

LGB FORGE LIMITED



**9th
ANNUAL REPORT
2014 - 2015**

Corporate Information

BOARD OF DIRECTORS

Sri. B. Vijayakumar
Chairman

Sri. V. Rajvirdhan
Vice Chairman

Sri. K.N.V. Ramani
Sri. P. Shanmugasundaram
Sri. P.V. Ramakrishnan
Sri. Rajiv Parthasarathy
Sri. Harsha Lakshmikanth
Ms. Aishwarya Rao
Sri. K. Karthik
Executive Director

CHIEF FINANCIAL OFFICER

Sri. R. Ramakrishnan

COMPANY SECRETARY

Sri. G. Karthik

BANKERS

Axis Bank Limited
ICICI Bank Limited
IDBI Bank Limited

STATUTORY AUDITORS

M/s. Haribhakti & Co. LLP
Chartered Accountants
“Shree Shanmugappriya”, 2nd Floor,
454, Ponnaiyan Street, Cross Cut Road,
Gandhipuram, Coimbatore - 641012.
Phone No. 0422 - 2237793, 2238793

SECRETARIAL AUDITOR

CS.P.Eswaramoorthy
5th Street, Ramalinga Jothi Nagar,
Near Corporation Office, Nanjundapuram Road,
Ramanathapuram, Coimbatore-641045
Phone No. 0422- 2322333

REGISTRAR AND SHARE TRANSFER AGENTS

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

STOCK EXCHANGE WHERE COMPANY'S SECURITIES ARE LISTED

BSE Ltd.
National Stock Exchange of India Ltd.

REGISTERED OFFICE

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

CONTENTS

1. Notice	-	3
2. Directors' Report	-	11
3. Management Discussion and Analysis	-	34
4. Corporate Governance	-	35
5. Auditors' Report	-	48
6. Annual Accounts	-	52

9th ANNUAL GENERAL MEETING

Date	: 10th September, 2015
Day	: Thursday
Time	: 09.00 A.M.
Venue	: Ardra Convention Centre Kaanchan, 9, North Huzur Road Coimbatore- 641 018.
Book Closure Dates	: 04.09.2015 to 10.09.2015 (Both days inclusive)



Notice is hereby given that the Ninth Annual General Meeting of the Members of the Company will be held on Thursday, the 10th September, 2015 at 9.00 A.M. at Ardra Convention Centre, "Kanchan", 9 , North Huzur Road, Coimbatore - 641 018, to transact the following business:

AGENDA

Ordinary business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri.V.Rajviradhan (DIN 00156787), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the fifth consecutive AGM and to fix their remuneration and to pass the following resolution thereof.

RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the Audit Committee of the Board of Directors, Messrs.Haribhakti & Co LLP, Chartered Accountants (Firm Registration Number:103523W), be and are hereby re-appointed as the statutory auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the fifth consecutive AGM (subject to the ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the auditors plus applicable service tax and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT, pursuant to Section 149, 152, Schedule IV and other applicable provisions of the

Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms.Aishwarya Rao (DIN 07144139), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st March 2015 and who holds the office till the date of AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 , signifying his intention to propose Ms.Aishwarya Rao as candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for 5 consecutive years effective from 10th September 2015 to 9th September 2020 and is not liable to retire by rotation.

5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT, pursuant to Clause 49 of the Listing Agreement entered into with Stock Exchanges and Section 188 and all other applicable provisions, if any of the Companies Act, 2013 (the "Act" including statutory modifications(s) or re-enactments) and read with Companies (Meetings of Board and its Powers) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) with any amendment thereto and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter in to contracts and /or agreements with the related parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind, availing or rendering of any services or any other transaction of whatever nature with related parties as per the terms and limits set out in the explanatory statement annexed hereto.

Name of the Related Parties

1	L.G. Balakrishnan & Bros Limited
2	L.G.B. Auto Products Private Limited

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

By order of the Board

Coimbatore
30.04.2015

G. Karthik
Company Secretary

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM FOR THE ANNUAL GENERAL MEETING IS ENCLOSED.**
3. A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members / Proxies / Authorised Representatives should bring the enclosed attendance slip, duly filled in, for attending the meeting. Copies of the annual report or attendance slips will not be distributed at the meeting.
7. Details under Clause 49 of the Listing Agreement entered into with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting are furnished and forms part of the notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
8. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. In view thereof, members who have not furnished PAN are requested to furnish the same as under.
 - (i). Members holding shares in electronic form to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
 - (ii). Members holding shares in physical form to submit their PAN details to the Registrar and Share Transfer Agents.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 4th September, 2015 to Thursday, the 10th September, 2015 (both days inclusive).
10. Change of Address: Members are requested to notify any change of address and the bank details to their depository participants in respect of their holdings in electronics forms and in respect of shares held in physical form, to the secretarial department at the registered office of the Company or to M/s. Cameo Corporate Services Limited, “Subramanian Building”, No.1, Club House Road, Chennai- 600002, the Registrar and Share Transfer Agent of the Company.
11. Members who hold the shares in physical form in multiple folios in identical names or joint holdings in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent for consolidation into a single folio.

