion and Analysis Report:**

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis Report outlining the business of your Company forms part of this Report as **Annexure – E**.

**40. Corporate Governance Report:**

A separate section on Corporate Governance, which is a part of the Board's Report and the certificate from the Company's Secretarial Auditors confirming compliance with Corporate Governance norms as stipulated under Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are included in the Report as **Annexure – F**. The Company has taken adequate steps for strict compliance with Corporate Governance guidelines as amended from time to time.

**41. Audit Committee:**

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



**42. Vigil Mechanism:**

The Company has formulated and adopted a vigil mechanism that provides a mechanism to report violations, any unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct, including providing adequate safeguards against victimisation. Further, it is stated that the Company has provided direct access to the Chairman of the Audit Committee under the whistle blower mechanism. During the financial year 2023-24, no case was reported under Whistle Blower Policy of the Company. The details of the Whistle blower Policy have been disclosed in the Corporate Governance Report and the same is available on the website of the Company at <https://www.lgbforge.com/images/pdf/whistle-blower-policy.pdf>.

**43. Listing of Equity Shares:**

The Company's equity shares continue to be listed at National Stock Exchange of India Limited and BSE Limited and details of listing have been given in the Corporate Governance Report forming part of this Report. The Company confirms that the Listing fee for the financial year 2024-25 has been paid to them.

Pursuant to the approval of the Board of Directors of the Company at its meeting held on May 22, 2024, your Company shall take necessary steps to file an application to National Stock Exchange of India Limited ("NSE") for voluntary delisting of its equity shares from the NSE in terms of Regulation 5 and 6 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("SEBI Delisting Regulations").

**44. Human Resource:**

Your Company firmly believes that employees are its most valued resource, and their efficiency plays a key role in achieving defined goals and building a competitive work environment. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the organization achieve higher productivity levels. Your company realizes that it has to re-orient its organization as the dynamics of business are changing fast. In its pursuit of attracting, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and at all the units of the Company.

**45. Insurance:**

The Company's plants, properties, equipment's and stocks are adequately insured against all major risks. The Company has insurance cover for product liability. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

**46. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. The Company has duly constituted an Internal Complaints Committee (ICC), in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC has been set up to redress any complaints received regarding sexual harassment and meets periodically. The Company has in place an Anti-Sexual Harassment Policy and it covers all employees of the Company. The ICC did not have any complaints at the beginning of the year and no complaints were received during the financial year 2023-24.

**47. Acknowledgment:**

The Board of Directors take this opportunity to place on record their appreciation to all the Stakeholders of the Company, viz., customers, banks, regulators, suppliers, State Government, Central Government and other business associates for the support received from them during the year under review. The Directors also wish to place on record their deep sense of gratitude and appreciation to all the employees for their commitment and contribution towards achieving the goals of the Company. The Directors wish to record their appreciation of business constituents like SEBI, NSE, BSE, NSDL, CDSL, etc., for their continued support for the Company's growth. The Directors also thank investors for their continued faith in the Company.

**For and on behalf of the Board of Directors**

**Place : Coimbatore**

**Date : May 22, 2024**

**B. VIJAYAKUMAR**

Chairman & Non-Executive Director

DIN: 00015583

**RAJSRI VIJAYAKUMAR**

Managing Director

DIN: 00018244

**Form No. MR – 3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

LGB Forge Limited

(CIN: L27310TZ2006PLC012830)

No 6/16/13, Krishnarayapuram Road,

Ganapathy Post, Coimbatore – 641 006

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the financial year ended **31<sup>st</sup> March, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended 31<sup>st</sup> March, 2024 according to the provisions of:

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

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable as the Company has not issued and listed any debt securities during the financial year under review];
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client [Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review];
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Equity Shares of the Company have not been delisted during the financial year under review];
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review]
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

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

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

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

- (i) *Credit Rating as received by the company during the review period was not intimated to the Stock Exchanges as required under SEBI (LODR) Regulation 30 (2).*
- (ii) *Proceedings of the Postal Ballot Meeting were not submitted to the Stock Exchanges as required under SEBI (LODR) Regulation 30 (2).*
- (iii) *Disclosure of prior intimations of the Board Meeting was not submitted to the Stock Exchanges in XBRL mode as under Regulation 29 of SEBI LODR.*

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

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

(i) Members had approved the sale of its Pondicherry Plant situated at R.S. No. 74/2B, Madukarai Main Road, Mangalam, Villianur Commune, Puducherry – 605110 to M/s. L.G. Balakrishnan & Bros Limited as a going concern on a slump sale basis through postal ballot mode. Nevertheless, the transaction got completed only on April 04, 2024.

**P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**P. ESWARAMOORTHY**

Proprietor

FCS No.: 6510, CP No.: 7069

Peer Review Cert. No.933/2020

UDIN: F006510F000417681

**Place: Coimbatore**

**Date: May 22, 2024**

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

To

The Members

LGB Forge Limited

(CIN: L27310TZ2006PLC012830)

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

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

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

**P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**P. ESWARAMOORTHY**

Proprietor

FCS No.: 6510, CP No.: 7069

Peer Review Cert. No.933/2020

UDIN: F006510F000417681

**Place: Coimbatore**

**Date: May 22, 2024**

**Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Details of Related Party Transactions**
**1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis: Nil**
**2. Details of Material Contracts or Arrangements or Transactions at Arm's Length Basis:**

|    |                                                                                          |                                                                                                                                                                                                                                                                          |
|----|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) | Name of the Related Party                                                                | M/s. L.G. Balakrishnan & Bros Limited                                                                                                                                                                                                                                    |
| b) | Nature of Relationship                                                                   | Two of the Directors of the Company (i.e., Sri. B. Vijayakumar and Smt. Rajsri Vijayakumar) are Directors and Shareholders of M/s. L.G. Balakrishnan & Bros Limited.                                                                                                     |
| c) | Nature of Contracts / Arrangements / Transactions                                        | i. Purchase and Sale of Goods and Materials<br>ii. Purchase and Sale of Assets<br>iii. Payment of Rent for Leased Property<br>iv. Payment of Electricity Bill for Leased Property                                                                                        |
| d) | Duration of the Contracts / Arrangements / Transactions                                  | One year from April 01, 2023 to March 31, 2024                                                                                                                                                                                                                           |
| e) | Salient Terms of the Contracts / Arrangements / Transactions including the value, if any | i. Purchase of Materials – ₹ 1,704.12 Lakhs<br>ii. Sale of Goods – ₹ 1,648.93 Lakhs<br>iii. Purchase of Capital Assets – ₹ 35.61 Lakhs<br>iv. Sale of Capital Assets – ₹ 29.43 Lakhs<br>v. Electricity Bill Payment – ₹ 2.45 Lakhs<br>vi. Rent Payment – ₹ 57.59 Lakhs * |
| f) | Date(s) of approval by the Board, if any                                                 | December 05, 2022, May 15, 2023 and November 27, 2023                                                                                                                                                                                                                    |
| g) | Amount paid as advances, if any                                                          | Nil                                                                                                                                                                                                                                                                      |

\* excluding TDS & GST

**For and on behalf of the Board of Directors**

**Place : Coimbatore**

**Date : May 22, 2024**

**B. VIJAYAKUMAR**

Chairman & Non-Executive Director  
DIN: 00015583

**RAJSRI VIJAYAKUMAR**

Managing Director  
DIN: 00018244



**ANNEXURE - C**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY:**
**I. Steps taken or impact on conservation of energy:**

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

**II. Steps taken by the company for utilizing alternate sources of energy:**

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

**III. Capital investment on energy conservation equipment:**

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

**B. TECHNOLOGY ABSORPTION:**
**(i) Efforts made towards technology absorption:**

In house research and development activities are being continued.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

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

**(iii) In case imported technology (imported during the last three years reckoned from the beginning of the Financial year):**

|    |                                                                            |     |
|----|----------------------------------------------------------------------------|-----|
| a. | The details of technology imported                                         | Nil |
| b. | The year of import                                                         |     |
| c. | Whether the technology been fully absorbed                                 |     |
| d. | If not fully absorbed, areas where has not taken place and reasons thereof |     |

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

Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange earnings : ₹ 1,632.45 Lakhs

Foreign Exchange used : ₹ 0.66 Lakhs

**For and on behalf of the Board of Directors**

**Place : Coimbatore**

**Date : May 22, 2024**

**B. VIJAYAKUMAR**

Chairman & Non-Executive Director  
DIN: 00015583

**RAJSRI VIJAYAKUMAR**

Managing Director  
DIN: 00018244

**ANNEXURE - D**

**Statement pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- 1. Ratio of Remuneration of Each Director to the Median Remuneration of the Employees of the Company for the financial year ended March 31, 2024 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended March 31, 2024:**

| S. No. | Directors / KMP                   | Category                                                                    | Remuneration<br>(₹ in Lakhs) | Median<br>Remuneration | Ratio   | %<br>Increase |
|--------|-----------------------------------|-----------------------------------------------------------------------------|------------------------------|------------------------|---------|---------------|
| 1      | Sri. B. Vijayakumar               | Chairman and Non-Executive Director                                         | -                            | -                      | -       | -             |
| 2      | Smt. Rajsri Vijayakumar           | Managing Director                                                           | 24.00                        | 2.66                   | 9.023:1 | -             |
| 3      | Sri. A. Sampath Kumar             | Whole Time Director                                                         | 21.98                        | 2.66                   | 7.579:1 | -             |
| 4      | Sri. V. Ragupathi                 | Non-Executive Director                                                      | -                            | -                      | -       | -             |
| 5      | Sri. P. Shanmugasundaram          | Independent Director                                                        | -                            | -                      | -       | -             |
| 6      | Sri. P.V. Ramakrishnan            | Independent Director                                                        | -                            | -                      | -       | -             |
| 7      | Sri. Prem Kumar Parthasarathy     | Independent Director                                                        | -                            | -                      | -       | -             |
| 8      | Sri. Sajeew Mathew Rajan          | Independent Director                                                        | -                            | -                      | -       | -             |
| 9      | Sri. Murugesu Saravana Marthandam | Independent Director                                                        | -                            | -                      | -       | -             |
| 10     | Smt. Geetha Manjari               | Chief Financial Officer                                                     | 7.38                         | NA                     | NA      | -             |
| 11     | Sri. K. Maheswaran                | Company Secretary and Compliance Officer (up to May 20, 2023)               | 1.65                         | NA                     | NA      | -             |
| 12     | Smt. K. Kousalya                  | Company Secretary and Compliance Officer (with effect from August 29, 2023) | 3.58                         | NA                     | NA      | -             |

**Notes:**

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

- 2. Percentage decrease in the median remuneration of employees in the financial year: 7.64 %**
- 3. Number of permanent employees on the rolls of Company as on March 31, 2024 : 228**
- 4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase in remuneration other than managerial personnel is Nil and average percentile increase / (decrease) in remuneration for managerial personnel is Nil.

- 5. Affirmation that the remuneration is as per the remuneration policy of the Company:**

Your Directors' affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.

**a. Top 10 Employees in terms of Remuneration drawn during the financial year 2023-24:**

| S. No. | Name                | Designation                            | Remuneration (Rs) | Qualification | No. of Years Experience (overall experience including LGB Forge Limited) | Date of Commencement of Employment | Age (Years) | Last Employment held by such employee before joining the Company (with designation) | Percentage of Equity Shares held* | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|--------|---------------------|----------------------------------------|-------------------|---------------|--------------------------------------------------------------------------|------------------------------------|-------------|-------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 1      | Rajsri Vijayakumar  | Managing Director                      | 24,00,000.00      | B.B.A.,       | 19                                                                       | 16-02-2023                         | 42          | Super Transports Private Limited – Managing Director                                | 6.30%                             | Daughter of Sri. B. Vijayakumar, Chairman and Non-Executive Director                                                          |
| 2      | A. Sampath Kumar    | Whole Time Director                    | 21,98,400.00      | M.B.A.,       | 35                                                                       | 16-02-2023                         | 61          | Super Transports Private Limited - Director                                         | 0.00%                             | None                                                                                                                          |
| 3      | D. Magudeswaran     | Senior Manager – Marketing             | 11,98,551.15      | B.E.,         | 21                                                                       | 22-08-2022                         | 42          | Siderforgerossi India Private Limited – Head - Marketing                            | Nil                               | None                                                                                                                          |
| 4      | N. Senthil Kumar    | Assistant Manager – Purchase           | 8,09,610.00       | B.E.,         | 24                                                                       | 05-12-2022                         | 50          | Entrepreneur                                                                        | Nil                               | None                                                                                                                          |
| 5      | Geetha Manjari      | Chief Financial Officer                | 7,38,012.00       | B.Com.,       | 28                                                                       | 17-10-2003                         | 59          | Ugra Precision Engineering Private Limited - Accountant                             | Nil                               | None                                                                                                                          |
| 6      | C. Satheesh Kumar   | Assistant Manager – Press Forging      | 6,63,666.00       | I.T.I.,       | 24                                                                       | 01-02-2022                         | 44          | TVS Suzuki Automobiles Private Limited – Senior Engineer                            | 0.00%                             | None                                                                                                                          |
| 7      | K. Manian           | Deputy Manager – Product & PED         | 6,60,000.00       | B.E.,         | 20                                                                       | 16-02-2023                         | 45          | Siderforgerossi India Private Limited – Deputy Manager                              | Nil                               | None                                                                                                                          |
| 8      | R. Vellingiri       | Senior Engineer – Production           | 6,44,042.29       | D.M.E.,       | 17                                                                       | 10-08-2021                         | 36          | CRI Pumps Private Limited - Engineer                                                | Nil                               | None                                                                                                                          |
| 9      | K. Pethanaraj       | Deputy Manager – Machinery Maintenance | 6,21,950.00       | D.E.E.E.,     | 18                                                                       | 02-06-2023                         | 39          | ISPT India Private Limited – Manager Maintenance                                    | Nil                               | None                                                                                                                          |
| 10     | Arishjith Aravindan | Assistant Manager – Quality Assurance  | 6,14,946.63       | D.M.E.,       | 15                                                                       | 20-12-2021                         | 37          | Koyas Fasteners Private Limited – Senior Engineer                                   | Nil                               | None                                                                                                                          |

\* The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note: All the employees mentioned above were on the rolls of the Company as on March 31, 2024.

b. Employed through the financial year, was in receipt of remuneration for that year which, in the aggregate was not less than Rupees One Crore and Two Lakhs:

| S. No. | Name | Designation | Remuneration<br>(in Rs) | Qualification | No. of Years<br>Experience<br>(overall<br>experience<br>including LGB<br>Forge Limited) | Date of<br>Commencement<br>of Employment | Age<br>(Years) | Last Employment<br>held by such<br>employee before<br>joining the<br>Company (with<br>designation) | Percentage of<br>Equity Shares<br>held | Whether any such<br>employee is a relative<br>of any director or<br>manager of the<br>company and if so,<br>name of such director<br>or manager |
|--------|------|-------------|-------------------------|---------------|-----------------------------------------------------------------------------------------|------------------------------------------|----------------|----------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Nil    |      |             |                         |               |                                                                                         |                                          |                |                                                                                                    |                                        |                                                                                                                                                 |

c. Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate was not less than Rupees Eight Lakhs and Fifty Thousand Only per month:

| S. No. | Name | Designation | Remuneration<br>(in Rs) | Qualification | No. of Years<br>Experience<br>(overall<br>experience<br>including LGB<br>Forge Limited) | Date of<br>Commencement<br>of Employment | Age<br>(Years) | Last Employment<br>held by such<br>employee before<br>joining the<br>Company (with<br>designation) | Percentage of<br>Equity Shares<br>held | Whether any such<br>employee is a relative<br>of any director or<br>manager of the<br>company and if so,<br>name of such director<br>or manager |
|--------|------|-------------|-------------------------|---------------|-----------------------------------------------------------------------------------------|------------------------------------------|----------------|----------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Nil    |      |             |                         |               |                                                                                         |                                          |                |                                                                                                    |                                        |                                                                                                                                                 |

d. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year, which is in excess of that drawn by the Managing Director or Whole Time Director or Manager and hold himself or along with his spouse and dependent children not less than two percent of the equity shares of the Company:

| S. No. | Name | Designation | Remuneration<br>(in Rs) | Qualification | No. of Years<br>Experience<br>(overall<br>experience<br>including LGB<br>Forge Limited) | Date of<br>Commencement<br>of Employment | Age<br>(Years) | Last Employment<br>held by such<br>employee before<br>joining the<br>Company (with<br>designation) | Percentage of<br>Equity Shares<br>held | Whether any such<br>employee is a relative<br>of any director or<br>manager of the<br>company and if so,<br>name of such director<br>or manager |
|--------|------|-------------|-------------------------|---------------|-----------------------------------------------------------------------------------------|------------------------------------------|----------------|----------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Nil    |      |             |                         |               |                                                                                         |                                          |                |                                                                                                    |                                        |                                                                                                                                                 |

**For and on behalf of the Board of Directors**

**Place : Coimbatore**  
**Date : May 22, 2024**

**B. VIJAYAKUMAR**      **RAJSRI VIJAYAKUMAR**  
Chairman & Non-Executive Director      Managing Director  
DIN: 00015583      DIN: 00018244

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

[Pursuant to Regulation 34(2)(e) read with Schedule V Para B of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**Economic Overview:**

After the eventful covid years, the global economy is moderately stable but is still swayed by surges in inflation, continued geopolitical tensions in Asia and Europe resulting in volatile forecasts and high freight prices thus hampering exports. The ripples of this can also be seen in power costs and fluctuations in raw material prices. The International Monetary Fund (IMF) has forecasted the global growth at 3.1% which is the lowest in years. Your Company (LGB Forge Limited) is closely monitoring the effects of these macro economic challenges to see the potential effects on both the Company as well as your customers. We have also been vigilant in adopting streamlined supply chain measures to weather these challenges.

The Indian economy has been resilient and stable with a healthy growth being spread across the automotive industry segments and other sectors. The GDP growth is predicted at 6.5% in 2025, despite some volatility in input prices. Strong government policies and reforms, investment in infrastructure and consumption demand have facilitated this growth and economic activity. Though the Indian economy seems unaffected by global conditions, it is prudent to be wary of its effects across markets. Taking this into cognizance, your company has been conscientious in reviewing and optimising the capabilities in quality, production and supplies to your customers.

**Industry Structure and Developments:**

Your Company strives to be the preferred supplier to your customers in hot and cold forged products that cater to various industrial and automotive segments. Company's focus is to develop and manufacture specialised components and products in stainless, alloy and carbon steel, as well as semi-finished and finished machined components. The Company is always looking for new opportunities to grow into other areas of manufacturing that will be a core part of the business. One of the salient strength is having strong and sustainable long-term relationships with your customers in addition to the technological know-how and a dedicated team. Your Company will continuously strive for manufacturing excellence by consistently reviewing the processes, implementing new infrastructure wherever needed, emphasising on new product development and optimising volumes in existing products.

Your Company is equipped with Hot Forging, Cold Forging and Open Hammer Presses as well as various CNC Machines for the finishing operations. Your in-house tool room uses design and analysis software to design and manufacture dies and tooling that plays a key role in the efficient production of forgings. The manufacturing plants are fully integrated with complete facilities for inspection, testing, cutting, forging, heat-treatment, finishing, machining, cleaning and surface treatment.

**Business Environment Outlook & Prospects:**

The forging industry in India is full of opportunities but at the same time riddled with uncertainties - volatility in input prices, increasing power costs, competition from other countries like China and South East Asian nations and global chain disruption makes the business environment complex and precarious to navigate.

In the past year, despite being confronted with various challenges, we have as a part of the optimisation drive, exited from Pondicherry thereby improving the utilisation of the resources.

Ongoing efforts in the areas of machinery maintenance, optimal use of human resources and improving operational efficiency are beginning to reflect positively in the operations.

Your Company's goals for this year are to:

1. Ensure customer satisfaction by quick responses and on-time delivery of qualitative products.
2. Enhance focus on value engineering activities and improve productivity systems for better cost control and aim to enhance capacity.
3. Carry out a thorough overhaul and assessment of all production assets and improve the production within the potential envelope.
4. Improve sales and add new products and customers.
5. Work towards meeting customer requirements for carbon footprint reduction.

**Opportunities and Threats:**

As mentioned earlier, the forging industry has potential for growth but also faces many challenges. India is emerging as one of the key global manufacturing hubs in the place of China, thanks to robust government initiatives, its resilient economy against the global currents and relatively stable financial indicators. This gives way to a wide web of opportunities. The major threat to the growth of Indian Industry is the geopolitical situation which has a big impact on demand, increase in raw material and freight costs which will in turn impact revenue. The shift towards the EV segment will also impact the forging industry which is dependent on the automotive sector.

**Segment-wise or Product-wise Performance:**

The Company operates in only one segment viz., Forging and Machining. The performance is explained briefly below.

**Risks and Concern:**

The Company has an active risk management framework which enables diligent checks and appraisals of various activities for promptly identifying, responding and mitigating potential risks both internally and externally. The key risks for your company include raw material, technology, manpower competency and cyber security. The Company is taking requisite steps to mitigate the risk areas.

**Internal Control Systems and their Adequacy:**

The Company has adequate internal financial control systems in place. It has also engaged Internal Auditors, being third party consultants to regularly assess the adequacy of the internal control systems and to suggest appropriate measures to improve the controls. This has also been monitored at periodic intervals by the Audit Committee and the Board.

**Human Resources / Industrial Relations:**

Your Company currently has 228 employees. LGB Forge Limited has and continues to focus on fostering, nurturing, developing and retaining a proficient work force by conducting training programs and other HR initiatives for boosting morale and motivation.

The Company has successfully concluded all the applicable settlements in the respective plants. The industrial relations continue to be peaceful and harmonious throughout the year.

**Health & Safety:**

The Company has always prioritised the health and safety of its employees and ensures a safe and healthy working environment. Training programmes on health and safety are conducted in regular intervals and periodic inspections and reviews are done to ensure that adequate safety measures are taken in the company premises.

**Discussion on Financial Performance with respect to Operational Performance:**

The following are the summary of results of operations, breakup of expenditure and cash flows of the Company:

**Results of Operations:**
**a) Continuing Operations:** (₹ in Lakhs)

| Particulars         | FY 2023-24      | FY 2022-23      | Growth %        |
|---------------------|-----------------|-----------------|-----------------|
| Net Sales           | 8,937.87        | 9,152.79        | (2.35) %        |
| Other Income        | 61.41           | 119.52          | (48.62) %       |
| <b>Total Income</b> | <b>8,999.28</b> | <b>9,272.31</b> | <b>(2.94) %</b> |

**b) Discontinuing Operations:** (₹ in Lakhs)

| Particulars         | FY 2023-24      | FY 2022-23      | Growth %         |
|---------------------|-----------------|-----------------|------------------|
| Net Sales           | 1,932.82        | 2,469.19        | (21.72) %        |
| Other Income        | 9.38            | 18.73           | (49.92) %        |
| <b>Total Income</b> | <b>1,942.20</b> | <b>2,487.92</b> | <b>(21.93) %</b> |

**Major heads of Expenditures:**
**a) Continuing Operations** (₹ in Lakhs)

| Particulars                                                                 | FY 2023-24      | FY 2022-23      | Growth %       |
|-----------------------------------------------------------------------------|-----------------|-----------------|----------------|
| Cost of materials consumed                                                  | 4,200.29        | 4,414.33        | (4.85) %       |
| Changes in inventory of finished goods, work-in-progress and stock in trade | (81.28)         | 204.43          | (139.76) %     |
| Employee benefit expense                                                    | 2,011.68        | 2,064.17        | (2.54) %       |
| Finance cost                                                                | 316.64          | 214.30          | 47.76 %        |
| Depreciation / Amortisation                                                 | 276.88          | 300.86          | (7.97) %       |
| Other expenses                                                              | 2,837.41        | 2,960.33        | (4.15) %       |
| <b>Total Comprehensive Income before tax</b>                                | <b>(562.34)</b> | <b>(886.11)</b> | <b>36.54 %</b> |
| <b>Total Comprehensive Income after tax</b>                                 | <b>(562.34)</b> | <b>(886.11)</b> | <b>36.54 %</b> |

**b) Discontinuing Operations** (₹ in Lakhs)

| Particulars                                                                 | FY 2023-24      | FY 2022-23     | Growth %         |
|-----------------------------------------------------------------------------|-----------------|----------------|------------------|
| Cost of materials consumed                                                  | 1,156.27        | 1,824.64       | (36.63) %        |
| Changes in inventory of finished goods, work-in-progress and stock in trade | 23.49           | (184.20)       | 112.75 %         |
| Employee benefit expense                                                    | 296.60          | 248.36         | 19.42 %          |
| Finance cost                                                                | 11.76           | 2.04           | 476.47 %         |
| Depreciation / Amortisation                                                 | 174.51          | 178.30         | (2.13) %         |
| Other expenses                                                              | 703.97          | 463.16         | 51.99 %          |
| <b>Total Comprehensive Income before tax</b>                                | <b>(424.40)</b> | <b>(44.37)</b> | <b>(856.50)%</b> |
| <b>Total Comprehensive Income after tax</b>                                 | <b>(424.40)</b> | <b>(44.37)</b> | <b>(856.50)%</b> |



**Cash Flows:**

(₹ in Lakhs)

| Particulars                         | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Opening Cash and Cash equivalents   | 0.71       | 0.61       |
| <b>a) Continuing Operations:</b>    |            |            |
| Net Cash from Operating Activities  | 246.10     | (501.21)   |
| Net Cash from Investing Activities  | (152.73)   | (202.41)   |
| Net Cash from Financing Activities  | (110.88)   | 709.39     |
| <b>b) Discontinuing Operations:</b> |            |            |
| Net Cash from Operating Activities  | 103.46     | (405.37)   |
| Net Cash from Investing Activities  | (61.04)    | (8.23)     |
| Net Cash from Financing Activities  | (25.31)    | 407.93     |
| Change in Cash and Cash Equivalents | (0.40)     | 0.10       |
| Closing Cash and Cash Equivalents   | 0.31       | 0.71       |

**Details of Significant Changes in Key Financial Ratios (along with detailed explanation therefor):**

There is significant change in some key financial ratios when compared with previous years and below are the ratios:

| Particulars               | FY 2023-24 | FY 2022-23 | Variance % |
|---------------------------|------------|------------|------------|
| Debtors Turnover Ratio    | 3.32       | 3.37       | (1.25) %   |
| Inventory Turnover Ratio  | 3.75       | 4.13       | (9.03) %   |
| Interest Coverage Ratio   | (2.00)     | (3.30)     | (39.25) %  |
| Current Ratio             | 1.39       | 1.29       | 7.62 %     |
| Debt Equity Ratio         | 1.47       | 0.90       | 64.49 %    |
| Operating Profit Margin % | (6.06)     | (6.14)     | (1.37) %   |
| Net Profit Margin %       | (9.08)     | (8.01)     | 13.38 %    |
| Return on Net worth%      | (39.21)    | (26.78)    | 46.41 %    |

Further, the Company confirms that there is no different accounting treatment that has been followed than prescribed in accounting standard while preparing financial statements.

**Cautionary Statement:**

The statements in the Management Discussion and Analysis Report describing the Company's view, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied. Any investment by shareholders / investors should therefore be based on their individual analysis.

**For and on behalf of the Board of Directors**
**Place : Coimbatore**
**Date : May 22, 2024**
**B. VIJAYAKUMAR**

Chairman & Non-Executive Director  
DIN: 00015583

**RAJSRI VIJAYAKUMAR**

Managing Director  
DIN: 00018244

**CORPORATE GOVERNANCE REPORT**

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

**1. Company's Philosophy on Corporate Governance:**

LGB Forge is committed to the highest standards of business ethics and values. The Company has a strong history of fair, transparent and ethical governance practices and the Company has over the years consistently demonstrated good corporate governance practices. Good Corporate Governance is an integral part of the Company's value system, and the Company Management places considerable emphasis on compliance therewith aimed at providing good governance. The Company is committed to do business in an efficient, responsible, honest, and ethical manner and ensures fiscal accountability, operational excellence and fairness to all stakeholders including shareholders, employees, customers, suppliers, and communities. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (LODR) Regulations, 2015, as amended from time to time.

**2. Board of Directors:**

The Directors of the Company possess highest professional ethics, integrity and values and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgement on behalf of the Company.

**Composition:**

In conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015 and applicable provisions of the Companies Act, 2013, as amended from time to time, your Company has a competent Board with right mix of knowledge, skills, experience and expertise in diverse areas with optimum combination of Executive and Non-Executive Directors including Women Director and requisite number of Independent Directors.

As on March 31, 2024, the Board of Directors of the Company ("Board") comprises of nine members out of which two are Executive Directors (one Managing Director (female) and one Whole Time Director), two are Non-Executive Directors and five are Independent Directors. The optimum combination ensures independence of the Board and separation of Board function from governance and management.

As mandated under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, neither of the Directors are a member of more than ten specified Committees nor any of them are acting as the Chairperson of more than five specified committees across all public limited companies in which they are Directors. The annual disclosure providing the Committee position and other Directorship has been given by the Directors.

**Details of Board Meetings held during the financial year 2023-24:**

The Board meets at least once in a quarter and the interval between two consecutive Board meetings is not more than 120 days. The necessary quorum was present in all the Board meetings. Agenda and other material information were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time. The Company conducts Board Meetings in compliance with the requirements of the Companies Act, 2013 and Listing Regulations. During the financial year 2023-24, the Board has met 6 (six) times as under:

| S. No. | Date of Meeting   | Physical / Video Conference |
|--------|-------------------|-----------------------------|
| 1      | May 15, 2023      | Physical                    |
| 2      | August 10, 2023   | Video Conference            |
| 3      | August 29, 2023   | Video Conference            |
| 4      | November 09, 2023 | Physical                    |
| 5      | November 27, 2023 | Video Conference            |
| 6      | February 07, 2024 | Video Conference            |

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions/minutes of previous meetings is placed at the succeeding meetings of the Board/Committee for taking note.

The details of composition and category of the Directors on the Board, their attendance at Board Meetings and last Annual General Meeting, number of Directorships held by them in other Indian Public Limited Companies including the Committee Chairmanships/Memberships held by them are given below:

| Name & DIN of the Directors                        | Category                             | Attendance     |                                            |            | Whether attended last AGM held on September 25, 2023 | No of Other Directorship held in other public companies | No of committee positions held in other companies |        |
|----------------------------------------------------|--------------------------------------|----------------|--------------------------------------------|------------|------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------|--------|
|                                                    |                                      | Board Meetings |                                            |            |                                                      |                                                         | Chairman                                          | Member |
|                                                    |                                      | Held           | Held after appointment/ before resignation | Attend- ed |                                                      |                                                         |                                                   |        |
| Sri. B. Vijayakumar<br>DIN: 00015583               | Promoter – Non-Executive Director    | 6              | 6                                          | 6          | Yes                                                  | 2                                                       | -                                                 | 1      |
| Smt. Rajsri Vijayakumar<br>DIN: 00018244           | Promoter – Managing Director         | 6              | 6                                          | 6          | Yes                                                  | 1                                                       | -                                                 | -      |
| Sri. A. Sampath Kumar<br>DIN: 00015978             | Whole Time Director                  | 6              | 6                                          | 6          | Yes                                                  | -                                                       | -                                                 | -      |
| Sri. V. Ragupathi<br>DIN: 01712288                 | Non-Executive Director               | 6              | 6                                          | 6          | Yes                                                  | -                                                       | -                                                 | -      |
| Sri. P. Shanmugasundaram<br>DIN: 00119411          | Non-Executive – Independent Director | 6              | 6                                          | 5          | Yes                                                  | 2                                                       | 2                                                 | -      |
| Sri. P.V. Ramakrishnan<br>DIN: 00013441            | Non-Executive – Independent Director | 6              | 6                                          | 1          | Yes                                                  | -                                                       | -                                                 | -      |
| Sri. Prem Kumar Parthasarathy<br>DIN: 07126673     | Non-Executive – Independent Director | 6              | 6                                          | 6          | Yes                                                  | 1                                                       | -                                                 | -      |
| Sri. Sajeew Mathew Rajan<br>DIN: 01252269          | Non-Executive – Independent Director | 6              | 6                                          | 6          | Yes                                                  | -                                                       | -                                                 | -      |
| Sri. Murugesu Saravana Marthandam<br>DIN: 09623736 | Non-Executive – Independent Director | 6              | 6                                          | 6          | Yes                                                  | -                                                       | -                                                 | -      |

**Notes:**

- i. For the calculation of Number of Directorship in other companies, directorship in private companies and foreign companies have been excluded.
- ii. None of the Directors, holds directorships in any other Indian Public Limited Companies nor hold Membership/Chairmanship of any Committee(s) in other Indian Public Limited Companies (listed and unlisted), apart from the details given above.
- iii. For the purpose of Membership in Committees, the Membership in Audit Committee and Stakeholders Relationship Committee are only considered as per Regulation 26(1) (a) & (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Details of Directorship of Directors in other Listed Entities and Category of their Directorship as on March 31, 2024:**

| Name of the Director    | Details of the other listed entities where the Directors hold directorship |                                    |
|-------------------------|----------------------------------------------------------------------------|------------------------------------|
|                         | Name of the listed entity                                                  | Designation                        |
| Sri. B. Vijayakumar     | L.G. Balakrishnan & Bros Limited                                           | Executive Chairman                 |
|                         | Elgi Equipments Limited                                                    | Non-Executive Independent Director |
| Smt. Rajsri Vijayakumar | L.G. Balakrishnan & Bros Limited                                           | Non-Executive Director             |
| Sri.P.Shanmugasundaram  | L.G. Balakrishnan & Bros Limited                                           | Non-Executive Independent Director |
|                         | Pricol Limited                                                             | Non-Executive Independent Director |

None of the Directors holds directorships in more than 20 companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors holds directorships in more than the maximum number of Directorship prescribed under Regulation 17A of the SEBI (LODR) Regulations, 2015.

**Number of shares and convertible instruments held by the Non-Executive Directors:**

The details of shares held by the Non-Executive Directors as on March 31, 2024 are given under the table below:

| Name                              | No. of shares held | % of Holding |
|-----------------------------------|--------------------|--------------|
| Sri. B. Vijayakumar               | 1,50,00,000        | 6.30         |
| Sri. V. Ragupathi                 | 1,000              | 0.00         |
| Sri. P. Shanmugasundaram          | -                  | -            |
| Sri. P.V. Ramakrishnan            | -                  | -            |
| Sri. Prem Kumar Parthasarathy     | -                  | -            |
| Sri. Sajeew Mathew Rajan          | -                  | -            |
| Sri. Murugesu Saravana Marthandam | -                  | -            |

The Company has not issued any type of convertible instruments to Non-Executive Directors. None of the Directors were issued any stock options.

**Directors Inter-se Relationship:**

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

**Familiarisation Programme for Independent Directors:**

The Independent Directors are regularly familiarised about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. Periodic presentations are made at the Board/Committee Meetings on the Company's business and developments. In this regard, the Company follows a structured familiarisation program for the Independent Directors. The details of

familiarisation programmes imparted to Independent Directors during the financial year 2023-24 are disclosed on the Company's website at <https://www.lgbforge.com/images/pdf/FamiliarisationProgramme2023-24.pdf>.

**Skills / Expertise / Competencies of the Board of Directors:**

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the Management. The Board constantly focuses on raising the governance standards of the Company. The following are the core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the said skills are available with the Board Members:

| <b>Skill/Expertise/Competencies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Whether available with the Board or Not</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>Industry Knowledge / Experience</b> <ul style="list-style-type: none"> <li>• Knowledge / experience in the manufacturing and sale of Automobile Components and other technical products.</li> <li>• Knowledge of the automotive industry and the products, business model and the market.</li> <li>• Knowledge / experience in the area of Research and Development, in particular, in the technological fields that are relevant for the business of the Company.</li> <li>• Broad range of commercial / business experience.</li> </ul>                                                                                                                | Yes                                            |
| <b>Governance Skills:</b> <ul style="list-style-type: none"> <li>• In-depth knowledge / experience in the field of finance and accounting and audit and the ability to analyze and assess the key financial statements.</li> <li>• Knowledge / experience in the governance, legal and compliance areas, and the ability to identify key risks in a wide range of areas including legal and compliance risks.</li> <li>• Knowledge / experience of the capital market and its developments.</li> <li>• Ability to constructively manage crisis, provide leadership around solutions and contribute to communications strategy with stakeholders.</li> </ul> | Yes                                            |
| <b>Personal Attributes / Qualities:</b> <ul style="list-style-type: none"> <li>• Ability to understand the role and fulfillment of the duties and responsibilities of a Director while being transparent in disclosing potential conflict of interest.</li> <li>• Ability to constructively contribute to board discussions and communicate effectively with management and other directors.</li> <li>• Understand the role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality.</li> </ul>                                                                                                         | Yes                                            |

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

| <b>Name of the Directors</b>      | <b>Industry Skills</b> | <b>Governance Skills</b> | <b>Personal Attributes/<br/>Qualities</b> |
|-----------------------------------|------------------------|--------------------------|-------------------------------------------|
| Sri. B. Vijayakumar               | ✓                      | ✓                        | ✓                                         |
| Smt. Rajsri Vijayakumar           | ✓                      | ✓                        | ✓                                         |
| Sri. A. Sampath Kumar             | ✓                      | ✓                        | ✓                                         |
| Sri. V. Ragupathi                 | ✓                      | ✓                        | ✓                                         |
| Sri. P. Shanmugasundaram          | -                      | ✓                        | ✓                                         |
| Sri. P.V. Ramakrishnan            | ✓                      | ✓                        | ✓                                         |
| Sri. Prem Kumar Parthasarathy     | ✓                      | ✓                        | ✓                                         |
| Sri. Sajeew Mathew Rajan          | ✓                      | ✓                        | ✓                                         |
| Sri. Murugesu Saravana Marthandam | ✓                      | ✓                        | ✓                                         |

**Meeting of Independent Directors:**

In accordance with Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on March 15, 2024, without the presence of Non-Independent Directors and the Members of the Management to review the performance of Non-Independent Directors and the Board as a whole and the performance of the Chairman, considering the views of Executive and Non-Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that helps the Board to effectively and reasonably perform their duties. All the Independent Directors of the Company have participated in the said meeting.

**Confirmation on the Fulfilment of the Conditions of Independence:**

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

**Resignation of Independent Director(s) before expiry of tenure, if any:**

None of the Independent Directors has resigned before the expiry of their tenure during the year under review.

**Particulars of Senior Management Personnel at the end of financial year March 31, 2024:**

Smt. Rajsri Vijayakumar, Managing Director

Sri. A. Sampath Kumar, Whole Time Director

Smt. Geetha Manjari, Chief Financial Officer

Smt. K. Kousalya, Company Secretary and Compliance Officer (with effect from August 29, 2023)

**3. Audit Committee:**

The Audit Committee of the Company is duly constituted as per Regulation 18 of SEBI (LODR) Regulations, 2015 read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and have expertise in financial management. Sri. P. Shanmugasundaram is the Chairman of the Audit Committee. The Statutory Auditors were invited to the Audit Committee Meetings. The Committee Members may invite the Internal Auditor or any other concerned officer of the Company in the meetings, whenever required on case-to-case basis. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

**Terms of Reference:**

The primary objective of the Audit Committee is to act as a catalyst in helping your Company to achieve its objectives by overseeing the integrity of your Company's financial statements; adequacy and reliability of the Internal Control Systems of your Company; review of compliance with legal and regulatory requirements and your company's code of conduct; performance of your company's statutory and internal auditors. Audit Committee monitors and provides an effective supervision of the financial reporting process of your Company with a view to ensure accurate and timely disclosure with the highest level of transparency, integrity and quality. The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015 and discharges such duties and functions as generally indicated there under apart from such other functions as may be specifically assigned to it by the Board from time to time.

**Composition & Meetings:**

The Audit Committee comprises of three members, out of which two members are Non-Executive Independent Directors and one is an Executive Director. The Chairman of the Audit Committee is an Independent Director. All the members of the Audit Committee have accounting and financial management expertise.

The Executive Directors, Chief Financial Officer and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings as and when necessary and the Company Secretary acts as the Secretary to the Committee.

During the financial year 2023-24, the Audit Committee has met six times and the time gap between any two consecutive meetings did not exceed the interval of 120 days. Audit Committee Meetings were held as under:

| S. No. | Date of Meeting   | Physical / Video Conference |
|--------|-------------------|-----------------------------|
| 1      | May 15, 2023      | Physical                    |
| 2      | August 10, 2023   | Video Conference            |
| 3      | August 29, 2023   | Video Conference            |
| 4      | November 09, 2023 | Physical                    |
| 5      | November 27, 2023 | Video Conference            |
| 6      | February 07, 2024 | Video Conference            |

The composition of the Audit Committee and the details of meetings attended by its members are given below:

| Name of the Members     | Category                             | Designation | No of Meetings during the year 2023-24 |                                             |          |
|-------------------------|--------------------------------------|-------------|----------------------------------------|---------------------------------------------|----------|
|                         |                                      |             | Held                                   | Held after appointment / before resignation | Attended |
| Sri.P.Shanmugasundaram  | Non-Executive - Independent Director | Chairman    | 6                                      | 6                                           | 5        |
| Sri.P.V. Ramakrishnan   | Non-Executive - Independent Director | Member      | 6                                      | 6                                           | 6        |
| Smt. Rajsri Vijayakumar | Managing Director                    | Member      | 6                                      | 6                                           | 6        |

Sri. P. Shanmugasundaram, Chairman of the Audit Committee has attended the previous Annual General Meeting of the Company held on September 25, 2023.



The minutes of the Audit Committee Meetings were circulated to all the members of the Board and the Board discussed and took note of the same. The Audit Committee has considered and reviewed the annual financial statements for the year 2023-24, before it was placed before the Board of Directors.

During the year, all the recommendations of the Audit Committee were accepted by the Board.

#### **4. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Company is duly constituted as per Regulation 19 of SEBI (LODR) Regulations, 2015 read with the provisions of Section 178 of the Companies Act, 2013. All the Members of the Nomination and Remuneration Committee are Non-Executive Independent Directors. Sri. P. Shanmugasundaram is the Chairman of the Nomination and Remuneration Committee.

##### **Terms of Reference:**

The broad terms of reference of the Nomination and Remuneration Committee include recommending a policy relating to remuneration and employment terms of directors and senior management personnel, to recommend to the Board all remuneration, in whatever form, payable to senior management, adherence to and review of the remuneration policy as approved by the Board of Directors, formulating the criteria and identifying persons who may be appointed as Directors or Senior Management of the Company and evaluation of every Director's performance as referred to in Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015 and any other matter which the Board of Directors may direct from time to time.

##### **Composition & Meetings:**

The Nomination and Remuneration Committee comprises of three members, all of which are Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director.

During the financial year 2023-24, the Nomination and Remuneration Committee has met two times as under:

| <b>S. No.</b> | <b>Date of Meeting</b> | <b>Physical / Video Conference</b> |
|---------------|------------------------|------------------------------------|
| 1             | May 11, 2023           | Video Conference                   |
| 2             | August 29, 2023        | Video Conference                   |

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

| <b>Name of the Members</b>        | <b>Category</b>                      | <b>Designation</b> | <b>No of Meetings during the year 2023-24</b> |                                                    |                 |
|-----------------------------------|--------------------------------------|--------------------|-----------------------------------------------|----------------------------------------------------|-----------------|
|                                   |                                      |                    | <b>Held</b>                                   | <b>Held after appointment / before resignation</b> | <b>Attended</b> |
| Sri.P.Shanmugasundaram            | Non-Executive - Independent Director | Chairman           | 2                                             | 2                                                  | 2               |
| Sri. Murugesu Saravana Marthandam | Non-Executive - Independent Director | Member             | 2                                             | 2                                                  | 2               |
| Sri. P.V. Ramakrishnan*           | Non-Executive - Independent Director | Member             | 2                                             | 1                                                  | 1               |
| Sri. Prem Kumar Parthasarathy*    | Non-Executive - Independent Director | Member             | 2                                             | 1                                                  | 1               |

\*The Nomination and Remuneration Committee was reconstituted on May 15, 2023 and hence Sri. P.V. Ramakrishnan was removed as member and Sri. Prem Kumar Parthasarathy was inducted as a member to the Nomination and Remuneration Committee.

Remuneration payable, in whatever form, to the Key Managerial Personnel and Senior Management of the Company is being considered / discussed / finalised and recommended after considering various factors such as financial position of the Company, trend in the industry and past remuneration, etc., which is onward submitted to the Audit Committee (if required) and Board of Directors for respective approval(s).

None of the Non-Executive Directors, apart from receiving director's sitting fees for attending the Board and Audit Committee Meetings, have any material pecuniary relationship or transactions with the Company.

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Nomination and Remuneration Committee has attended the Annual General Meeting of the Company held on September 25, 2023. The minutes of the Nomination and Remuneration Committee were placed before the Board Meeting for ratification and approval.

#### **Performance Evaluation Criteria for Independent Directors:**

Pursuant to the provisions of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, a Board Evaluation Framework has been approved by the Nomination and Remuneration Committee (NRC) and the Board. The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow best practices in Board Governance in order to fulfil its fiduciary obligation to the Company. The Board believes that the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of Board's time and increased effectiveness of the Board as a governing body. The Board has carried out an annual performance evaluation of its own performance, every Individual Directors including Independent Directors on the board and the Committee(s) of the Board. The performance evaluation of the Non-Independent Directors, including Chairman and Board of Directors as a whole was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

The evaluation of the Independent Directors were made on the basis of attendance at the Meeting of the Board, Committee and General Meeting, knowledge about the latest developments, contribution in the Board development processes, participation in the Meetings and events outside Board Meetings, expression of views in best interest of the Company, assistance given in protecting the legitimate interests of the Company, employees and investors, extending individual proficiency and experience for effective functioning and operation of the Company etc.

#### **5. Remuneration Policy:**

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

#### **Details of Remuneration for the year ended March 31, 2024:**

The disclosure on the remuneration of directors as required under Schedule V(c)(6) of SEBI (LODR) Regulations, 2015, as amended, are as follows:

##### **Remuneration to Executive Directors:**

Remuneration paid to Smt. Rajsri Vijayakumar, Managing Director and Sri. A. Sampath Kumar, Whole Time Director for the financial year ended March 31, 2024 is given as under:

(₹ in lakhs)

| S. No. | Particulars of Remuneration | Smt. Rajsri Vijayakumar,<br>Managing Director | Sri. A. Sampath Kumar,<br>Whole Time Director |
|--------|-----------------------------|-----------------------------------------------|-----------------------------------------------|
| 1      | Salary & Allowances         | 24.00                                         | 21.98                                         |
| 2      | Stock Options               | -                                             | -                                             |
| 3      | Sweat Equity                | -                                             | -                                             |
| 4      | Commission                  | -                                             | -                                             |
|        | <b>Total</b>                | <b>24.00</b>                                  | <b>21.98</b>                                  |

Salary includes salary and company's contribution to provident fund.

All elements of remuneration package has been summarised under major groups viz., Salary & Allowances/ Perquisites and Commission and there is no other benefits, bonuses, stock options, pension, etc. other than the details disclosed in the above table.

The remuneration to the Key Managerial Personnels comprised of fixed components viz., salary and other allowances and perquisites and there are no performance linked incentives.

#### **Remuneration to Non-Executive Directors:**

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

(₹ in lakhs)

| S. No. | Name of the Director                 | Sitting Fees | Commission | Employees Stock Option | Total |
|--------|--------------------------------------|--------------|------------|------------------------|-------|
| 1      | Sri. B. Vijayakumar                  | 0.90         | -          | -                      | 0.90  |
| 2      | Sri. V. Ragupathi                    | 0.90         | -          | -                      | 0.90  |
| 3      | Sri. P. Shanmugasundaram             | 1.05         | -          | -                      | 1.05  |
| 4      | Sri. P.V. Ramakrishnan               | 0.45         | -          | -                      | 0.45  |
| 5      | Sri. Prem Kumar<br>Parthasarathy     | 0.90         | -          | -                      | 0.90  |
| 6      | Sri. Sajeew Mathew Rajan             | 0.90         | -          | -                      | 0.90  |
| 7      | Sri. Murugesu Saravana<br>Marthandam | 0.90         | -          | -                      | 0.90  |

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

The criteria of making payments to Non-Executive Directors can be accessed on the Company's website at <https://www.lgbforge.com/images/pdf/criteria-for-the-remuneration-of-non-executive-directors.pdf>.

The Company does not have any Employee Stock Option Scheme and hence the disclosure of the details of stock option, if any and whether issued at a discount as well as the period over which accrued and over which exercisable does not arise.

#### **6. Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

**Terms of Reference:**

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialisation / rematerialisation of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. The role of the Stakeholders' Relationship Committee covers all the areas specified in Section 178 and Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

**Composition & Meetings:**

The Stakeholders' Relationship Committee comprises of three members, out of which two members are Executive Directors and one is Non-Executive Independent Director. The Chairman of the Stakeholders' Relationship Committee is a Non-Executive Independent Director.

During the financial year 2023-24, the Stakeholders Relationship Committee has met seven times. Stakeholders Relationship Committee Meetings were held as under:

| S. No. | Date of Meeting  | Physical / Video Conferencing |
|--------|------------------|-------------------------------|
| 1      | April 21, 2023   | Physical                      |
| 2      | May 26, 2023     | Physical                      |
| 3      | June 07, 2023    | Physical                      |
| 4      | June 30, 2023    | Physical                      |
| 5      | August 10, 2023  | Video Conferencing            |
| 6      | October 28, 2023 | Physical                      |
| 7      | January 19, 2024 | Physical                      |

The Composition of the Stakeholders Relationship Committee along with the meeting attendance is given in the below table:

| Name of the Members            | Category                             | Designation                    | No of Meetings during the year 2023-24 |                                             |          |
|--------------------------------|--------------------------------------|--------------------------------|----------------------------------------|---------------------------------------------|----------|
|                                |                                      |                                | Held                                   | Held after appointment / before resignation | Attended |
| Sri. P. V. Ramakrishnan*       | Non-Executive - Independent Director | Chairman (upto May 15, 2023)   | 7                                      | 1                                           | 1        |
| Sri. Prem Kumar Parthasarathy* | Non-Executive - Independent Director | Chairman (w.e.f. May 15, 2023) | 7                                      | 6                                           | 6        |
| Smt. Rajsri Vijayakumar        | Managing Director                    | Member                         | 7                                      | 7                                           | 7        |
| Sri. A. Sampath Kumar          | Whole Time Director                  | Member                         | 7                                      | 7                                           | 7        |

\*The Stakeholders Relationship Committee was reconstituted on May 15, 2023 and hence Sri. P.V. Ramakrishnan was removed from the Committee and Sri. Prem Kumar Parthasarathy was replaced as Chairman to the Stakeholders Relationship Committee.

The minutes of the Stakeholders Relationship Committee were placed before the Board Meeting for ratification and approval.

The Company Secretary acts as the Secretary to the Committee, who is designated as the Compliance Officer pursuant to Regulation 6 of the SEBI (LODR) Regulations, 2015. In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri. K. Maheswaran, Company Secretary was designated as the Compliance Officer of the Company until May 15, 2023. After his resignation, Mr. A. Sampath Kumar, Whole Time Director was designated as the Compliance Officer of the Company from May 15, 2023 to August 29, 2023. Thereafter, Smt. K. Kousalya was designated as the Compliance Officer of the Company.

The Chairman of the Stakeholders' Relationship Committee has attended the 17<sup>th</sup> Annual General Meeting held on September 25, 2023 to answer the shareholders queries.

The Committee ensures that the shareholders'/investors' grievances and correspondence are attended and resolved expeditiously within the time frames laid down by SEBI. During the year under review, one complaint was received and no complaints/query is remaining unresolved and pending as on March 31, 2024.

The status of investor complaints received during the year is as follows:

|                                                                         |   |
|-------------------------------------------------------------------------|---|
| Number of complaints received during the year                           | 1 |
| Number of complaints resolved during the year                           | 1 |
| Number of complaints not solved to the satisfaction of the shareholders | 0 |
| Number of complaints pending as on March 31, 2024.                      | 0 |

Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015, a certificate confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

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

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

#### **Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account:**

In terms of Regulation 39(4) of the SEBI (LODR) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style "LGB Forge Limited Unclaimed Suspense Account". The disclosure with respect to demat suspense account are as follows:

| <b>Particulars</b>                                                                                                      | <b>Number of Shareholders</b> | <b>Number of equity shares</b> |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year. | 435                           | 3,22,960                       |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year.         | -                             | -                              |
| Number of shareholders to whom shares were transferred from suspense account during the year.                           | -                             | -                              |
| Aggregate number of shareholders and outstanding shares in the suspense account lying as on March 31, 2024.             | 435                           | 3,22,960                       |

The voting rights on the outstanding unclaimed shares as on March 31, 2024 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

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

#### **7. Risk Management Committee:**

The Company has not constituted Risk Management Committee as it is not mandatory and is not falling under the Top 1000 listed entities determined on the basis of market capitalisation as prescribed under Regulation 21 of the SEBI (LODR) Regulations, 2015.

#### **8. Corporate Social Responsibility Committee:**

The Company has not constituted Corporate Social Responsibility Committee as it had not crossed the threshold limit as specified in Section 135 of the Companies Act, 2013.

#### **9. Management Discussion and Analysis Report:**

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

#### **10. General Body Meetings:**

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

| <b>Year</b> | <b>Date</b>        | <b>Time</b> | <b>Venue</b>                                                                                                                                                  | <b>Special Resolution Passed</b>                                                                                |
|-------------|--------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 2020-21     | September 30, 2021 | 03.30 p.m.  | Held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).<br>Deemed Venue:<br>6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore – 641 006. | Re-appointment of Sri. V. Rajvirdhan (DIN: 00156787), Managing Director of the Company for a period of 3 years. |
| 2021-22     | September 28, 2022 | 03.00 p.m.  | Held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).<br>Deemed Venue:<br>6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore – 641 006. | NIL                                                                                                             |
| 2022-23     | September 25, 2023 | 04.00 p.m.  | Held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).<br>Deemed Venue:<br>6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore – 641 006. | NIL                                                                                                             |

#### **Extra-Ordinary General Meeting:**

No Extra-Ordinary General Meeting of the Members of the Company was convened and held during the financial year 2023-2024.

#### **Postal Ballot:**

During the year under review, the Company has conducted a Postal Ballot through remote e-voting process vide Notice dated November 27, 2023 for obtaining the approval of the members for the special business item(s) set out in the said notice. The details of resolutions passed through postal ballot (remote e-voting) process are as follows:

| Particulars of Resolution                                                                                                                                                       | Type of Resolution | No. of valid votes polled | Votes cast in favour |            | Votes cast against |            | Invalid Votes Cast |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|----------------------|------------|--------------------|------------|--------------------|
|                                                                                                                                                                                 |                    |                           | No. of votes         | % of votes | No. of votes       | % of votes |                    |
| Approval of Material Related Party Transactions between the Company and M/s. L.G. Balakrishnan & Bros Limited.                                                                  | Ordinary           | 16,77,746                 | 16,74,899            | 99.83      | 2,847              | 0.17       | -                  |
| Approval of Material Related Party Transaction in connection with sale of Pondicherry Plant to M/s. L. G. Balakrishnan & Bros Limited as a going concern on a slump sale basis. | Special            | 16,77,746                 | 16,74,879            | 99.83      | 2,867              | 0.17       | -                  |

The Board of Directors had appointed Sri. P. Eswaramoorthy (Membership No. FCS 6510 and Certificate of Practice No. 7069) of M/s. P. Eswaramoorthy and Company, Practising Company Secretaries, Coimbatore, as Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

#### **Procedure for Postal Ballot:**

Pursuant to the provisions of Section 108 and 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (LODR) Regulations, 2015 read with relevant MCA and SEBI Circulars, the special resolution as specified in the Notice of the Postal Ballot dated November 27, 2023 (as specified above) was transacted through remote e-voting process.

The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) for providing e-voting facility to the members.

The members holding shares (either in physical form or dematerialised form) as on the cut-off date of Friday, November 17, 2023, were provided the option of exercising their right to vote on the said resolution through remote e-voting process only during the period commencing from Wednesday, November 29, 2023 at 09.00 a.m. (IST) to Thursday, December 28, 2023 at 05.00 p.m. (IST) (both days inclusive). Upon completion of the voting period, the scrutinizer completed the scrutiny of postal ballot (remote e-voting) process and submitted his report to the Director, duly authorized by the Managing Director of the Company on December 29, 2023 and the results of the remote e-voting were declared on December 30, 2023. The voting results along with the report of the scrutiniser were submitted to BSE Limited and National Stock Exchange of India Limited (NSE) and placed the same on the website of the Company and CDSL (e-voting agency) within the stipulated time.

#### **Postal Ballot proposed to be conducted:**

As on date of this report, the Company does not foresee the need for conducting postal ballot to pass any resolution in the current financial year.



**11. Means of Communication:**

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the Stock Exchanges soon after they were approved by the Board of Directors.

The Financial Results are also published in two leading newspapers viz., Business Standard (English) and Maalai Murasu / Maalai Malar (Tamil). Results are displayed under Financial Information Category in the Company's website at [https://www.lgbforge.com/financial\\_results.html](https://www.lgbforge.com/financial_results.html).

All material information about the Company is promptly disclosed through electronic platform to the Stock Exchanges where the Company's shares are listed. There was no specific news releases / presentation made to the Investors or Analysts during the year under review.

Pursuant to the approval of the Board of Directors of the Company at its meeting held on May 22, 2024, the Company shall take necessary steps to file an application for voluntary delisting of its equity shares from the National Stock Exchange of India (NSE) in terms of Regulation 5 & 6 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("SEBI Delisting Regulations") In this regard, the Company has made necessary disclosure required under SEBI Delisting Regulations and SEBI (LODR) Regulations, 2015 to the Stock Exchanges.

**12. General Shareholders' Information:**
**Annual General Meeting (Date, Time and Venue):**

18<sup>th</sup> Annual General Meeting is proposed to be held on Wednesday, August 14, 2024 at 11.00 a.m. through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) for which purpose, the registered office of the Company situated at 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore - 641 006 shall be deemed as the venue for the meeting.

**Financial Calendar:**

The Financial Year of the Company is for a period for 12 months from April 1 to March 31.

**Tentative Financial Calendar for the year 2024-25:**

|                                   |                                  |
|-----------------------------------|----------------------------------|
| First Quarter Results             | : On or before August 14, 2024   |
| Half Yearly Results               | : On or before November 14, 2024 |
| Third Quarter Results             | : On or before February 14, 2025 |
| Fourth Quarter and Annual Results | : On or before May 30, 2025      |

**Dates of Book Closure:**

The dates of Book Closure are from August 08, 2024 to August 14, 2024 (both days inclusive).

**Dividend Payment Date:**

The Directors have not recommended any Dividend for the year ended March 31, 2024.

**Listing on Stock Exchanges and Stock Code:**

23,82,02,463 equity shares of Re.1/- each is listed at:

| Name of the Stock Exchange                                                                                                | Scrip Code / Symbol |
|---------------------------------------------------------------------------------------------------------------------------|---------------------|
| National Stock Exchange of India Limited (NSE),<br>Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. | LGBFORGE            |
| BSE Limited (BSE)<br>PJ Towers, Dalal Street, Mumbai - 400 001                                                            | 533007              |

The Company has paid the annual listing fees for the year 2024-25 to both the above Stock Exchanges.

**Voluntary Delisting of Equity Shares from National Stock Exchange of India Limited (NSE):**

Pursuant to the approval of the Board of Directors of the Company at its meeting held on May 22, 2024, the Company shall take necessary steps to file an application for voluntary delisting of its equity shares from the National Stock Exchange of India (NSE) in terms of Regulation 5 & 6 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (“SEBI Delisting Regulations”) In this regard, the Company has made necessary disclosure required under SEBI Delisting Regulations and SEBI (LODR) Regulations, 2015 to the Stock Exchanges.

**International Security Identification Number (ISIN):**

INE201J01017

**Market Price Data:**

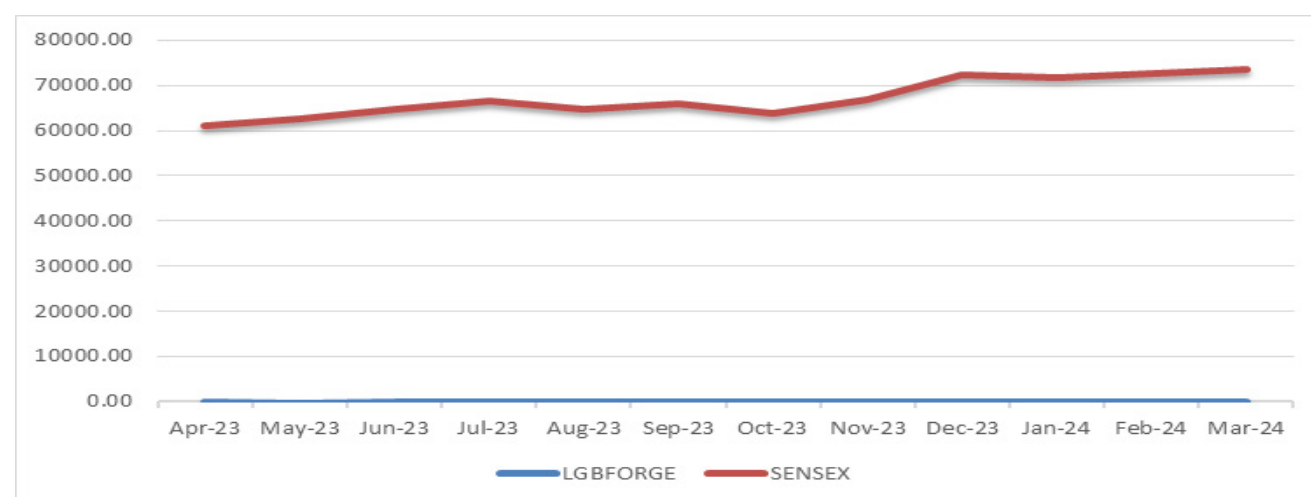
The closing market price of equity shares on March 28, 2024 (last trading day of the year) was ₹ 8.90/- on NSE and ₹ 8.97/- on BSE.

**Monthly Share Price Movement during 2023-24 at NSE and BSE:**

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

| Period         | NSE      |         |                    | BSE      |         |                    |
|----------------|----------|---------|--------------------|----------|---------|--------------------|
|                | High (₹) | Low (₹) | Quantity           | High (₹) | Low (₹) | Quantity           |
| April 2023     | 9.35     | 8.10    | 19,19,350          | 9.17     | 8.05    | 5,75,204           |
| May 2023       | 9.05     | 7.80    | 21,14,675          | 9.04     | 7.80    | 4,29,213           |
| June 2023      | 11.15    | 7.85    | 1,15,14,085        | 11.29    | 7.88    | 37,99,750          |
| July 2023      | 9.90     | 8.90    | 29,98,002          | 9.97     | 8.75    | 6,55,944           |
| August 2023    | 9.70     | 8.45    | 36,63,030          | 9.75     | 8.37    | 11,47,739          |
| September 2023 | 10.60    | 8.95    | 47,52,431          | 10.71    | 8.88    | 13,70,591          |
| October 2023   | 10.95    | 8.60    | 50,54,923          | 10.95    | 8.65    | 9,43,594           |
| November 2023  | 13.30    | 9.15    | 1,18,75,107        | 13.31    | 9.06    | 28,64,417          |
| December 2023  | 13.90    | 11.50   | 1,38,35,559        | 13.94    | 11.58   | 40,83,535          |
| January 2024   | 13.70    | 11.75   | 89,74,804          | 13.70    | 12.00   | 20,19,456          |
| February 2024  | 14.75    | 10.85   | 99,95,064          | 14.74    | 10.88   | 22,72,344          |
| March 2024     | 11.45    | 8.75    | 58,07,068          | 11.52    | 8.62    | 11,45,828          |
| <b>Total</b>   |          |         | <b>8,25,04,098</b> |          |         | <b>2,13,07,615</b> |

Performance of the equity share price of the Company vis-à-vis the SENSEX at BSE is as under:



|          | <b>Apr-2023</b> | <b>May-2023</b> | <b>Jun-2023</b> | <b>Jul-2023</b> | <b>Aug-2023</b> | <b>Sep-2023</b> |
|----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| LGBFORGE | 8.66            | 7.93            | 9.54            | 9.27            | 9.72            | 9.36            |
| SENSEX   | 61,112.44       | 62,622.24       | 64,718.56       | 66,527.67       | 64,831.41       | 65,828.41       |

|          | <b>Oct-2023</b> | <b>Nov-2023</b> | <b>Dec-2023</b> | <b>Jan-2024</b> | <b>Feb-2024</b> | <b>Mar-2024</b> |
|----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| LGBFORGE | 9.27            | 13.31           | 13.06           | 12.77           | 10.98           | 8.97            |
| SENSEX   | 63,874.93       | 66,988.44       | 72,240.26       | 71,752.11       | 72,500.30       | 73,651.35       |

The shares of the Company are regularly traded and in no point of time, the shares were suspended for trading in any of the Stock Exchanges.

#### **Registrar & Transfer Agent:**

The Registrar & Share Transfer Agent deals with all shareholders communications regarding change of address, transfer of shares, change of mandate, dematerialisation of shares, non-receipt of dividend, etc. The address of the Registrar & Share Transfer Agent is as under:

|                                                        |                                                                                                         |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Name and Address of Registrar and Share Transfer Agent | M/s. Cameo Corporate Services Limited<br>Subramanian Building No.1, Club House Road, Chennai – 600 002. |
| Telephone                                              | +91 44 4002 0700                                                                                        |
| Online Investor Portal                                 | <a href="https://wisdom.cameoindia.com">https://wisdom.cameoindia.com</a>                               |
| Website                                                | <a href="https://www.cameoindia.com">https://www.cameoindia.com</a>                                     |

#### **Share Transfer System:**

Share Transfer System of the Company is computerised and M/s. Cameo Corporate Services Limited is the Company's Registrar and Share Transfer Agent (RTA) for equity shares (kept in physical as well as electronic mode). The requests, if any, for share transfer, transmission, sub-division, consolidation, renewal, rematerialisation, issue of duplicate share certificate, etc. are processed only through the depository system (dematerialised form) within the prescribed time period, subject to documents being valid and complete in all respects. In compliance with the Regulation 7(3) of the SEBI (LODR) Regulations, 2015, the Company submits a Compliance Certificate duly signed by the Compliance Officer of the Company and the authorised representative of the Share Transfer Agent, within one month from the end of the financial year, stating that all the activities in relation to both physical and electronic share transfer facilities are maintained by the M/s. Cameo Corporate Services Limited, Company's Registrar and Share Transfer Agent (RTA). Further, an yearly certificate of compliance issued with respect to issuance of share certificates within 30 days of lodgement for transfer, sub-division, consolidation, renewal, etc, is submitted to the Stock Exchange pursuant to Regulation 40(9) & 40(10) of the SEBI (LODR) Regulations, 2015.

#### **Distribution of Shareholding:**

The shareholding distribution of the equity shares as on March 31, 2024 is given below:

| <b>Range</b>     | <b>No. of Holders</b> | <b>% of Shareholders</b> | <b>No. of Shares</b> | <b>% of Shares</b> |
|------------------|-----------------------|--------------------------|----------------------|--------------------|
| Up to 5000       | 35,513                | 95.10                    | 2,01,54,614          | 8.46               |
| 5001 – 10000     | 927                   | 2.48                     | 71,19,920            | 2.99               |
| 10001 – 20000    | 465                   | 1.25                     | 67,39,381            | 2.83               |
| 20001 – 30000    | 161                   | 0.43                     | 40,27,479            | 1.69               |
| 30001 – 40000    | 70                    | 0.19                     | 24,30,940            | 1.02               |
| 40001 – 50000    | 54                    | 0.14                     | 25,04,975            | 1.05               |
| 50001 – 100000   | 85                    | 0.23                     | 60,10,360            | 2.52               |
| 100001 and above | 69                    | 0.18                     | 18,92,14,794         | 79.44              |
| <b>Total</b>     | <b>37,344</b>         | <b>100.00</b>            | <b>23,82,02,463</b>  | <b>100.00</b>      |

**Shareholding Pattern as on March 31, 2024:**

| S. No. | Category             | No. of Shares       | % of holding  |
|--------|----------------------|---------------------|---------------|
| 1      | Promoters            | 17,57,76,096        | 73.79         |
| 2      | Clearing Members     | 1,251               | 0.00          |
| 3      | Bodies Corporate     | 11,60,553           | 0.49          |
| 4      | Non-Resident Indians | 7,06,495            | 0.30          |
| 5      | Public and Others    | 6,05,58,068         | 25.42         |
|        | <b>Total</b>         | <b>23,82,02,463</b> | <b>100.00</b> |

**Dematerialization of Shares and Liquidity:**

| Particulars                                 | No. of Shares       | % of holding  |
|---------------------------------------------|---------------------|---------------|
| National Securities Depository Limited      | 20,83,75,713        | 87.48         |
| Central Depository Services (India) Limited | 2,79,24,066         | 11.72         |
| Physical                                    | 19,02,684           | 0.80          |
| <b>Total</b>                                | <b>23,82,02,463</b> | <b>100.00</b> |

The promoter and promoter group hold their entire shareholding only in dematerialised form.

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

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

**Commodity Price Risk / Foreign Exchange Risk and Hedging:**

The Company did not engage in hedging activities.

**Plant Location & Addresses:**

The Company has three plant locations viz., Mysore, Coimbatore and Pondicherry. The addresses of these plant location are as follows:

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

The Company has sold the machining unit in Pondicherry to M/s. L.G. Balakrishnan & Bros Limited and hence there are only two plants (viz., Mysore and Coimbatore) as on date of the report.

**Details of unpaid dividends:**

Since, the Company has never declared dividends in the previous years, the requirement for transferring the unpaid / unclaimed dividend to the Investor Education and Protection Fund (IEPF) as established by the Government does not arise.

**Address for Correspondence:**

K. Kousalya  
Company Secretary and Compliance Officer  
LGB Forge Limited  
6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore – 641 006  
Telephone: +91 422 - 2532325 | Fax: +91 422 - 2532333  
Website: [www.lgbforge.com](http://www.lgbforge.com) | Email: [secretarial@lgbforge.com](mailto:secretarial@lgbforge.com)

**Credit Rating:**

The Company has got the following credit rating from M/s. ICRA Limited (Credit Rating Agency) during the year:

| Instrument                           | Rating      | Outlook  |
|--------------------------------------|-------------|----------|
| Long-term fund-based facilities      | (ICRA) BBB- | Negative |
| Short-term non-fund-based facilities | (ICRA) A3   |          |

**13. Other Disclosures:**

- a. The Board has received disclosures from the Senior Management relating to material, financial and commercial transactions, where they and/ or their Relatives have personal interest. There are no materially significant Related Party Transactions of the Company, which may have potential conflict with the interest of the Company at large; however, all the transactions with Related Parties are disclosed under the relevant notes to accounts as per requirements of applicable Indian Accounting Standard.
- b. All transactions entered into by the Company with related parties, as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the financial year 2023-24 were in the ordinary course of business, on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The Board approved policy on materiality of related party transactions and on dealing with related party transactions and the same is available on the website of the Company at <https://www.lgbforge.com/images/pdf/Policy-on-related-party-transactions.pdf>.
- c. The Company has formulated vigil mechanism and adopted a Whistle Blower Policy for safeguarding the whistle blower against victimisation. No employee has been denied access to the Audit Committee. The details of establishment of Whistle Blower Policy are posted on the Company's website <https://www.lgbforge.com/images/pdf/whistle-blower-policy.pdf>.
- d. There were no instances of non-compliance, and no strictures or penalties were imposed on the Company either by Securities and Exchange Board of India (SEBI), Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.
- e. The Company has adopted and complied with all mandatory requirements laid down in SEBI (LODR) Regulations, 2015. Some of the non-mandatory requirements have also been adopted and complied with.
- f. Since the Company does not have a subsidiary, there is no policy for determining material subsidiary.
- g. The Company has not declared Dividend during the previous years and also there is no such policy for dividend distribution framed by the Company.
- h. Disclosures required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been included in the Directors' Report which forms part of the Annual Report. Further, the Company has constituted an Internal Complaints Committee. During the financial year 2023-24, no complaint was received by the Committee. As such, there are no complaints pending as at the end of the financial year.
- i. During the year under review, there were no instances wherein the recommendation of any Committee of the Board, which is mandatorily required for approval of the Board, were not accepted by the Board.
- j. The total fees for all the services paid by the Company to the statutory auditor have been included in the notes to financial statements which forms integral part of the Annual Report.

- k. A certificate from a company secretary in practice, stating that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board or Ministry of Corporate Affairs or any such statutory authority is annexed to the report.
- l. Details of utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (LODR) Regulations, 2015: Not Applicable.
- m. Details of Loans and Advances in the nature of loans to firms/companies in which Directors are interested by name and amount: Not Applicable.
- n. Details of material subsidiaries of the listed entity (based on the financial for the year ended March 31, 2024) including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not Applicable.
- o. During the financial year 2023-24, the Company did not have any material unlisted subsidiary companies which are subject to special governance norms in terms of SEBI (LODR) Regulations, 2015.
- p. During the financial year 2023-24, the Company has not engaged in commodity hedging activities.
- q. Apart from the above, the Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.
- r. In the preparation of the Financial Statements, the Company has followed the applicable Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
- s. Business risk evaluation and Management is an ongoing process within the Company. The assessment is periodically examined by the Board.
- t. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.
- u. The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the Stock Exchange within twenty-one (21) days from the close of every quarter. Such quarterly compliance reports on corporate governance are also posted on the website of the Company.

**CEO / CFO Certification:**

Certification for the financial year 2023-24 has been submitted to the Board of Directors in its meeting held on May 22, 2024 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Code of Conduct for Prevention of Insider Trading:**

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors / Officers / Designated Employees. The code ensures the prevention of dealing in shares by persons having accessed to unpublished price sensitive information. The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted structured data base system to monitor and control the Prohibition of Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Code of Conduct:**

The Board of Directors have laid down a code of conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code of conduct for the year under review.

**Declaration – Code of Conduct:**

We declare that all the Members of the Board of Directors and Senior Management have, for the year ended March 31, 2024 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) & (5) read with Schedule V of SEBI (LODR) Regulations, 2015.

**For and on behalf of the Board of Directors**

**Place : Coimbatore**

**Date : May 22, 2024**

**B. VIJAYAKUMAR**

Chairman & Non-Executive Director

DIN: 00015583

**RAJSRI VIJAYAKUMAR**

Managing Director

DIN: 00018244



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To

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

I have examined all the relevant records of LGB FORGE LIMITED (“hereinafter called as the “Company”) for the purpose of certifying compliance with the conditions of Corporate Governance stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2024. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

- i. *Credit Rating as received by the company during the review period was not intimated to the Stock Exchanges as required under SEBI (LODR) Regulation 30 (2).*
- ii. *Proceedings of the Postal Ballot Meeting were not submitted to the Stock Exchanges as required under SEBI (LODR) Regulation 30 (2).*
- iii. *Disclosure of prior intimations of the Board Meeting was not submitted to the Stock Exchanges in XBRL mode as under Regulation 29 of SEBI LODR.*

**P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**P. ESWARAMOORTHY**

Proprietor

FCS No.: 6510, CP No.: 7069

Peer review Cert. No.933/2020

UDIN: F006510F000417701

**Place: Coimbatore**

**Date: May 22, 2024**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of LGB Forge Limited having CIN L27310TZ2006PLC012830 and having registered office at No 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore – 641 006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in))) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

**P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**P. ESWARAMOORTHY**

Proprietor

FCS No.: 6510, CP No.: 7069

Peer review Cert. No.933/2020

UDIN: F006510F000417712

**Place: Coimbatore**  
**Date: May 22, 2024**

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

We have audited the accompanying Ind AS financial statements of LGB FORGE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion:**

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

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

**Key Audit Matters:**

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

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

| S. No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.     | <p><b>Adoption of IND AS 116 – Leases:</b></p> <p>As per IND AS 116, a right of use asset and lease liability was recognized in the balance sheet. Lease liability is initially recognized at the present value of future lease payment during the lease term. This standard requires usage of significant judgments and estimation in recognizing the leases.</p> <p>The standard mandates detailed note on impact of leases.</p> <p>Reference is drawn to note 39 to the Standalone financial statements.</p> | <p>Principal Audit Procedures :</p> <p>We have performed the following audit procedures:</p> <p>a) We have reviewed various judgments and controls applied by the management in classifying the leases based on contractual agreements.</p> <p>b) We have verified the reconciliation prepared between short term or low value leases and leases where IND AS 116 was applied.</p> <p>c) We have verified the recognition of right of use assets and lease liability including the estimates such as discount rates and lease term.</p> <p>d) Assessed and verified the presentation and disclosures of leases as per IND AS 116 including the disclosure requirements of transition period.</p> |

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

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

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

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

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

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

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in Annexure 1, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2 (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Note No. 37 on Contingent Liability to the Ind AS financial statements;
    - ii. The company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

- iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise;
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- v. The Company has not declared or paid any dividend during the year ended March 31, 2024;
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from April 01, 2023.

Based on our examination which included test checks, except for the instances mentioned below, the company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

- a) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of accounts relating to payroll.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instances of the audit trail feature being tampered with.

**Place: Coimbatore**  
**Date : May 22, 2024**

For **N.R.DORAISWAMI & CO.**  
Chartered Accountants  
Firm Registration No. : 000771S  
**SUGUNA RAVICHANDRAN**  
Partner  
Membership No. : 207893  
UDIN: 24207893BKATQN2888



**ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's report of even date to the members of LGB Forge Limited on the financial statements for the year ended March 31, 2024]

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

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

| <b>Description of Property</b> | <b>Gross Carrying Value as on March 31, 2024</b> | <b>Held in name of</b>           | <b>Whether promoter, director or their relative or employee</b> | <b>Period Held</b> | <b>Reasons for not being held in the name of the Company</b>                                                                                                                                               |
|--------------------------------|--------------------------------------------------|----------------------------------|-----------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land & Building Mysore         | ₹ 80.26 Lakhs                                    | L.G. Balakrishnan & Bros Limited | Enterprise in which directors are interested                    | 16 years           | The Land & Building is in the name of L.G. Balakrishnan & Bros Limited for which the ownership is established by way of demerger vide court order dated April 21, 2008 sanctioning the scheme of demerger. |

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

the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

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

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

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

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

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

| <b>Nature of borrowing</b> | <b>Name of lender</b>                           | <b>Amount unpaid on the due date</b> | <b>Whether interest or principal</b> | <b>Number of days of delay or unpaid</b> | <b>Remarks If any</b> |
|----------------------------|-------------------------------------------------|--------------------------------------|--------------------------------------|------------------------------------------|-----------------------|
| Term Loan                  | Tata Capital Financial Services Private Limited | ₹ 3,50,062/-                         | Interest                             | 16 Days                                  | Nil                   |

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

- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence reporting under clause (xv) of Paragraph 3 of the Order does not arise.
- xvi) (a) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the Company in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion on the basis of our examination of the financial statements and representations made by the Company it has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the Company and representations made by the Company, in our opinion the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given to us during the course of the audit and as represented to us by the Company in our opinion, there is no Core Investment Company within Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under this clause is not applicable.
- xvii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has incurred cash losses in the immediately preceding financial year 2022-23 ₹ 425.57 Lakhs and during the current financial year 2023-24 ₹ 535.35 Lakhs.
- xviii) There has been no resignation of statutory auditors during the year and hence reporting under clause (xviii) of Paragraph 3 of the Order is not applicable.
- xix) (a) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (b) We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Section 135 of the Act does not apply to the company, therefore reporting under clause (xx)(a) and (b) of Paragraph 3 of the Order is not applicable to the company.
- xxi) The Company does not have any Indian Subsidiary and hence reporting under clause (xxi) of Paragraph 3 of the Order is not applicable to the company.

**Place: Coimbatore**  
**Date : May 22, 2024**

For **N.R.DORAISWAMI & CO.**  
Chartered Accountants  
Firm Registration No. : 000771S  
**SUGUNA RAVICHANDRAN**  
Partner  
Membership No. : 207893  
UDIN: 24207893BKATQN2888  
**LGB FORGE LIMITED 73**

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

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of LGB Forge Limited on the Financial Statements for the year ended March 31, 2024]

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):**

We have audited the internal financial controls over financial reporting of LGB Forge Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion:**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Place: Coimbatore**  
**Date : May 22, 2024**

For **N.R.DORAISWAMI & CO.**  
Chartered Accountants  
Firm Registration No. : 000771S  
**SUGUNA RAVICHANDRAN**  
Partner  
Membership No. : 207893  
UDIN: 24207893BKATQN2888

**BALANCE SHEET AS AT MARCH 31, 2024**

| Particulars                               | Note No. | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------------------|----------|-------------------------|-------------------------|
| <b>A. ASSETS</b>                          |          |                         |                         |
| <b>(1) Non-Current Assets</b>             |          |                         |                         |
| (a) Property, Plant and Equipment         | 2        | 1,186.81                | 1,720.90                |
| (b) Intangible Assets                     | 3        | 21.60                   | 40.36                   |
| (c) Capital Work-in-Progress              | 4        | -                       | -                       |
| (d) Financial Assets                      |          |                         |                         |
| (i) Other Financial Assets                | 5        | 126.99                  | 85.10                   |
| (e) Other Non-Current Assets              | 6        | 11.92                   | 58.26                   |
| <b>Total Non-Current Assets</b>           |          | <b>1,347.32</b>         | <b>1,904.62</b>         |
| <b>(2) Current Assets</b>                 |          |                         |                         |
| (a) Inventories                           | 7        | 2,812.59                | 2,977.61                |
| (b) Financial Assets                      |          |                         |                         |
| (i) Trade Receivables                     | 8        | 3,123.83                | 3,417.74                |
| (ii) Cash and Cash Equivalents            | 9        | 0.31                    | 0.71                    |
| (iii) Bank Balances other than (ii) above | 10       | 47.76                   | 29.81                   |
| (iv) Loans                                | 11       | 0.43                    | 5.62                    |
| (c) Current Tax Assets (Net)              | 12       | 23.10                   | 37.84                   |
| (d) Other Current Assets                  | 13       | 221.45                  | 145.25                  |
| <b>Total Current Assets</b>               |          | <b>6,229.47</b>         | <b>6,614.58</b>         |
| <b>Non-Current Assets held for sale</b>   | 3        | 320.18                  | -                       |
| <b>Total Assets</b>                       |          | <b>7,896.97</b>         | <b>8,519.20</b>         |
| <b>B. EQUITY AND LIABILITIES</b>          |          |                         |                         |
| <b>(1) Equity</b>                         |          |                         |                         |
| (a) Equity Share Capital                  | 14       | 2,382.02                | 2,382.02                |
| (b) Other Equity                          | 15       | (365.17)                | 634.66                  |
| <b>Total Equity</b>                       |          | <b>2,016.85</b>         | <b>3,016.68</b>         |
| <b>(2) Liabilities</b>                    |          |                         |                         |
| <b>A. Non-Current Liabilities</b>         |          |                         |                         |
| (a) Financial Liabilities                 |          |                         |                         |
| (i) Borrowings                            | 16       | 1,292.75                | 257.50                  |
| (ii) Lease Liabilities                    | 38       | 68.20                   | 101.68                  |
| (b) Provisions                            | 17       | 45.84                   | 31.56                   |
| <b>Total Non - Current Liabilities</b>    |          | <b>1,406.79</b>         | <b>390.74</b>           |



**BALANCE SHEET AS AT MARCH 31, 2024 (CONTD..)**

| Particulars                                                   | Note No. | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>B. Current Liabilities</b>                                 |          |                         |                         |
| (a) Financial Liabilities                                     |          |                         |                         |
| i) Borrowings                                                 | 18       | 1,612.96                | 2,345.08                |
| ii) Trade Payables                                            |          |                         |                         |
| - total outstanding dues of micro & small enterprises         | 36       | 851.64                  | 1,060.04                |
| - total outstanding dues other than micro & small enterprises | 19       | 1,321.27                | 1,123.28                |
| iii) Other Financial Liabilities                              | 20       | 669.00                  | 570.10                  |
| (b) Other Current Liabilities                                 | 21       | 5.05                    | 6.04                    |
| (c) Provisions                                                | 22       | 13.41                   | 7.24                    |
| <b>Total Current Liabilities</b>                              |          | <b>4,473.33</b>         | <b>5,111.78</b>         |
| <b>Total Liabilities</b>                                      |          | <b>5,880.12</b>         | <b>5,502.52</b>         |
| <b>Total Equity and Liabilities</b>                           |          | <b>7,896.97</b>         | <b>8,519.20</b>         |

Significant Accounting Policies 1

Notes to the Financial Statements 2-65

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

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

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

**Place : Coimbatore**  
**Date : May 22, 2024**

**For and on behalf of the Board of Directors**

**B. VIJAYAKUMAR**  
Chairman & Non Executive Director  
DIN : 00015583

**GEETHA MANJARI**  
Chief Financial Officer

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**K. KOUSALYA**  
Company Secretary  
Membership No. A68426

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

| Particulars                                                                         | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------------------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>Continuing Operations:</b>                                                       |          |                                   |                                   |
| I. Revenue from Operations                                                          | 23       | 8,937.87                          | 9,152.79                          |
| II. Other Income                                                                    | 24       | 61.41                             | 119.52                            |
| <b>III. Total Revenue (I + II)</b>                                                  |          | <b>8,999.28</b>                   | <b>9,272.31</b>                   |
| IV. Expenses:                                                                       |          |                                   |                                   |
| a) Cost of material consumed                                                        | 25       | 4,200.29                          | 4,414.33                          |
| b) Changes in inventories of finished goods, stock-in-trade and work in progress    | 26       | (81.28)                           | 204.43                            |
| c) Employee benefits expense                                                        | 27       | 2,011.68                          | 2,064.17                          |
| d) Finance cost                                                                     | 28       | 316.64                            | 214.30                            |
| e) Depreciation and amortisation expense                                            | 29       | 276.88                            | 300.86                            |
| f) Other expenses                                                                   | 30       | 2,837.41                          | 2,960.33                          |
| <b>Total Expenses</b>                                                               |          | <b>9,561.62</b>                   | <b>10,158.42</b>                  |
| V. Profit/(Loss) before exceptional item and tax (III-IV)                           |          | (562.34)                          | (886.11)                          |
| VI. Exceptional items                                                               |          |                                   |                                   |
| <b>VII. Profit/(Loss) before tax (V-VI)</b>                                         |          | <b>(562.34)</b>                   | <b>(886.11)</b>                   |
| VIII. Tax expense:                                                                  |          |                                   |                                   |
| a) Current tax                                                                      |          | -                                 | -                                 |
| b) Deferred tax                                                                     |          | -                                 | -                                 |
| <b>IX. Profit / (Loss) for the period from continuing operations (VII-VIII)</b>     |          | <b>(562.34)</b>                   | <b>(886.11)</b>                   |
| X. Profit / (loss) from discontinued operations                                     | 31       | (424.40)                          | (44.37)                           |
| XI. Tax expense of discontinued operations                                          |          | -                                 | -                                 |
| XII. Profit / (Loss) from discontinued operations (Net of taxes) (X-XI)             |          | (424.40)                          | (44.37)                           |
| XIII. Profit / (loss) for the period                                                |          | (986.74)                          | (930.48)                          |
| <b>XIV. Other Comprehensive Income (Net of taxes)</b>                               |          |                                   |                                   |
| <b>A. Continuing operations</b>                                                     |          |                                   |                                   |
| (i) Items that will not be reclassified to profit or loss account                   |          |                                   |                                   |
| a) Re-measurement of defined benefit plans                                          |          | (13.09)                           | 14.39                             |
| b) Income tax relating to items that will not be reclassified to profit or loss     |          | -                                 | -                                 |
| (ii) Items that will be reclassified to profit or loss account                      |          | -                                 | -                                 |
| Total other comprehensive income / (loss) from continuing operations (Net of taxes) |          | (13.09)                           | 14.39                             |

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD..)**

| Particulars                                                                           | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---------------------------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>B. Discontinued operations</b>                                                     |          |                                   |                                   |
| (i) Items that will not be reclassified to profit or loss account.                    |          |                                   |                                   |
| a) Re-measurement of defined benefit plans                                            |          | -                                 | -                                 |
| (ii) Items that will be reclassified to profit or loss account.                       |          | -                                 | -                                 |
| Total other comprehensive income / (loss) from discontinued operations (Net of taxes) |          | -                                 | -                                 |
| Total other comprehensive income / (loss) for the year (Net of taxes)                 |          | (13.09)                           | 14.39                             |
| <b>XV. Total comprehensive income for the period (XIII+XIV)</b>                       |          | <b>(999.83)</b>                   | <b>(916.09)</b>                   |
| <b>XVI. Earning per equity share (In ₹)</b>                                           |          |                                   |                                   |
| (Continuing & Discontinued Operations)                                                |          |                                   |                                   |
| Basic / Diluted (Face Value of ₹ 1 each)                                              | 32       | (0.41)                            | (0.39)                            |

Significant Accounting Policies 1

Notes to the Financial Statements 2-65

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

As per our Report of even date  
For **N.R.Doraiswami & Co.,**  
Chartered Accountants  
Firm Registration No.: 0007715

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

**Place : Coimbatore**  
**Date : May 22, 2024**

**For and on behalf of the Board of Directors**

**B. VIJAYAKUMAR**  
Chairman & Non Executive Director  
DIN : 00015583

**GEETHA MANJARI**  
Chief Financial Officer

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**K. KOUSALYA**  
Company Secretary  
Membership No. A68426

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024**

| Particulars                                              | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Continuing Operations:</b>                            |                                      |                                      |
| <b>Cash Flows from Operating Activities:</b>             |                                      |                                      |
| <b>Profit before income tax</b>                          | <b>(562.34)</b>                      | <b>(886.11)</b>                      |
| Adjustment for:                                          |                                      |                                      |
| Depreciation and Amortisation Expense                    | 276.88                               | 300.86                               |
| Net Gain / (Loss) on Foreign Exchange Restatement        | (22.45)                              | (37.76)                              |
| Profit on Sale of Fixed Assets                           | (2.87)                               | 0.68                                 |
| Provision for Doubtful Debts                             | (7.65)                               | 60.29                                |
| Assets Condemned / Written off                           | 0.75                                 | -                                    |
| Interest Income                                          | (16.09)                              | (6.92)                               |
| Lease Payment                                            | 97.37                                | 68.49                                |
| Finance Cost                                             | 316.64                               | 214.30                               |
|                                                          | 642.58                               | 599.94                               |
| <b>Operating Profit before working capital changes</b>   | <b>80.24</b>                         | <b>(286.17)</b>                      |
| <b>Change in Operating Assets and Liabilities</b>        |                                      |                                      |
| Increase / (Decrease) in Inventories                     | 107.69                               | (202.82)                             |
| Increase / (Decrease) in Trade Receivables               | 240.11                               | (155.83)                             |
| Increase / (Decrease) in Other Assets                    | (52.96)                              | (11.41)                              |
| Increase / (Decrease) in Trade Payables                  | (229.23)                             | 122.74                               |
| Increase / (Decrease) in Other Liabilities               | 100.55                               | 22.47                                |
| Cash Generated from Operations                           | 246.40                               | (511.02)                             |
| Less: Income Tax paid (net of refunds)                   | 0.30                                 | (9.81)                               |
| <b>Net Cash from/ (used in) Operating Activities (A)</b> | <b>246.10</b>                        | <b>(501.21)</b>                      |
| <b>Cash Flows from Investing Activities:</b>             |                                      |                                      |
| Purchase of PPE (including changes in CWIP)              | (175.81)                             | (209.40)                             |
| Sale Proceeds of PPE                                     | 24.94                                | 0.78                                 |
| Fixed Deposit with Banks                                 | (17.95)                              | (0.71)                               |
| Interest Income                                          | 16.09                                | 6.92                                 |
| <b>Net Cash from/ (used in) Investing Activities (B)</b> | <b>(152.73)</b>                      | <b>(202.41)</b>                      |

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD..)**

| Particulars                                                                                              | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|----------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cash Flows from Financing Activities:</b>                                                             |                                      |                                      |
| Repayment of Borrowings                                                                                  | 303.13                               | 992.18                               |
| Lease Payment                                                                                            | (97.37)                              | (68.49)                              |
| Lease Finance Charges                                                                                    | (11.52)                              | (15.09)                              |
| Finance Cost                                                                                             | (305.12)                             | (199.21)                             |
| <b>Net Cash from/ (used in) Financing Activities (C)</b>                                                 | <b>(110.88)</b>                      | <b>709.39</b>                        |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents from Continuing Operations (D) = (A+B+C)</b>   | <b>(17.51)</b>                       | <b>5.77</b>                          |
| <b>Discontinued Operations:</b>                                                                          |                                      |                                      |
| Cash Flow from Operating Activities (E)                                                                  | 103.46                               | (405.37)                             |
| Cash Flow from Investing Activities (F)                                                                  | (61.04)                              | (8.23)                               |
| Cash Flow from Financing Activities (G)                                                                  | (25.31)                              | 407.93                               |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents from Discontinued Operations (H) = (E+F+G)</b> | <b>17.11</b>                         | <b>(5.67)</b>                        |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents (D) + (H)</b>                                  | <b>(0.40)</b>                        | <b>0.10</b>                          |
| <b>Cash and cash equivalents at the beginning of the financial year</b>                                  | <b>0.71</b>                          | <b>0.61</b>                          |
| <b>Cash and cash equivalents at the end of the financial year</b>                                        | <b>0.31</b>                          | <b>0.71</b>                          |

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

As per our Report of even date  
For **N.R.Doraiswami & Co.,**  
Chartered Accountants  
Firm Registration No.: 0007715

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

**Place : Coimbatore**  
**Date : May 22, 2024**

**For and on behalf of the Board of Directors**

**B. VIJAYAKUMAR**  
Chairman & Non Executive Director  
DIN : 00015583

**GEETHA MANJARI**  
Chief Financial Officer

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**K. KOUSALYA**  
Company Secretary  
Membership No. A68426

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**STATEMENT OF CHANGES IN EQUITY:**
**A. Equity Share Capital:**

| Particulars                                                | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------|----------------------|----------------------|
| Balance as at the beginning of the year                    | 2,382.02             | 2,382.02             |
| Changes in equity share capital due to prior period errors | -                    | -                    |
| Restated balance at the beginning of the year              | 2,382.02             | 2,382.02             |
| Changes in equity share capital during the year            | -                    | -                    |
| Balance as at the end of the year                          | 2,382.02             | 2,382.02             |

**B. Other Equity:**
**For the year ended March 31, 2024**

| Particulars                                            | Reserves & Surplus         |                 |                   | Other Comprehensive Income | Total    |
|--------------------------------------------------------|----------------------------|-----------------|-------------------|----------------------------|----------|
|                                                        | Securities Premium Reserve | Capital Reserve | Retained Earnings | Defined Benefit Plans      |          |
| Balance as at April 01, 2023                           | 2,639.03                   | 2,898.85        | (4,903.22)        | 0.00                       | 634.66   |
| Changes in accounting policies and prior period errors | -                          | -               | -                 | -                          | -        |
| Restated balance as at April 01, 2023                  | 2,639.03                   | 2,898.85        | (4,903.22)        | 0.00                       | 634.66   |
| Profit for the year                                    | -                          | -               | (986.74)          | -                          | (986.74) |
| Other comprehensive income or (losses)                 | -                          | -               | (13.09)           | (13.09)                    | (13.09)  |
| Dividends                                              | -                          | -               | -                 | -                          | -        |
| Transfer to Reserves                                   | -                          | -               | -                 | 13.09                      | 13.09    |
| Balance as at March 31, 2024                           | 2,639.03                   | 2,898.85        | (5,903.05)        | -                          | (365.17) |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**For the year ended March 31, 2023**

| Particulars                                            | Reserves & Surplus         |                 |                   | Other Comprehensive Income | Total           |
|--------------------------------------------------------|----------------------------|-----------------|-------------------|----------------------------|-----------------|
|                                                        | Securities Premium Reserve | Capital Reserve | Retained Earnings | Defined Benefit Plans      |                 |
| <b>Balance as at April 01, 2022</b>                    | <b>2,639.03</b>            | <b>2,898.85</b> | <b>(4,116.04)</b> | <b>128.91</b>              | <b>1,550.75</b> |
| Changes in accounting policies and prior period errors | -                          | -               | -                 | -                          | -               |
| <b>Restated balance as at April 01, 2022</b>           | <b>2,639.03</b>            | <b>2,898.85</b> | <b>(4,116.04)</b> | <b>128.91</b>              | <b>1,550.75</b> |
| Profit for the year                                    | -                          | -               | (930.48)          | -                          | (930.48)        |
| Other comprehensive income or (losses)                 | -                          | -               | 143.30            | 14.39                      | 14.39           |
| Dividends                                              | -                          | -               | -                 | -                          | -               |
| Transfer to Reserves                                   | -                          | -               | -                 | (143.30)                   | -               |
| <b>Balance as at March 31, 2023</b>                    | <b>2,639.03</b>            | <b>2,898.85</b> | <b>(4,903.22)</b> | <b>0.00</b>                | <b>634.66</b>   |

Significant Accounting Policies 1

Notes to the Financial Statements 2-65

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

As per our Report of even date

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

Chartered Accountants

Firm Registration No.: 000771S

**SUGUNA RAVICHANDRAN**

Partner

Membership No.: 207893

**Place : Coimbatore**

**Date : May 22, 2024**

**For and on behalf of the Board of Directors**

**B. VIJAYAKUMAR**

Chairman & Non Executive Director

DIN : 00015583

**RAJSRI VIJAYAKUMAR**

Managing Director

DIN : 00018244

**GEETHA MANJARI**

Chief Financial Officer

**K. KOUSALYA**

Company Secretary

Membership No. A68426



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****Note No. 1:****A Corporate Information:**

LGB Forge Limited was incorporated on June 07, 2006. The Company is into manufacturing of cold and hot forged components and has its manufacturing unit at Tamil Nadu, Karnataka and Pondicherry. The Company concentrates in manufacturing high volume auto, electrical & transmission forged components for automobiles, non-automotive segments like valve industry and infrastructure equipment industry including machining for customers in automotive, off-road and non-automotive segments.

**B Significant Accounting Policies:****I. General Information and Statement of Compliance:**

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

**II. Basis of Preparation and Presentation:**

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

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

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

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

**III. Use of Estimates:**

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

**Functional and Presentation Currency:**

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

These financial statements are approved for issue by the Company's Board of Directors on May 22, 2024.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****IV. Current versus Non - Current Classification:**

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

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle. It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is classified as current, when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**V. Revenue Recognition:****Sale of Goods:**

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

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

**Income from Service:**

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

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

**Interest Income:**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Dividend Income:**

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

**VI. Property, Plant and Equipment:**

Property, Plant and Equipment (PPE) being fixed assets are tangible items held for use or for administrative purposes and are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management.

Financing costs relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Items of stores and spares that meet the definition of PPE are capitalized at cost and depreciated over its useful life. The carrying amount of an item of PPE is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. Depreciation on Property, Plant and Equipment (PPE) are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for building and medical equipments, which are depreciated over the useful life as estimated by the management.

The management believes that the useful life adopted reflect the expected pattern of consumption of future economic benefit:

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

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

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

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

**VII. Intangible Assets:**

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

Useful lives of Intangible Assets:

| <b>Class of Assets</b>       | <b>Useful life</b> |
|------------------------------|--------------------|
| Software                     | 3 Years            |
| Goodwill                     | 5 Years            |
| Intellectual Property Rights | 5 Years            |

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

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

**IX. Inventories:**

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

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

**X. Financial Instruments:**

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

**a) Financial Assets:**
**Initial Recognition and Measurement:**

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

**Subsequent Measurement:**

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

- (i) Debt instruments at amortized cost;

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

**Debt Instruments at Amortized Cost:**

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

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

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

**Debt Instrument at FVTOCI:**

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

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

The asset's contractual cash flows represent SPPI.

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

**Debt Instrument at FVTPL:**

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

**De-recognition of Financial Assets:**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

The rights to receive cash flows from the asset have expired, or

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

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

**b) Financial Liabilities:**
**Initial Recognition and Measurement:**

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

**Subsequent Measurement:**

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

**i. Loans and Borrowings:**

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

**ii. Trade and Other Payables:**

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

**iii. Other Financial Liabilities at Fair Value through Profit or Loss:**

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

**De-recognition of Financial Liabilities:**

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

**c) Offsetting of Financial Instruments:**

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

**d) Compound Financial Instruments:**

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

**XI. Impairment of Financial Assets:**

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

**XII. Fair Value Measurement:**

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

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

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

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

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

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

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

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

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

**XIII. Foreign Currencies:****a) Initial Recognition:**

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****b) Conversion:**

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

Foreign currency monetary items are reported using closing foreign exchange rate.

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

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

**XIV. Borrowing Costs:**

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

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

**XV. Employee Benefits:****a) Retirement Benefit Costs and Termination Benefits:**

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

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

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

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

The Company presents the first two components of defined benefit costs in the statement of Profit and Loss in the line item 'Employee benefits expense'.

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**b) Short-term and Other Long-term Employee Benefits:**

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

**XVI. Leases:**

The company has adopted Ind AS 116 “Leases” with effect from 1<sup>st</sup> April, 2019. The Company has measured Right-to-use Asset and Lease Liability based on the remaining lease period and payments discounted using the incremental borrowing rate as at the date of initial application. The Company’s lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

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

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

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

The lease liability is initially measured at the present value of the future least payments.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cashflows.

**XVII. Taxation:**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****a) Current Tax:**

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

**b) Deferred Tax:**

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

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

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

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

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

**XVIII. Provisions:**

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

**XIX. Earnings per share:**

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

**XX. Cash and Cash Equivalents:**

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

**XXI. Non-Current Assets Held for Sale:**

Non-Current Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. A sale is considered as highly probable when decision has been made to sell, assets are available for immediate

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised. Assets and liabilities classified as Held for Sale are measured at the lower of their carrying amount and fair value less cost of disposal and are presented separately in the financial statement.

**Significant Accounting Judgements, Estimates And Assumptions:**

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

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

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

**a) Useful lives of depreciable assets:**

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2024 management assessed that the useful lives represent the expected utility of the assets to the Company. Such lives are dependent upon an assessment of both the technical lives of the asset and also their economic lives based on various internal and external factors including efficiency and operating costs. Accordingly depreciation lives are reviewed annually using the best information available to the management.

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

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

**c) Recognition of deferred tax liability:**

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

**d) Provision and contingent liability:**

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

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

**e) Defined benefit obligation:**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****f) Fair value measurements:**

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

**Recent Accounting Pronouncements:**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

**Ind AS 1- Presentation of Financial Statements:**

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

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

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

**Ind AS 12 – Income Taxes:**

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

**Ind AS 101: First Time Adoption of Ind AS:**

Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with ROU assets, lease liabilities, decommissioning / restoration / similar liabilities. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 107 – Financial Instruments – Disclosures:**

Information about the measurement basis for financial instruments shall be disclosed as a part of material accounting policy information. The Company does not expect this amendment to have any significant impact in its financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**NON CURRENT ASSETS:**
**2. PROPERTY, PLANT AND EQUIPMENT:**

| Particulars                              | Tangible Assets |              |                      |                         |                      |              |                   |              |                    |                 |
|------------------------------------------|-----------------|--------------|----------------------|-------------------------|----------------------|--------------|-------------------|--------------|--------------------|-----------------|
|                                          | Land            | Building     | Plant and Equip-ment | Fur-niture and Fittings | Elec-trical Fittings | Vehicles     | Office Equip-ment | Other Assets | Right of Use Asset | Total           |
| <b>Cost as at March 31, 2023</b>         | <b>218.15</b>   | <b>71.34</b> | <b>2,846.13</b>      | <b>21.41</b>            | <b>80.76</b>         | <b>13.85</b> | <b>73.50</b>      | <b>90.53</b> | <b>400.43</b>      | <b>3,816.10</b> |
| Additions                                | -               | -            | 163.11               | -                       | 2.49                 | 8.39         | 0.70              | 2.46         | 161.84             | 338.99          |
| Disposals                                | -               | -            | (1,138.15)           | -                       | (0.66)               | -            | (3.03)            | (16.31)      | (225.58)           | (1,383.73)      |
| <b>Cost as at March 31, 2024</b>         | <b>218.15</b>   | <b>71.34</b> | <b>1,871.09</b>      | <b>21.41</b>            | <b>82.59</b>         | <b>22.24</b> | <b>71.17</b>      | <b>76.68</b> | <b>336.69</b>      | <b>2,771.36</b> |
| Depreciation as at March 31, 2023        | -               | 18.49        | 1,583.02             | 14.78                   | 71.63                | 10.32        | 12.91             | 65.03        | 319.01             | 2,095.20        |
| Charge for the year                      | -               | 2.56         | 307.39               | 4.26                    | 7.07                 | 0.63         | 3.24              | 15.06        | 94.20              | 434.41          |
| Disposals/ Transfers                     | -               | -            | (799.97)             | -                       | (0.04)               | -            | (2.63)            | (14.30)      | (128.12)           | (954.06)        |
| <b>Depreciation as at March 31, 2024</b> | <b>-</b>        | <b>21.05</b> | <b>1,090.44</b>      | <b>19.04</b>            | <b>78.66</b>         | <b>10.95</b> | <b>13.52</b>      | <b>65.79</b> | <b>285.09</b>      | <b>1,584.55</b> |
| <b>Net Block</b>                         |                 |              |                      |                         |                      |              |                   |              |                    |                 |
| As at March 31, 2023                     | 218.15          | 52.85        | 1,263.11             | 6.63                    | 9.13                 | 3.53         | 60.59             | 25.50        | 81.42              | 1,720.90        |
| <b>As at March 31, 2024</b>              | <b>218.15</b>   | <b>50.29</b> | <b>780.65</b>        | <b>2.37</b>             | <b>3.93</b>          | <b>11.29</b> | <b>57.65</b>      | <b>10.89</b> | <b>51.60</b>       | <b>1,186.81</b> |

**3. INTANGIBLE ASSETS AND NON-CURRENT ASSET HELD FOR SALE:**

| Particulars                       | Computer Software | Goodwill     | IP Rights     | Total Intangible Assets | Non-current asset held for sale |
|-----------------------------------|-------------------|--------------|---------------|-------------------------|---------------------------------|
| <b>As at March 31, 2023</b>       | <b>40.65</b>      | <b>31.50</b> | <b>111.63</b> | <b>183.78</b>           | <b>-</b>                        |
| Additions                         | -                 | -            | -             | -                       | -                               |
| Disposals                         | (15.60)           | (31.50)      | (111.63)      | (158.73)                | 1,236.83                        |
| <b>As at March 31, 2024</b>       | <b>25.05</b>      | <b>-</b>     | <b>-</b>      | <b>25.05</b>            | <b>1,236.83</b>                 |
| Depreciation as at March 31, 2023 | 14.00             | 28.51        | 100.90        | 143.41                  | -                               |
| Charge for the year               | 3.26              | 2.99         | 10.73         | 16.98                   | -                               |
| Withdrawals                       | (13.81)           | (31.50)      | (111.63)      | (156.94)                | 916.65                          |
| Depreciation as at March 31, 2024 | 3.45              |              |               | 3.45                    | 916.65                          |
| <b>Net Block</b>                  |                   |              |               |                         |                                 |
| As at March 31, 2023              | 26.65             | 2.99         | 10.73         | 40.36                   | -                               |
| <b>As at March 31, 2024</b>       | <b>21.60</b>      | <b>-</b>     | <b>-</b>      | <b>21.60</b>            | <b>320.18</b>                   |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

| Particulars                         | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------------|-------------------------|-------------------------|
| <b>4. CAPITAL WORK IN PROGRESS:</b> |                         |                         |
| Capital work-in-progress            | -                       | -                       |
| <b>Total</b>                        | -                       | -                       |

**Ageing Schedule as on March 31, 2024:**

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

**Ageing Schedule as on March 31, 2023:**

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

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

|                             |               |              |
|-----------------------------|---------------|--------------|
| Security and other Deposits | 126.99        | 85.10        |
| <b>Total</b>                | <b>126.99</b> | <b>85.10</b> |

**6. OTHER NON CURRENT ASSETS:**

|                         |              |              |
|-------------------------|--------------|--------------|
| Rent and other advances | 11.92        | 18.49        |
| Preliminary Expenses    | -            | 39.77        |
| <b>Total</b>            | <b>11.92</b> | <b>58.26</b> |

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

|                   |                 |                 |
|-------------------|-----------------|-----------------|
| Raw Materials     | 1,377.80        | 1,571.25        |
| Work-in-progress  | 957.11          | 967.97          |
| Finished goods    | 314.49          | 245.85          |
| Others            |                 |                 |
| Stores and spares | 149.95          | 155.10          |
| Loose Tools       | 13.24           | 37.44           |
| <b>Total</b>      | <b>2,812.59</b> | <b>2,977.61</b> |

**Notes:**

- There are no Goods in Transit as on March 31, 2024.
- For method of valuation of inventories, refer Note No.1.B.IX.
- Inventories with the above carrying value, pledged as security against borrowings, are stated in Note No.18.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

d) Cost of Inventory recognised as expenditure:

| Particulars   | 2023-24         | 2022-23         |
|---------------|-----------------|-----------------|
| Raw Materials | 4,200.29        | 4,414.33        |
| Others *      | 753.30          | 663.41          |
| <b>Total</b>  | <b>4,953.59</b> | <b>5,077.74</b> |

\* Others include Stores and Spares, Loose Tools

**8. FINANCIAL ASSETS: TRADE RECEIVABLES:**

| Particulars                                                                             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Unsecured, considered good                                                              | 3,213.83                | 3,417.74                |
| Unsecured, considered doubtful                                                          | 80.10                   | 86.22                   |
| Less: Allowance for doubtful debts<br>(Amount due to related parties Refer Note No. 45) | (80.10)                 | (86.22)                 |
| <b>Total</b>                                                                            | <b>3,123.83</b>         | <b>3,417.74</b>         |

**Trade Receivables Ageing Schedule as on March 31, 2024:**

| Particulars                                             | Outstanding for the following periods from due date of payment |                   |               |           |                   | Total           |
|---------------------------------------------------------|----------------------------------------------------------------|-------------------|---------------|-----------|-------------------|-----------------|
|                                                         | Less than 6 months                                             | 6 months - 1 year | 1-2 years     | 2-3 years | More than 3 years |                 |
| (i) Undisputed trade receivables - considered good      | 2,437.07                                                       | 497.75            | 189.70        | -         | -                 | 3,123.83        |
| (ii) Undisputed trade receivables - considered doubtful | 62.49                                                          | 12.76             | 4.85          |           |                   | 80.10           |
| (iii) Disputed trade receivables - considered good      | -                                                              | -                 | -             | -         | -                 | -               |
| (iv) Disputed trade receivables - considered doubtful   | -                                                              | -                 | -             | -         | -                 | -               |
| Less: Provision for bad & doubtful debts                | (62.49)                                                        | (12.76)           | (4.85)        |           |                   | (80.10)         |
| <b>Total Trade Receivables</b>                          | <b>2,437.07</b>                                                | <b>497.75</b>     | <b>189.70</b> | <b>-</b>  | <b>-</b>          | <b>3,123.83</b> |

**Trade Receivables Ageing Schedule as on March 31, 2023:**

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

| Particulars                                                                                                             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |                      |                 |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|----------------------|-----------------|
| <b>9. FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS:</b>                                                                  |                         |                         |                      |                 |
| Cash on hand                                                                                                            | 0.04                    | 0.44                    |                      |                 |
| Balance with Bank                                                                                                       |                         |                         |                      |                 |
| -In current accounts                                                                                                    | 0.27                    | 0.27                    |                      |                 |
| <b>Total</b>                                                                                                            | <b>0.31</b>             | <b>0.71</b>             |                      |                 |
| <b>10. FINANCIAL ASSETS: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS:</b>                                         |                         |                         |                      |                 |
| -In Earmarked balances                                                                                                  |                         |                         |                      |                 |
| Margin money deposit                                                                                                    | 47.76                   | 29.81                   |                      |                 |
| <b>Total</b>                                                                                                            | <b>47.76</b>            | <b>29.81</b>            |                      |                 |
| * Earmarked bank balances are restricted in use in the form of margin money towards Letter of Credit and Bank Guarantee |                         |                         |                      |                 |
| <b>11. FINANCIAL ASSETS: LOANS:</b>                                                                                     |                         |                         |                      |                 |
| Unsecured, considered good                                                                                              |                         |                         |                      |                 |
| Loans and advances to Employees                                                                                         | 0.43                    | 5.62                    |                      |                 |
| <b>Total</b>                                                                                                            | <b>0.43</b>             | <b>5.62</b>             |                      |                 |
| <b>12. CURRENT TAX ASSETS:</b>                                                                                          |                         |                         |                      |                 |
| Advance taxes (net of provision)                                                                                        | 23.10                   | 37.84                   |                      |                 |
| <b>Total</b>                                                                                                            | <b>23.10</b>            | <b>37.84</b>            |                      |                 |
| <b>13. OTHER CURRENT ASSETS:</b>                                                                                        |                         |                         |                      |                 |
| Prepaid Expenses                                                                                                        | 50.60                   | 49.80                   |                      |                 |
| Balances with statutory authorities                                                                                     | 0.68                    | 0.01                    |                      |                 |
| GST Input tax credit (Net)                                                                                              | 170.17                  | 95.44                   |                      |                 |
| <b>Total</b>                                                                                                            | <b>221.45</b>           | <b>145.25</b>           |                      |                 |
| <b>14. EQUITY SHARE CAPITAL:</b>                                                                                        |                         |                         |                      |                 |
| Particulars                                                                                                             | As at March 31, 2024    |                         | As at March 31, 2023 |                 |
|                                                                                                                         | Number of shares        | ₹ in Lakhs              | Number of shares     | ₹ in Lakhs      |
| <b>Authorized Share Capital</b>                                                                                         |                         |                         |                      |                 |
| Equity shares of ₹ 1/- each                                                                                             | 25,00,00,000            | 2,500.00                | 25,00,00,000         | 2,500.00        |
|                                                                                                                         | <b>25,00,00,000</b>     | <b>2,500.00</b>         | <b>25,00,00,000</b>  | <b>2,500.00</b> |
| Issued, Subscribed and paid up capital                                                                                  | 23,82,02,463            | 2,382.02                | 23,82,02,463         | 2,382.02        |
| <b>Total</b>                                                                                                            | <b>23,82,02,463</b>     | <b>2,382.02</b>         | <b>23,82,02,463</b>  | <b>2,382.02</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Notes:**
**14(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

| Particulars                                                   | Opening Balance | Fresh Issue | Bonus / Rights Issue | Conversion / Buyback | Closing Balance |
|---------------------------------------------------------------|-----------------|-------------|----------------------|----------------------|-----------------|
| Equity shares with voting rights<br>Year ended March 31, 2024 |                 |             |                      |                      |                 |
| Number of shares                                              | 23,82,02,463    | -           | -                    | -                    | 23,82,02,463    |
| Amount (₹ in lakhs)                                           | 2,382.02        | -           | -                    | -                    | 2,382.02        |
| Year ended March 31, 2023                                     |                 |             |                      |                      |                 |
| Number of shares                                              | 23,82,02,463    | -           | -                    | -                    | 23,82,02,463    |
| Amount (₹ in lakhs)                                           | 2,382.02        | -           | -                    | -                    | 2,382.02        |

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

- The Company has only one class of equity shares having par value of ₹ 1/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.
- The dividend proposed is as recommended by the Board of Directors and subject to the approval of the Shareholders in the Annual General Meeting.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b. The Company does not have any holding company or ultimate holding company as on March 31, 2024.**
**14(ii) Details of shares held by each shareholder holding more than 5% shares:**

| Name of the Shareholder                       | As at March 31, 2024 |              | As at March 31, 2023 |              |
|-----------------------------------------------|----------------------|--------------|----------------------|--------------|
|                                               | No. of shares held   | % of holding | No. of shares held   | % of holding |
| <b>Equity shares with voting rights</b>       |                      |              |                      |              |
| Sri. V. Rajvirdhan                            | 6,77,63,768          | 28.45        | 6,77,63,768          | 28.45        |
| M/s. L.G. Balakrishnan & Bros Limited         | 2,90,00,000          | 12.17        | 2,90,00,000          | 12.17        |
| M/s. Elgi Automotive Services Private Limited | 2,26,66,666          | 9.52         | 2,26,66,666          | 9.52         |
| Sri. B. Vijayakumar                           | 1,50,00,000          | 6.30         | 1,50,00,000          | 6.30         |
| Smt. Rajsri Vijayakumar                       | 1,50,18,445          | 6.30         | 1,50,18,445          | 6.30         |
| M/s. L G B Auto Products Private Limited      | 1,41,58,510          | 5.94         | 1,41,58,510          | 5.94         |

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

| Name of the Promoter                | As at March 31, 2024 |              | As at March 31, 2023 |              | % Change during the Year |
|-------------------------------------|----------------------|--------------|----------------------|--------------|--------------------------|
|                                     | No. of shares held   | % of holding | No. of shares held   | % of holding |                          |
| Smt. Rajsri Vijayakumar             | 1,50,18,445          | 6.30         | 1,50,18,445          | 6.30         | -                        |
| Sri. V. Rajvirdhan                  | 6,77,63,768          | 28.45        | 6,77,63,768          | 28.45        | -                        |
| Smt. Vijayshree Vijayakumar         | -                    | -            | 61,250               | 0.03         | -100%                    |
| Sri. B. Vijayakumar                 | 1,50,00,000          | 6.30         | 1,50,00,000          | 6.30         | -                        |
| M/s. Tribe Holdings Private Limited | -                    | -            | 9,900                | 0.00         | -100%                    |
| M/s. L G Sports Private Limited     | 5,06,800             | 0.21         | 5,06,800             | 0.21         | -                        |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

| Name of the Promoter                          | As at March 31, 2024 |              | As at March 31, 2023 |              | % Change during the Year |
|-----------------------------------------------|----------------------|--------------|----------------------|--------------|--------------------------|
|                                               | No. of shares held   | % of holding | No. of shares held   | % of holding |                          |
| M/s. L G Farm Products Private Limited        | 83,24,466            | 3.50         | 83,24,466            | 3.50         | -                        |
| M/s. Super Transports Private Limited         | 16,80,206            | 0.70         | 16,80,206            | 0.70         | -                        |
| M/s. Super Speeds Private Limited             | 16,39,235            | 0.69         | 16,39,235            | 0.69         | -                        |
| M/s. L G B Auto Products Private Limited      | 1,41,58,510          | 5.94         | 1,41,58,510          | 5.94         | -                        |
| M/s. Silent Chain India Private Limited       | 18,000               | 0.00         | 18,000               | 0.00         | -                        |
| M/s. L.G. Balakrishnan & Bros Limited         | 2,90,00,000          | 12.17        | 2,90,00,000          | 12.17        | -                        |
| M/s. Elgi Automotive Services Private Limited | 2,26,66,666          | 9.52         | 2,26,66,666          | 9.52         | -                        |

**15. OTHER EQUITY:**

| Particulars                                                                                                   | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| (a). Securities Premium                                                                                       | 2,639.03             | 2,639.03             |
| (b). Capital Reserve                                                                                          | 2,898.85             | 2,898.85             |
| (c). Other Comprehensive Income                                                                               | 0.00                 | 0.00                 |
| (d). Retained Earnings                                                                                        | (5,903.05)           | (4,903.22)           |
| <b>Total</b>                                                                                                  | <b>(365.17)</b>      | <b>634.66</b>        |
| <b>(a). Securities Premium</b>                                                                                |                      |                      |
| <b>Opening Balance</b>                                                                                        | <b>2,639.03</b>      | <b>2,639.03</b>      |
| Add: Additions during the year                                                                                | -                    | -                    |
| Less: Deletions during the year                                                                               | -                    | -                    |
| <b>Closing Balance</b>                                                                                        | <b>2,639.03</b>      | <b>2,639.03</b>      |
| <b>(b). Capital Reserve</b>                                                                                   |                      |                      |
| <b>Opening Balance</b>                                                                                        | <b>2,898.85</b>      | <b>2,898.85</b>      |
| Add: Additions during the year                                                                                | -                    | -                    |
| Less: Deletions during the year                                                                               | -                    | -                    |
| <b>Closing Balance</b>                                                                                        | <b>2,898.85</b>      | <b>2,898.85</b>      |
| <b>(c). Other Comprehensive Income</b>                                                                        |                      |                      |
| <b>Opening Balance</b>                                                                                        | -                    | <b>128.91</b>        |
| Add: Additions during the year                                                                                | -                    | -                    |
| Add: Remeasurement of Post Employment defined benefit obligations [Actuarial gains / (losses)] (net of taxes) | (13.09)              | 14.39                |
| Less: Transferred to Retained Earnings                                                                        | (13.09)              | 14.39                |
| <b>Closing Balance</b>                                                                                        | -                    | -                    |
| <b>(d). Retained Earnings</b>                                                                                 |                      |                      |
| <b>Opening Balance</b>                                                                                        | <b>(4,903.22)</b>    | <b>(4,116.04)</b>    |
| Profit/(Loss) During the Year                                                                                 | (986.74)             | (930.48)             |
| Transfer from Other Comprehensive Income                                                                      | (13.09)              | 143.30               |
| <b>Closing Balance</b>                                                                                        | <b>(5,903.05)</b>    | <b>(4,903.22)</b>    |
| <b>Total</b>                                                                                                  | <b>(365.17)</b>      | <b>634.66</b>        |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Capital Reserves:**

LGB Forge Limited was demerged from M/s. L.G. Balakrishnan and Bros Limited in the year 2008. At the time of demerger on April 21, 2008, reserves on the date of demerger were transferred to Capital Reserves to the extent of the demerged portion.

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

| Particulars                                                         | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(i) Secured at amortised cost</b>                                |                         |                         |
| Term loans from Others - TATA Capital                               | 1,192.75                | -                       |
| Less: Unamortised interest                                          | -                       | -                       |
| <b>Total (I)</b>                                                    | <b>1,192.75</b>         | <b>-</b>                |
| <b>(ii) Unsecured at amortised cost</b>                             |                         |                         |
| From Related parties                                                |                         |                         |
| Term Loan from Smt. Rajsri Vijayakumar                              | 100.00                  | 100.00                  |
| Term Loan from M/s. South Western Engineering India Private Limited | -                       | 157.50                  |
| <b>Total (II)</b>                                                   | <b>100.00</b>           | <b>257.50</b>           |
| <b>Total (I+II)</b>                                                 | <b>1,292.75</b>         | <b>257.50</b>           |

- 1) The company has not defaulted in the repayment of loans and interest as at the balance sheet date.
- 2) Repayment and interest terms:
  - a) Term Loan from Smt. Rajsri Vijayakumar, disbursed on September 30, 2022 is repayable in 4 quarterly installments of ₹ 50,00,000 each within expiry of 3 years and has a moratorium of 2 years from the date of disbursement. Interest rate: 8% per annum, payable on quarterly basis.
  - b) Term Loan from TATA Capital ₹ 13,00,00,000 has been received in 4 tranches of ₹ 3,00,00,000, ₹ 4,50,00,000, ₹ 1,00,00,000 and ₹ 4,50,00,000 disbursed on following dates June 06, 2023, September 15, 2023, February 08, 2024 and March 29, 2024 respectively. The loan is repayable within 84 Months including moratorium period of 6 months.

**17. LONG TERM PROVISIONS:**

|                                                    |              |              |
|----------------------------------------------------|--------------|--------------|
| Provision for Gratuity (Refer Note No. 46)         | 14.28        | -            |
| Provision for Leave encashment (Refer Note No. 46) | 11.46        | 11.46        |
| Provision for Decommissioning Liability            | 20.10        | 20.10        |
| <b>Total</b>                                       | <b>45.84</b> | <b>31.56</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**CURRENT LIABILITIES:**
**18. FINANCIAL LIABILITIES: BORROWINGS:**

| Particulars                          | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Secured Loans repayable on demand    |                         |                         |
| - From banks                         | 1,423.49                | 1,842.58                |
| - From others                        | -                       | 300.00                  |
| Current maturities of long-term debt | 189.47                  | 202.50                  |
| <b>Total</b>                         | <b>1,612.96</b>         | <b>2,345.08</b>         |

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

- 1) Cash Credit from Axis Bank carries an interest rate of “3 Months MCLR +1 %” payable at monthly intervals and are secured by first pari passu charge on entire current assets and second pari passu charge on the entire movable fixed assets of the Company, both present and future.
- 2) Cash Credit from ICICI Bank carries interest rate of “6 Months MCLR + 1 %” payable at monthly intervals and are secured by first charge of the Company’s entire stock of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, ranking pari passu with other participating bank.
- 3) Cash Credit from IDBI bank carries interest rate of “11.75 %” payable at monthly intervals and are secured by pari passu first charge over the current assets of the Company, Collateral pari passu second charge over the fixed assets of the company except those that are exclusively charged to term lenders.
- 4) Working Capital Loans from Bajaj Finance Limited carry interest of 12.8% and is secured by way of :
  - a) Factory Land and Building at No. 80 & 81, 5<sup>th</sup> Mile, Metagalli Post, KRS Road, Mysore, Karnataka and
  - b) a charge on all Movable Fixed Assets of the company both present and future.
- 5) The term loan from Tata Capital is secured by way of:
  - a) First and exclusive charge by way of mortgage over on land and building located at Plot No S. 80/a, 80, 81 Part, 82, 83 & 84, Belgoda Industrial Area , Sy no 66 67 68 69 & 70 Hebbal Village, Kasaba Hobla, Mysore, Karnataka - 570001 in the name of M/s. LGB Forge Limited.
  - b) Hypothecation charge on the movable fixed assets located in the above factory at Mysore.
- 6) The above loans are further secured by Corporate Guarantee by M/s. L.G. Balakrishnan & Bros Limited.

**19. FINANCIAL ASSETS: TRADE PAYABLES:**

|                                                                                                               |                 |                 |
|---------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Dues to Micro & Small Enterprises (Refer Note No. 36)                                                         | 851.64          | 1,060.04        |
| Dues to creditors other than Micro & Small Enterprises<br>(Amount due to related parties – Refer Note No. 45) | 1,321.27        | 1,123.28        |
| <b>Total</b>                                                                                                  | <b>2,172.91</b> | <b>2,183.32</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Trade Payables Ageing Schedule as on March 31, 2024:**

| Particulars                 | Outstanding for the following periods from due date of payment |             |             |                   | Total           |
|-----------------------------|----------------------------------------------------------------|-------------|-------------|-------------------|-----------------|
|                             | Less than 1 year                                               | 1-2 years   | 2-3 years   | More than 3 years |                 |
| (i) MSME                    | 1,363.13                                                       | 3.42        | 0.16        | -                 | <b>1,366.71</b> |
| (ii) Others                 | 805.01                                                         | 1.19        | -           | -                 | <b>806.20</b>   |
| (iii) Disputed dues - MSME  | -                                                              | -           | -           | -                 | -               |
| (iv) Disputed dues - Others | -                                                              | -           | -           | -                 | -               |
| <b>Total</b>                | <b>2,168.14</b>                                                | <b>4.61</b> | <b>0.16</b> | -                 | <b>2,172.91</b> |

**Trade Payables Ageing Schedule as on March 31, 2023:**

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

**20. OTHER FINANCIAL LIABILITIES:**

| Particulars                                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------------------------|-------------------------|-------------------------|
| Interest accrued but not due on borrowings      | 3.50                    | 5.64                    |
| Accrued Employee Benefits                       | 295.24                  | 281.20                  |
| Expense payable                                 | 336.48                  | 224.18                  |
| Liabilities relating to discontinued operations |                         |                         |
| (i) Accrued employee benefits                   | 30.78                   | 26.88                   |
| (ii) Expenses payable                           | 3.00                    | 32.20                   |
| <b>Total</b>                                    | <b>669.00</b>           | <b>570.10</b>           |

**21. OTHER CURRENT LIABILITIES:**

|                       |             |             |
|-----------------------|-------------|-------------|
| Statutory Remittances | 5.05        | 6.04        |
| <b>Total</b>          | <b>5.05</b> | <b>6.04</b> |

**22. SHORT TERM PROVISIONS:**

|                                                   |              |             |
|---------------------------------------------------|--------------|-------------|
| Provision for Gratuity (Refer Note No. 46)        | 10.61        | 4.44        |
| Provision for leave encashment (Refer Note No.46) | 2.80         | 2.80        |
| <b>Total</b>                                      | <b>13.41</b> | <b>7.24</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**23. REVENUE FROM OPERATIONS:**

| Particulars                        | For the Year ended<br>March 31, 2024 | For the Year ended<br>March 31, 2023 |
|------------------------------------|--------------------------------------|--------------------------------------|
| <b>A. Sale of Products:</b>        |                                      |                                      |
| Domestic                           | 6,957.53                             | 7,108.27                             |
| Exports                            | 1,246.85                             | 1,412.26                             |
| <b>B. Other Operating Revenue:</b> |                                      |                                      |
| Scrap Sales                        | 733.49                               | 632.26                               |
| Other Operating Revenue            | -                                    | -                                    |
| <b>Total</b>                       | <b>8,937.87</b>                      | <b>9,152.79</b>                      |

**24. OTHER INCOME:**

|                                |              |               |
|--------------------------------|--------------|---------------|
| Interest Income                | 16.09        | 6.92          |
| Profit on Sale of Assets (Net) | 2.87         | -             |
| Foreign Exchange Gain (Net)    | 22.45        | 37.76         |
| Export Incentive               | 20.00        | 71.02         |
| Insurance Receipts             | -            | -             |
| Miscellaneous Receipts         | -            | 3.82          |
| <b>Total</b>                   | <b>61.41</b> | <b>119.52</b> |

**25. COST OF MATERIALS CONSUMED:**

|                                                          |                 |                 |
|----------------------------------------------------------|-----------------|-----------------|
| <b>Raw Materials Consumption:</b>                        |                 |                 |
| Opening Stock                                            | 1,324.69        | 915.55          |
| Add: Purchases                                           | 4,047.38        | 4,823.47        |
| Less: Closing Stock                                      | 1,171.78        | 1,324.69        |
| <b>Total</b>                                             | <b>4,200.29</b> | <b>4,414.33</b> |
| <b>Details of Raw Materials and Components Consumed:</b> |                 |                 |
| Rods, Coils and bars:                                    |                 |                 |
| - Imported                                               | -               | -               |
| - Indigenous                                             | 4,200.29        | 4,414.33        |
| <b>Total</b>                                             | <b>4,200.29</b> | <b>4,414.33</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:**

| Particulars                                         | For the Year ended<br>March 31, 2024 | For the Year ended<br>March 31, 2023 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Inventory at the end of the year</b>             |                                      |                                      |
| Finished Goods                                      | 200.07                               | 119.47                               |
| Work-in-Progress                                    | 499.23                               | 498.55                               |
| <b>Total Inventory at the end of the year</b>       | <b>699.30</b>                        | <b>618.02</b>                        |
| <b>Inventory at the beginning of the year</b>       |                                      |                                      |
| Finished Goods                                      | 119.47                               | 448.72                               |
| Work-in-Progress                                    | 498.55                               | 373.73                               |
| <b>Total Inventory at the beginning of the year</b> | <b>618.02</b>                        | <b>822.45</b>                        |
| <b>Total increase / (decrease) in inventories</b>   | <b>(81.28)</b>                       | <b>204.43</b>                        |

**27. EMPLOYEE BENEFIT EXPENSES:**

|                                                 |                 |                 |
|-------------------------------------------------|-----------------|-----------------|
| Salaries, Wages and Bonus                       | 1,826.61        | 1,877.13        |
| Contributions to Provident Fund and Other Funds | 37.86           | 61.17           |
| Staff Welfare Expenses                          | 147.21          | 125.87          |
| <b>Total</b>                                    | <b>2,011.68</b> | <b>2,064.17</b> |

**28. FINANCE COST:**

|                    |               |               |
|--------------------|---------------|---------------|
| Interest Expense   |               |               |
| a) On Borrowings   | 305.12        | 199.21        |
| b) Lease liability | 11.52         | 15.09         |
| <b>Total</b>       | <b>316.64</b> | <b>214.30</b> |

**29. DEPRECIATION AND AMORTISATION EXPENSE:**

|                             |               |               |
|-----------------------------|---------------|---------------|
| Depreciation & Amortization | 276.88        | 300.86        |
| <b>Total</b>                | <b>276.88</b> | <b>300.86</b> |



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**30. OTHER EXPENSES:**

| Particulars                                           | For the Year ended<br>March 31, 2024 | For the Year ended<br>March 31, 2023 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Consumptions of Store and Spare Parts                 | 753.30                               | 663.41                               |
| Processing Charges                                    | 359.55                               | 404.94                               |
| Power and Fuel                                        | 723.05                               | 741.66                               |
| Rent (Including lease rentals )                       | 31.59                                | 13.17                                |
| Repairs and Maintenance                               |                                      |                                      |
| - Buildings                                           | 67.61                                | 66.34                                |
| - Machinery                                           | 185.89                               | 170.22                               |
| - Others                                              | 42.74                                | 50.18                                |
| Insurance                                             | 45.50                                | 27.07                                |
| Rates and Taxes                                       | 54.61                                | 58.03                                |
| Travelling and Conveyance                             | 48.96                                | 55.67                                |
| Printing and Stationery                               | 7.63                                 | 6.21                                 |
| Postage, Telegram and Telephone                       | 18.09                                | 20.21                                |
| Freight, packing and forwarding                       | 452.83                               | 553.28                               |
| Advertisement, publicity and selling expenses         | 1.33                                 | 2.25                                 |
| Bank Charges                                          | 37.31                                | 53.57                                |
| Legal and Professional Charges                        | 42.61                                | 52.10                                |
| Payment to Auditors (Refer Note No. 30 A )            | 8.11                                 | 7.80                                 |
| Assets Condemned & Written off                        | 0.75                                 | -                                    |
| Sitting Fees                                          | 6.02                                 | 2.58                                 |
| Watch and Ward                                        | 91.31                                | 78.31                                |
| Loss on Sale of Assets                                | -                                    | 0.68                                 |
| Miscellaneous Expenses                                | (133.73)                             | (127.64)                             |
| Loss on Foreign Currency Transactions and Translation | -                                    | -                                    |
| Provision for Doubtful Debts                          | (7.65)                               | 60.29                                |
| <b>Total</b>                                          | <b>2,837.41</b>                      | <b>2,960.33</b>                      |

**30 A. AUDITORS' REMUNERATION:**

|                             |             |             |
|-----------------------------|-------------|-------------|
| Statutory Audit             | 6.32        | 5.72        |
| Other Certification Charges | 1.79        | 2.08        |
| <b>Total</b>                | <b>8.11</b> | <b>7.80</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**31 DISCONTINUED OPERATIONS:**
**i) Discontinued operations of Pondicherry Division :**

The Company has finalized a Business Transfer Agreement for sale of Pondicherry Division, effective from April 01, 2024. However, the impact of discontinued operations has been addressed in accordance with Ind AS 105 during financial year ended March 31, 2024. Consequently, the revenue and profit or loss arising from discontinued operations (Pondicherry division) relating to the entire period from April 01, 2023 to March 31, 2024 are disclosed as discontinued operations in the financial statements relating to the year ended March 31, 2024. Accordingly, the company has re-presented the audited financial statements for the year ended March 31, 2023 for comparable information by segregating the operations that the company is continuing and operations that have discontinued by the end of March 31, 2024. The breakup of Profit or Loss from discontinued operations for the year ended March 31, 2024 along with re-presented comparative information for the year ended March 31, 2023 is given below.

| Particulars                                                                      | For the Year ended<br>March 31, 2024 | For the Year ended<br>March 31, 2023 |
|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| I. Revenue from Operations                                                       | 1,932.82                             | 2,469.19                             |
| II. Other Income                                                                 | 9.38                                 | 18.73                                |
| <b>III. Total Income (I + II)</b>                                                | <b>1,942.20</b>                      | <b>2,487.92</b>                      |
| IV. Expenses:                                                                    |                                      |                                      |
| a) Cost of materials consumed                                                    | 1,156.27                             | 1,824.64                             |
| b) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 23.49                                | (184.20)                             |
| c) Employee benefits expense                                                     | 296.60                               | 248.36                               |
| d) Finance cost                                                                  | 11.76                                | 2.04                                 |
| e) Depreciation and amortisation expense                                         | 174.51                               | 178.30                               |
| f) Other expenses                                                                | 703.97                               | 463.16                               |
| <b>Total Expenses</b>                                                            | <b>2,366.60</b>                      | <b>2,532.29</b>                      |
| <b>V. Profit/(Loss) before exceptional item and tax (III-IV)</b>                 | <b>(424.40)</b>                      | <b>(44.37)</b>                       |

**32. EARNINGS PER SHARE:**

|                                                                                                                                                   |               |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Profit/(Loss) for the year attributable to owners of the Company                                                                                  | (986.74)      | (930.48)      |
| Weighted Average Number of Equity Shares outstanding during the year for the purpose of Basic Earnings/Diluted Earnings per Share (Nos. in Lakhs) | 2,382.02      | 2,382.02      |
| <b>Basic &amp; Diluted Earnings Per Share in ₹</b><br>(Continuing & Discontinued Operations)                                                      | <b>(0.41)</b> | <b>(0.39)</b> |
| <b>Continuing operations :</b>                                                                                                                    |               |               |
| Profit/(Loss) for the year attributable to owners of the Company                                                                                  | (562.34)      | (886.11)      |
| (a) Basic                                                                                                                                         | (0.24)        | (0.37)        |
| (b) Diluted                                                                                                                                       | (0.24)        | (0.37)        |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

| Particulars                                                      | For the Year ended<br>March 31, 2024 | For the Year ended<br>March 31, 2023 |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Discontinued operations :</b>                                 |                                      |                                      |
| Profit/(Loss) for the year attributable to owners of the Company | (424.40)                             | (44.37)                              |
| (a) Basic                                                        | (0.17)                               | (0.02)                               |
| (b) Diluted                                                      | (0.17)                               | (0.02)                               |

**33. DEFERRED TAX ASSET:**

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

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| <b>Losses that shall expire</b>     |                 |                 |
| Business Loss                       | 579.36          | -               |
| <b>Losses that shall not expire</b> |                 |                 |
| Depreciation Loss                   | 1,750.22        | 1,436.29        |
| <b>Total</b>                        | <b>2,329.58</b> | <b>1,436.29</b> |

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

**34. EARNINGS IN FOREIGN CURRENCY:**

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| - FOB Value of Exports | 1,632.45        | 1,887.37        |
| <b>Total</b>           | <b>1,632.45</b> | <b>1,887.37</b> |

**35. EXPENDITURE IN FOREIGN CURRENCY:**

|              |               |              |
|--------------|---------------|--------------|
| Others       | 107.86        | 14.20        |
| <b>Total</b> | <b>107.86</b> | <b>14.20</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**36. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSME ACT, 2006:**

| Particulars                                                                                                                                                                                                                                                  | For the Year ended<br>March 31, 2024 | For the Year ended<br>March 31, 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a) Principal amount remaining unpaid to any supplier as at the end of each accounting year.                                                                                                                                                                  | 851.64                               | 1,060.04                             |
| b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.                                                                                                                                                               | NIL                                  | NIL                                  |
| c) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during the year.                                    | NIL                                  | NIL                                  |
| d) Amount of interest due and payable for the period of delay in making payment but without adding interest as specified in the Micro, Small and Medium Enterprises Development Act, 2006.                                                                   | NIL                                  | NIL                                  |
| e) The amount of interest accrued and remaining unpaid at the end of each accounting year.                                                                                                                                                                   | NIL                                  | NIL                                  |
| f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | NIL                                  | NIL                                  |

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

**37. COMMITMENTS AND CONTINGENT LIABILITIES:**

|                                                                         |        |        |
|-------------------------------------------------------------------------|--------|--------|
| Bank Guarantees                                                         | 98.56  | 58.56  |
| Claims anticipated towards termination of employee challenged by appeal | 9.30   | 9.30   |
| Letter of credits                                                       | 131.08 | 226.27 |

**38. OPERATING SEGMENTS:**

The Company is engaged in the business of “Manufacture of Forged and Machined Components” and therefore, has only one reportable segment in accordance with Ind AS 108 ‘Operating Segments’.

|                                                                               |                  |                  |
|-------------------------------------------------------------------------------|------------------|------------------|
| <b>a) Revenue from External customers</b>                                     |                  |                  |
| Within India                                                                  | 8,388.74         | 8,988.12         |
| Outside India                                                                 | 1,632.45         | 1,887.37         |
| <b>Total</b>                                                                  | <b>10,021.19</b> | <b>10,875.49</b> |
| <b>b) Non Current Assets</b>                                                  |                  |                  |
| All the noncurrent assets of the Company are located in India                 | -                | -                |
| <b>c) Information about major customers</b>                                   |                  |                  |
| Number of external customers each contributing more than 10% of Total Revenue | 2 Nos            | 2 Nos            |
| <b>Total Revenue from the above customers</b>                                 | <b>3,525.06</b>  | <b>3,999.50</b>  |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**39. LEASES:**

The changes in carrying value ROU assets and lease liabilities for the year ended March 31, 2024 are as follows:

| Particulars                         | ROU Assets<br>as at<br>March 31, 2024 | Lease Liabilities<br>as at<br>March 31, 2024 | ROU Assets<br>as at<br>March 31, 2023 | Lease Liabilities<br>as at<br>March 31, 2023 |
|-------------------------------------|---------------------------------------|----------------------------------------------|---------------------------------------|----------------------------------------------|
| <b>Opening balance</b>              | <b>81.42</b>                          | <b>101.68</b>                                | <b>128.68</b>                         | <b>153.25</b>                                |
| Add : Additions during the year     | 161.84                                | 159.29                                       | 38.83                                 | 38.83                                        |
| Add : Interest cost during the year | -                                     | 18.68                                        | -                                     | 17.04                                        |
| Less : Deletions during the year    | 97.46                                 | 100.52                                       | -                                     | -                                            |
| Less : Depreciation during the year | 94.20                                 | -                                            | 86.08                                 | -                                            |
| Less : Payment of Lease Liabilities | -                                     | 110.92                                       | -                                     | 107.44                                       |
| <b>Closing Balance</b>              | <b>51.60</b>                          | <b>68.21</b>                                 | <b>81.42</b>                          | <b>101.68</b>                                |

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

Lease payments of ₹ 40.67 lakhs relating to leases with a term of 12 months or less and low value leases are charged to statement of profit and loss.

**40. GOVERNMENT GRANTS:**

| Particulars              | For the Year ended<br>March 31, 2024 | For the Year ended<br>March 31, 2023 |
|--------------------------|--------------------------------------|--------------------------------------|
| Duty Drawback on Exports | 25.39                                | 79.24                                |
| <b>Total</b>             | <b>25.39</b>                         | <b>79.24</b>                         |

**41. CORPORATE SOCIAL RESPONSIBILITY:**

The Company does not exceed the amount specified in the Section 135 of the Companies act, 2013, So the company is not mandated to spend any amount towards CSR activities for the financial year 2023-24.

**42. DISCLOSURE AS REQUIRED UNDER REGULATION 34(3) AND 53(F) OF SEBI (LODR) REGULATIONS, 2015:**

Loans and advances to firms / companies in which directors are interested - Nil (Previous year - Nil).

**43. DISCLOSURE IN RELATION TO SECTION 186(4) OF THE COMPANIES ACT, 2013:**

Nil (Previous year - Nil).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**44. FINANCIAL INSTRUMENTS:**
**A. Capital Management:**

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

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

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

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

| Particulars                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|------------------------------|-------------------------|-------------------------|
| Debts                        | 2,905.71                | 2,608.22                |
| Less: Cash and Bank Balances | 0.31                    | 0.71                    |
| <b>Net Debt</b>              | <b>2,905.40</b>         | <b>2,607.51</b>         |
| <b>Total Equity</b>          | <b>2,016.85</b>         | <b>3,016.68</b>         |
| Gearing Ratio                | 144.06%                 | 86.44%                  |

**B. Categories of Financial Instruments:**

| Particulars                           | Note No. | As at March 31, 2024 |            | As at March 31, 2023 |            |
|---------------------------------------|----------|----------------------|------------|----------------------|------------|
|                                       |          | Carrying Value       | Fair Value | Carrying Value       | Fair Value |
| <b>Financial Assets</b>               |          |                      |            |                      |            |
| a. Measured at amortised cost         |          |                      |            |                      |            |
| Other financial assets                | 5        | 126.99               | 126.99     | 85.10                | 85.10      |
| Trade receivables                     | 8        | 3,123.83             | 3,123.83   | 3,417.74             | 3,417.74   |
| Cash and cash equivalents             | 9        | 0.31                 | 0.31       | 0.71                 | 0.71       |
| Bank balances other than above        | 10       | 47.76                | 47.76      | 29.81                | 29.81      |
| Loans and advances to employees       | 11       | 0.43                 | 0.43       | 5.62                 | 5.62       |
| b. Measured at fair value through P&L |          | -                    | -          | -                    | -          |
| c. Measured at fair value through OCI |          | -                    | -          | -                    | -          |
| <b>Financial Liabilities</b>          |          |                      |            |                      |            |
| a. Measured at amortised cost         |          |                      |            |                      |            |
| Long term borrowings                  | 16       | 1,292.75             | 1,292.75   | 257.50               | 257.50     |
| Short term borrowings                 | 18       | 1,612.96             | 1,612.96   | 2,345.08             | 2,345.08   |
| Trade payables                        | 19       | 2,172.91             | 2,172.91   | 2,183.32             | 2,183.32   |
| Other financial liabilities           | 20       | 669.00               | 669.00     | 570.10               | 570.10     |
| b. Measured at fair value through P&L |          | -                    | -          | -                    | -          |
| c. Measured at fair value through OCI |          | -                    | -          | -                    | -          |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**C. Financial Risk Management Objectives:**

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

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

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

**i. Credit Risk:**

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

**Credit Risk Management:**

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

A: Low credit risk

B: Moderate credit risk

C: High credit risk

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Provision for Expected Credit Losses for Trade Receivables:**

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

| Particulars                                | Year ended March 31, 2024 |
|--------------------------------------------|---------------------------|
| Opening Expected loss as at April 01, 2023 | 86.22                     |
| Less : Reduction in Provision              | (6.12)                    |
| Closing Expected loss as at March 31, 2024 | 80.10                     |

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

**Classification of Financial Assets among Risk Categories:**

| Credit rating        | Particulars                                                                                          | March 31, 2024 | March 31, 2023 |
|----------------------|------------------------------------------------------------------------------------------------------|----------------|----------------|
| Low Credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets. | 3,299.32       | 3,538.98       |
| Moderate Credit risk | Nil                                                                                                  | -              | -              |
| High Credit risk     | Nil                                                                                                  | -              | -              |

The loss allowances for trade receivables using expected credit lossess for different ageing periods as at March 31, 2024 are as follows :

| Particulars              | Less than 6 months | More than 6 months | Total           |
|--------------------------|--------------------|--------------------|-----------------|
| Gross carrying amount    | 2,499.55           | 704.38             | <b>3,203.93</b> |
| Loss allowance provision | (62.49)            | (17.61)            | <b>(80.10)</b>  |
| <b>Net</b>               | <b>2,437.06</b>    | <b>686.77</b>      | <b>3,123.83</b> |

The loss allowances for trade receivables using expected credit lossess for different ageing periods as at March 31, 2023 are as follows :

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Exposure to Customers having more than 5% of outstanding in respect of Trade Receivables:**

| Particulars                               | March 31, 2024  | March 31, 2023  |
|-------------------------------------------|-----------------|-----------------|
| M/s. Denso India Private Limited          | 243.09          | 390.59          |
| M/s. Lucas TVS Limited                    | 180.99          | 221.68          |
| M/s. Poclain Hydraulics Private Limited   | -               | 206.94          |
| M/s. Danfoss Industries, S.A DE C.V.      | 434.08          | -               |
| M/s. Danfoss Industries India Limited     | 450.31          | 243.54          |
| M/s. Borgwarner Power Drive Systems Inc   | -               | 622.16          |
| M/s. L.G. Balakrishnan & Bros Limited     | 225.67          | 268.06          |
| M/s. GKN Drive Line (India) Limited       | 174.30          | -               |
| M/s. SEG Automotive India Private Limited | 161.04          | 266.11          |
| M/s. DSV Solutions                        | 253.03          | 221.91          |
| <b>Total</b>                              | <b>2,122.51</b> | <b>2,440.99</b> |

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

**ii. Liquidity Risk:**

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

**Liquidity Risk Management:**

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

| Particulars           | Less than 1 Year | 1 - 5 years     | More than 5 years | Carrying amount |
|-----------------------|------------------|-----------------|-------------------|-----------------|
| <b>March 31, 2024</b> |                  |                 |                   |                 |
| Financial Liabilities |                  |                 |                   |                 |
| Trade Payables        | 2,168.14         | 4.77            | -                 | 2,172.91        |
| Borrowings            | 189.47           | 1,292.75        | -                 | 1,482.22        |
| <b>Total</b>          | <b>2,357.61</b>  | <b>1,297.52</b> | <b>-</b>          | <b>3,655.13</b> |
| <b>March 31, 2023</b> |                  |                 |                   |                 |
| Financial Liabilities |                  |                 |                   |                 |
| Trade Payables        | 2,163.27         | 20.05           | -                 | 2,183.32        |
| Borrowings            | 202.50           | 257.50          | -                 | 460.00          |
| <b>Total</b>          | <b>2,365.77</b>  | <b>277.55</b>   | <b>-</b>          | <b>2,643.32</b> |

**iii. Market Risk:**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Interest Rate Risk:**
**A) Assets:**

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

**Interest Rate Sensitivity Analysis:**

| Particulars                                    | March 31, 2024 | March 31, 2023 |
|------------------------------------------------|----------------|----------------|
| Fixed Deposits with Bank                       | 47.76          | 29.81          |
| Impact on profit – increase of 25 basis points | 0.12           | 0.08           |
| Impact on profit – decrease of 25 basis points | (0.12)         | (0.08)         |

**B) Liabilities:**

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

| Particulars             | March 31, 2024  | March 31, 2023  |
|-------------------------|-----------------|-----------------|
| Floating rate loans     | 2,705.71        | 2,142.58        |
| Fixed rate loans        | 200.00          | 465.64          |
| <b>Total Borrowings</b> | <b>2,905.71</b> | <b>2,608.22</b> |

**Interest Rate Sensitivity Analysis:**

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2024 would decrease / increase by ₹ 27.05 Lakhs (for the year ended March 31, 2023: decrease / increase by ₹ 21.42 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**iv. Foreign Currency Risk Management:**

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

| Particulars                  | Liability exposure on the Currency | Asset exposure on the Currency | Net asset / (liability) exposure on the currency |
|------------------------------|------------------------------------|--------------------------------|--------------------------------------------------|
| <b>As on March 31, 2024:</b> |                                    |                                |                                                  |
| USD                          | 0.65                               | 11.12                          | 10.47                                            |
| SGD                          | -                                  | -                              | -                                                |
| In INR                       | 54.08                              | 931.18                         | 877.10                                           |
| <b>As on March 31, 2023:</b> |                                    |                                |                                                  |
| USD                          | -                                  | 13.89                          | 13.89                                            |
| SGD                          | -                                  | -                              | -                                                |
| In INR                       | -                                  | 1,081.36                       | 1,081.36                                         |

**Foreign Currency Sensitivity Analysis:**

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

| Particulars | Impact on Profit before tax |        |                |        |
|-------------|-----------------------------|--------|----------------|--------|
|             | March 31, 2024              |        | March 31, 2023 |        |
|             | +0.50%                      | -0.50% | +0.50%         | -0.50% |
| USD         | 4.39                        | (4.39) | 5.41           | (5.41) |
| SGD         | -                           | -      | -              | -      |

**Fair Value Hierarchy:**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

| Categories of Financial Instruments | Level | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------------|-------|-------------------------|-------------------------|
| <b>Financial Liabilities</b>        |       |                         |                         |
| a. Measured at amortised cost       |       |                         |                         |
| Long term borrowings                | 2     | 1,292.75                | 257.50                  |
| Short term borrowings               | 2     | 1,612.96                | 2,345.08                |

**45. RELATED PARTY DISCLOSURE:**
**a) Name of Related Parties and Nature of Relationship:**

|                                       |                                                                           |
|---------------------------------------|---------------------------------------------------------------------------|
| Holding Company                       | The Company does not have any holding company                             |
| Subsidiaries and Associates           | The Company does not have any Subsidiaries, associates and joint ventures |
| Other Related Companies               | Enterprises over which the Directors are interested                       |
|                                       | M/s. L.G. Balakrishnan & Bros Limited                                     |
|                                       | M/s. Super Transports Private Limited                                     |
|                                       | M/s. South Western Engineering India Private Limited                      |
|                                       | M/s. BV Medical Foundation                                                |
|                                       | M/s. L G Farm Products Private Limited                                    |
|                                       | M/s. L G B Auto Products Private Limited                                  |
|                                       | M/s. Silent Chain India Private Limited                                   |
|                                       | M/s. Super Speeds Private Limited                                         |
|                                       | M/s. Elgi Automotive Services Private Limited                             |
|                                       | M/s. Rajvirdhan Private Limited                                           |
|                                       | M/s. Paatimaachi Private Limited                                          |
| Key Management Personnel              | Smt. Rajsri Vijayakumar - Managing Director                               |
|                                       | Sri. A. Sampath Kumar- Whole Time Director                                |
|                                       | Smt. Geetha Manjari - Chief Financial Officer                             |
|                                       | Sri. K. Maheswaran - Company Secretary (Upto May 20, 2023)                |
|                                       | Smt. K. Kousalya - Company Secretary (From August 29, 2023)               |
| Relatives of Key Management Personnel | Sri. B. Vijayakumar                                                       |
|                                       | Smt. D. Sasikala                                                          |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**b) Transactions during the year:**

| S. No. | Nature of Transactions                                                      | Name of the Payee                                                | Description of Relationship                 | 2023-24   | 2022-23 |
|--------|-----------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|-----------|---------|
| 1      | Managerial Remuneration <sup>#</sup>                                        | Smt. Rajsri Vijayakumar                                          | Key Management Personnel                    | 24.00     | 3.00    |
|        |                                                                             | Sri. A. Sampath Kumar                                            |                                             | 21.98     | 3.00    |
|        |                                                                             | Smt. Geetha Manjari                                              |                                             | 7.38      | 6.11    |
|        |                                                                             | Sri. K. Maheswaran                                               |                                             | 1.65      | 9.50    |
|        |                                                                             | Smt. K. Kousalya                                                 |                                             | 3.58      | -       |
| 2      | Rent Payment                                                                | M/s. L.G. Balakrishnan & Bros Limited                            | Companies in which Directors are interested | 63.71*    | 56.70*  |
| 3      | Purchase of Power, Spares, Processing, Conversion, Service Charges Payments | M/s. L.G. Balakrishnan & Bros Limited                            | Companies in which Directors are interested | 1,706.57* | 746.91* |
|        |                                                                             | M/s. Super Transports Private Limited                            |                                             | 12.79*    | 1.67*   |
| 4      | Purchase of Assets                                                          | M/s. L.G. Balakrishnan & Bros Limited                            | Companies in which Directors are interested | 35.61*    | -       |
| 5      | Purchase of Coolant                                                         | M/s. L G B Auto Products Private Limited                         | Companies in which Directors are interested | 90.79*    | 42.92*  |
| 6      | Sales of Power, Stores, Materials and Service Charges                       | M/s. L.G. Balakrishnan & Bros Limited                            | Companies in which Directors are interested | 1,648.93* | 872.39* |
| 7      | Sale of Assets                                                              | M/s. L.G. Balakrishnan & Bros Limited                            | Companies in which Directors are interested | 29.43*    | -       |
| 8      | Lease Payments                                                              | M/s. Elgi Automotive Services Private Limited                    | Companies in which Directors are interested | 26.01*    | 26.01*  |
| 9      | Unsecured Loans                                                             | Smt. Rajsri Vijayakumar                                          | Key Management Personnel                    | -         | 200.00  |
|        |                                                                             | M/s. South Western Engineering India Private Limited (Availment) | Companies in which Directors are interested | 200.00    | 250.00  |
|        |                                                                             | M/s. South Western Engineering India Private Limited (Repayment) | Companies in which Directors are interested | 450.00    | -       |
| 10     | Interest on Unsecured Loan                                                  | Smt. Rajsri Vijayakumar                                          | Key Management Personnel                    | 16.04     | 7.98    |
|        |                                                                             | M/s. South Western Engineering India Private Limited             | Companies in which Directors are interested | 24.64     | 10.81   |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

| S. No. | Nature of Transactions    | Name of the Payee       | Description of Relationship          | 2023-24 | 2022-23 |
|--------|---------------------------|-------------------------|--------------------------------------|---------|---------|
| 11     | Sitting Fees              | Sri. B. Vijayakumar     | Relative of Key Management Personnel | 0.90    | 0.28    |
|        |                           | Smt. Rajsri Vijayakumar | Key Management Personnel             | 0.02    | 0.32    |
| 12     | Reimbursement of Expenses | Smt. Rajsri Vijayakumar | Key Management Personnel             | -       | 20.14   |

**Notes:**

1. Marked (#) Managerial remuneration does not include contribution made by the company towards Gratuity and Leave Encashment as the incremental liability has been accounted by the company as a whole and separate details for individual employee is not available.
2. Marked (\*) Above figures includes GST, wherever it is applicable.

**c) Balances at the end of the year:**

| S. No. | Particulars             | As on March 31, 2024 | As on March 31, 2023 |
|--------|-------------------------|----------------------|----------------------|
| 1      | Other Related Companies |                      |                      |
|        | Amount Payable          | 529.50               | 785.89               |
|        | Amount Receivable       | 253.46               | 268.06               |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**46. RETIREMENT BENEFIT PLANS:**
**Defined Contribution Plans:**

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

The expense recognised during the period towards this defined contribution plan is ₹ 51.72 Lakhs (March 31, 2023 - ₹ 72.83 Lakhs).

**Defined Benefit Plans:**
**(a) Gratuity:**

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

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

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

**The principal assumptions used for the purposes of the actuarial valuations of all divisions (other than Pondicherry Division) were as follows:**

| Particulars                            | March 31, 2024                                    | March 31, 2023  |
|----------------------------------------|---------------------------------------------------|-----------------|
| Mortality Table                        | Indian Assured Lives Mortality (2012-14) Ultimate |                 |
| Attrition Rate                         | 5.00% p.a.                                        | 5.00% p.a.      |
| Discount Rate                          | 7.25% p.a.                                        | 7.57% p.a.      |
| Rate of increase in compensation level | 13.00% p.a. F5Y                                   | 13.00% p.a. F5Y |
|                                        | & 7.00% p.a. TA                                   | & 7.00% p.a. TA |
| Rate of Return on Plan Assets          | 7.57% p.a.                                        | 7.48% p.a.      |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

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

| Particulars                                                                  | March 31, 2024 | March 31, 2023 |
|------------------------------------------------------------------------------|----------------|----------------|
| Current service cost                                                         | 8.48           | 8.30           |
| Net interest expense on defined benefit obligations                          | 7.20           | 7.91           |
| Return on plan assets (excluding amounts included in net interest expense)   | (6.92)         | (7.07)         |
| Components of defined benefit costs recognised in profit or loss             | 8.77           | 9.13           |
| Remeasurement on the net defined benefit liability comprising:               |                |                |
| Return on plan assets (excluding amounts included in net interest expense)   | 1.09           | 1.07           |
| Actuarial gains/losses arising from Demographic assumption changes           | -              | -              |
| Actuarial gains/losses arising from changes in financial assumptions         | 6.42           | 0.53           |
| Actuarial gains/losses arising from experience adjustments                   | 5.58           | (15.98)        |
| Immediate recognition in Profit and Loss                                     | -              | -              |
| Components of defined benefit costs recognised in other comprehensive Income | 13.09          | (14.39)        |
| <b>Total Defined Benefit Cost</b>                                            | <b>21.86</b>   | <b>(5.26)</b>  |

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

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

| Particulars                                                     | March 31, 2024 | March 31, 2023 |
|-----------------------------------------------------------------|----------------|----------------|
| Present value of defined benefit obligation                     | 115.23         | 102.82         |
| Fair value of plan assets                                       | (90.33)        | (98.37)        |
| Net liability / (asset) arising from defined benefit obligation | 24.90          | 4.45           |
| Funded                                                          | 24.90          | 4.45           |
| Unfunded                                                        | -              | -              |
| <b>Total</b>                                                    | <b>24.90</b>   | <b>4.45</b>    |



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The above provisions are reflected under 'Provision for employee benefits - gratuity' (long-term provisions) [Refer Note No. 17] and 'Provision for employee benefits - gratuity' (short-term provisions) [Refer Note No. 22].

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

| Particulars                                                                                | March 31, 2024 | March 31, 2023 |
|--------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Defined benefit obligation as at the beginning of the year (Other than Pondicherry)</b> | <b>102.82</b>  | <b>109.30</b>  |
| Current service cost                                                                       | 8.48           | 8.29           |
| Interest on defined benefit Obligation                                                     | 7.20           | 7.91           |
| Actuarial (gains)/losses on plan obligation                                                | 12.00          | (15.45)        |
| Benefits paid                                                                              | (15.29)        | (7.23)         |
| <b>Defined benefit obligation as at the end of the year</b>                                | <b>115.22</b>  | <b>102.82</b>  |

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

| Particulars                                                      | March 31, 2024 | March 31, 2023 |
|------------------------------------------------------------------|----------------|----------------|
| <b>Fair value of plan assets as at the beginning of the year</b> | <b>98.37</b>   | <b>96.75</b>   |
| Interest Income                                                  | 6.92           | 7.07           |
| Contributions                                                    | 1.40           | 2.85           |
| Benefits paid                                                    | (15.28)        | (7.23)         |
| Actuarial gains/(loss)                                           | (1.09)         | (1.07)         |
| <b>Fair value of plan assets as at the end of the year</b>       | <b>90.33</b>   | <b>98.37</b>   |

**Sensitivity Analysis:**

| Assumptions    | Change            | % Increase / (Decrease) in DBO | Impact on Liability | Increase / (Decrease) in DBO |
|----------------|-------------------|--------------------------------|---------------------|------------------------------|
| Discount rate  | +100 basic points | (8.11%)                        | 105.88              | (934,086)                    |
|                | -100 basic points | 9.28%                          | 125.91              | 10,68,759                    |
| Salary growth  | +100 basic points | 8.76%                          | 125.32              | 10,09,681                    |
|                | -100 basic points | (7.80%)                        | 106.23              | (8,99,328)                   |
| Attrition rate | +100 basic points | (0.91%)                        | 114.18              | (1,04,838)                   |
|                | -100 basic points | 0.97%                          | 116.35              | 1,12,238                     |
| Mortality rate | + 10 percentage   | (0.03%)                        | 115.19              | (3,869)                      |

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

| Particulars                              | March 31, 2024 | March 31, 2023 |
|------------------------------------------|----------------|----------------|
| Within one year                          | 6.00           | 6.18           |
| After one year but not beyond five years | 25.08          | 21.64          |
| Beyond five years upto ten years         | 31.19          | 26.61          |
| Payments beyond ten years                | 52.95          | 48.40          |

Note: The above values are present values as on March 31, 2024 & March 31, 2023 respectively.

The weighted average duration of the defined benefit obligation is 12.22 years (March 31, 2023 – 13.38 years).

**b) Compensated absences:**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The design entitles the following risk:

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

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

| Particulars                                                         | March 31, 2024 | March 31, 2023 |
|---------------------------------------------------------------------|----------------|----------------|
| Present Value of Defined Benefits Obligation At Beginning (Opening) | 14.25          | 13.14          |
| Present Value of Defined Benefits Obligation At Beginning (Closing) | 14.08          | 14.25          |
| Net Increase in Liability over the valuation period                 | (0.17)         | 1.11           |
| Benefit payments from employer                                      | -              | -              |
| Benefits Pay-outs from plan                                         | -              | -              |
| Cost of Termination Benefits/Acquisitions/Transfers                 | -              | -              |
| Less actual return on Plan Assets                                   | -              | -              |
| Remeasurement Effect Recognised in OCI                              | -              | -              |
| Defined Benefits cost included in P&L                               | (0.17)         | 1.11           |
| <b>Total Defined Benefit Cost</b>                                   | <b>(0.17)</b>  | <b>1.11</b>    |

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

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

| Particulars                                                     | March 31, 2024 | March 31, 2023 |
|-----------------------------------------------------------------|----------------|----------------|
| Present value of defined benefit obligation                     | 14.08          | 14.25          |
| Fair value of plan assets                                       | -              | -              |
| Net liability / (asset) arising from defined benefit obligation | 14.08          | 14.25          |
| Funded                                                          | -              | -              |
| Unfunded                                                        | 14.08          | 14.25          |
| <b>Total</b>                                                    | <b>14.08</b>   | <b>14.25</b>   |

The above provisions are reflected under 'Provision for employee benefits - leave encashment' (long-term provisions) [Refer Note No. 17] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer Note No. 22].

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**Movements in the present value of the Defined Benefit Obligation in the current year were as follows:**

| Particulars                                                            | March 31, 2024 | March 31, 2023 |
|------------------------------------------------------------------------|----------------|----------------|
| <b>Net Liability/(Asset) recognized at the beginning of the period</b> | <b>14.25</b>   | <b>13.14</b>   |
| Employer expense                                                       | (0.17)         | 1.11           |
| Employer contribution                                                  | -              | -              |
| Employer direct benefit payments                                       | -              | -              |
| Acquisitions/Divestures                                                | -              | -              |
| Effect of the Limit in Para 59(b)                                      | -              | -              |
| <b>Net Liability/(Asset) recognized at the end of the period</b>       | <b>14.08</b>   | <b>14.25</b>   |

**Sensitivity Analysis - Leave Salary:**

| Assumptions    | Change            | % Increase / (Decrease) in DBO | Impact on Liability | Increase / (Decrease) in DBO |
|----------------|-------------------|--------------------------------|---------------------|------------------------------|
| Discount rate  | +100 basic points | (8.81%)                        | 12,84,451           | (1,24,029)                   |
|                | -100 basic points | 10.42%                         | 15,55,227           | 1,46,748                     |
| Salary growth  | +100 basic points | 9.61%                          | 15,43,877           | 1,35,397                     |
|                | -100 basic points | (8.29%)                        | 12,91,697           | (1,16,782)                   |
| Attrition rate | +100 basic points | (0.78%)                        | 13,97,500           | (10,980)                     |
|                | -100 basic points | 0.84%                          | 14,20,251           | 11,771                       |
| Mortality rate | + 10 percentage   | (0.02%)                        | 14,08,203           | (276)                        |

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

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

**49. FINANCIAL RATIOS:**

| S. No. | Particulars                                 | Numerator                                          | Denominator                  | Year ended     |                | % Increase / (Decrease) |
|--------|---------------------------------------------|----------------------------------------------------|------------------------------|----------------|----------------|-------------------------|
|        |                                             |                                                    |                              | March 31, 2024 | March 31, 2023 |                         |
| 1      | Current Ratio (In times)                    | Current Assets                                     | Current Liabilities          | 1.39           | 1.29           | 7.62%                   |
| *2     | Debt – Equity Ratio (In times)              | Total Debt (including lease liabilities)           | Shareholders' Equity         | 1.47           | 0.90           | 64.49%                  |
| *3     | Debt Service Coverage Ratio (In times)      | Earnings available for debt service                | Debt Service                 | (0.22)         | (0.64)         | (65.85)%                |
| *4     | Return on Equity Ratio (In percentage)      | Net profit after taxes-Preference dividend(if any) | Average Shareholders' Equity | (39.21%)       | (26.78%)       | 46.41%                  |
| *5     | Inventory Turnover Ratio (In times)         | Net Sales                                          | Average Inventory            | 3.75           | 4.13           | (9.03)%                 |
| 6      | Trade Receivables Turnover Ratio (In times) | Credit Sales                                       | Average Accounts Receivable  | 3.32           | 3.37           | (1.25)%                 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

| S. No. | Particulars                                | Numerator                             | Denominator                       | Year ended     |                | % Increase / (Decrease) |
|--------|--------------------------------------------|---------------------------------------|-----------------------------------|----------------|----------------|-------------------------|
|        |                                            |                                       |                                   | March 31, 2024 | March 31, 2023 |                         |
| 7      | Trade Payables Turnover Ratio (In times)   | Credit Purchases                      | Average Accounts Payable          | 2.37           | 2.71           | (12.50%)                |
| 8      | Net Capital Turnover Ratio (In times)      | Net Sales                             | Working Capital                   | 6.19           | 7.73           | (19.96%)                |
| *9     | Net Profit Ratio (In percentage)           | Net Profit after taxes (PAT)          | Net Sales                         | (9.08%)        | (8.01%)        | 13.38%                  |
| *10    | Return on Capital Employed (In percentage) | Earnings before Interest & Tax        | Capital Employed                  | (13.25%)       | (12.57%)       | 5.38%                   |
| 11     | Return on Investment (In percentage)       | Income generated from the investments | Time weighted average investments | -              | -              | -                       |

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

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

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

- Debt – Equity Ratio :The company has availed ₹ 13 Crores during the year. Therefore the debt equity ratio increased.
- Debt – Service coverage Ratio :The company's loss has been increased during the year and availed the additional loan amounting to ₹ 13 Crores. Hence, there is an adverse effect on the ratio.
- Return on equity Ratio: The company's loss has been increased during the year. Hence, there is an adverse effect on the ratio.
- Return on Investments: The company has not made any investment and hence the relevant ratio is not applicable.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

| <b>Description of Property</b> | <b>Gross Carrying Value as on March 31, 2024</b> | <b>Held in name of</b>           | <b>Promoter</b>                              | <b>Period Held</b> | <b>Reasons for not being held in the name of the Company</b>                                                                                                                                               |
|--------------------------------|--------------------------------------------------|----------------------------------|----------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land & Building Mysore         | ₹ 80.26 Lakhs                                    | L.G. Balakrishnan & Bros Limited | Enterprise in which promoters are interested | 16 years           | The Land & Building is in the name of L.G. Balakrishnan & Bros Limited for which the ownership is established by way of demerger vide court order dated April 21, 2008 sanctioning the scheme of demerger. |

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

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

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

**53** The Company's borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

**54** The Company is not declared as a wilful defaulter by any bank or financial institution.

**55** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

**56** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**57** The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**58** The Company has not been received any funds from any person or entity, including foreign entity ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

- 59** The Company has no income which has been surrendered or disclosed as income during the year in any of the Tax assessments under the Income Tax Act, 1961.
- 60** The Company has not traded/invested in Crypto currency, virtual currency during the financial year.
- 61** Loans and advances in the nature of loan granted to promoter, KMP and related parties - Nil.
- 62** There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.
- 63** The Company has not issued any securities for a specific purpose.
- 64** The Company has utilised the borrowings from banks and financial institutions for the purpose for which it was availed.
- 65** As per the information available with the company, the company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

|                                   |      |
|-----------------------------------|------|
| Significant Accounting Policies   | 1    |
| Notes to the Financial Statements | 2-65 |

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

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

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

**Place : Coimbatore**  
**Date : May 22, 2024**

**For and on behalf of the Board of Directors**

**B. VIJAYAKUMAR**  
Chairman & Non Executive Director  
DIN : 00015583

**GEETHA MANJARI**  
Chief Financial Officer

**RAJSRI VIJAYAKUMAR**  
Managing Director  
DIN : 00018244

**K. KOUSALYA**  
Company Secretary  
Membership No. A68426

**ADDENDUM TO ANNEXURE - 1 OF THE INDEPENDENT AUDITOR'S REPORT DATED MAY 22, 2024 HAVING  
UDIN NO: 24207893BKATQN2888**

Clause No. ix (a) of the report which is to reproduced below:

In our opinion and according to the information and explanation given to us during the course of the audit, except those mentioned below, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including banks, financial institutions and government.

| <b>Nature of borrowing</b> | <b>Name of lender</b>                           | <b>Amount unpaid on the due date</b> | <b>Whether interest or principal</b> | <b>Number of days of delay or unpaid</b> | <b>Remarks If any</b> |
|----------------------------|-------------------------------------------------|--------------------------------------|--------------------------------------|------------------------------------------|-----------------------|
| Term Loan                  | Tata Capital Financial Services Private Limited | Rs. 3,50,062/-                       | Interest                             | 16 Days                                  | Nil                   |

**To read as under:**

In our opinion and according to the information and explanation given to us during the course of the audit and subsequent communications/confirmations, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including banks, financial institutions and government.

**Explanation:**

The above addendum is based on the confirmation received from Tata Capital Financial Services Private Limited.

**Place: Coimbatore**  
**Date : May 22, 2024**

For **N.R.DORAISWAMI & CO.**  
Chartered Accountants  
Firm Registration No. : 000771S  
**SUGUNA RAVICHANDRAN**  
Partner  
Membership No. : 207893  
UDIN: 24207893BKATQN2888





*If Undelivered Please Return to :*



## **LGB FORGE LIMITED**

Registered Office : 6/16/13, Krishnarayapuram Road,  
Ganapathy, Coimbatore - 641 006, India.  
Tel : 0422 - 2532325, Fax : 0422 - 2532333  
CIN : L27310TZ2006PLC012830