12. Members holding shares in electronic form please provide your E-mail ID to your Depository Participant (DP). We will download the same from the depository at the time of finalizing the mailing list.
13. Members holding shares in physical mode are requested to register their E-mail ID's with M/s. Cameo Corporate Services Limited., the Registrar & Share Transfer Agent of the Company in case the same is still not registered.
14. If there is any change in the E-mail ID already registered with the Company, members are requested, immediately to notify such change to the Registrar & Share Transfer Agent of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
15. Electronic copy of the Annual report is being sent to all the members whose E-mail IDs are registered with the Company / Depositories unless any member has requested for a hard copy of the same. For members who have not registered their E-mail address, physical copies of the Annual Report is being sent in the permitted mode.
16. To promote green initiative, members are requested to register their E-mail addresses through their Depository Participants for sending the future communications by E-mail. Members holding the shares in physical form may register their E-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Numbers.
17. Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website www.lgbforge.co.in for their download.
18. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the copy of the Annual Report including financial statements, Board's report etc. and this notice are being sent by electronic mode, to those members who have registered their Email ids with their respective Depository Participants or with the Share Transfer Agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to secretarial@lgb.co.in mentioning your Folio/DP ID & Client ID.
19. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or M/s. Cameo Corporate Services Limited, for assistance in this regard.
20. Voting Options:-
 - (I) VOTING THROUGH ELECTRONIC MEANS
In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company pleased to provide facility to members to exercise their right to vote on the resolutions proposed to be considered at the 9th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using the electronics voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
 - (II) The facility of voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting system shall be able to exercise their right at the meeting through ballot paper.
 - (III) Electronic copy of the notice of the 9th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of 9th Annual General Meeting of the Company inter alia indicating the process

and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.

Instructions for Shareholders Voting Electronically are as under:

- (i) The remote e-voting period begins at 09.00 AM on 07.09.2015 and ends on at 05.00 PM on 09.09.2015. During this period shareholders of the Company, holding shares either in physical form or in electronic form, as on the cut-off date (record date) of 03.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

a	For CDSL: 16 digits beneficiary ID
b	For NSDL: 8 Character DP ID followed by 8 Digits Client ID
c	Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form
<p>PAN</p> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository Participant are</p>

requested to use the sequence number provided at the attendance slip enclosed herewith in the PAN field

DOB

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

DIVIDEND BANK DETAILS

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

* Members who have not updated their PAN with the Company/RTA/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field.

Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name of the CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sl. No. mentioned in your address label can be used as Sequence No. for this purpose)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on EVSN of LGB Forge Limited.
 - (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Note for Non - Individual Shareholders and Custodians
 - ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ❖ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date (record date) of 3rd September, 2015.
- V. Sri.P.Eswaramoorthy, B.Sc, FCS, Company Secretary in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witness not in the employment of the Company and make a scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VII. The Results shall be declared within 3 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.lgbforge.co.in and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company's shares are listed.

21. Request for additional information, if required: In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Sri.G.Karthik, Company Secretary so that the same may be attended appropriately to your entire satisfaction.

By order of the Board

Coimbatore
30.04.2015

G. Karthik
Company Secretary

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

Item No.4

Ms.Aishwarya Rao was co-opted as an Additional Director of the Company with effect from 31st March 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms.Aishwarya Rao will hold office up to the date of the ensuing Annual General Meeting. The Company In the opinion of the Board, Ms.Aishwarya Rao, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and Rules made there under and she is Independent of Management. A copy of draft letter for the appointment of Ms.Aishwarya Rao as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

No Director, Key managerial personnel or their relatives, except Ms.Aishwarya Rao, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.4 for the approval of members.

Item No: 5

As per the Listing Agreement entered into with Stock Exchanges and pursuant to the Provisions of Section 188 of the Companies Act, 2013, read with the Companies (Meeting of Board and its Powers) Rules, 2014 and any amendment thereto, the transactions with the related parties require shareholders approval, if such transactions are in material nature.

The Company also proposes to enter into such transactions with related parties confirming to the requirements of the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges.

In the above context the necessary special resolution is proposed for the approval of members.

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

It is therefore thought it prudent and judicious to get the shareholders approval for delegating proper authority to the Board of Directors of the Company to transact business with the related parties both by way of normal and material transactions, if any, and at arm's length pricing and / or otherwise at a price depending upon the market exigencies, as the case may be on actual basis for such transactions. This will facilitate the smooth operations of the Company and meet the compliance requirements of the provisions of the Companies Act, 2013 as well as Listing Agreement entered into with Stock Exchanges and request you to consider the proposal and approve the same.

1. Name of the related party	M/s. L.G. Balakrishnan & Bros Limited	
Name of the Director/ KMP who is related, if any	Sri. B. Vijayakumar Sri. V. Rajvirdhan Sri. Rajiv Parthasarathy	
Nature of relationship	Interested as Directors / Shareholders / Shareholder's relative	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;		₹ in lakhs/Annum
	Sale / purchase of Moveable and Immovable Assets	1500.00
	Availing of Printing Services	15.00
	Sale / Purchase of goods or materials	1500.00
	Availing and rendering of any services	500.00
	Leasing of Land, Building and machinery	250.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	L.G. Balakrishnan & Bros Limited is engaged in the manufacture of Automotive Chains, its parts, and automobile Components. The above transactions with the Company to be entered would be economical and beneficial to the Company in long run.	
2. Name of the related party	M/s. L.G.B. Auto Products Private Limited	
Name of the Director/ KMP who is related, if any	Sri. B. Vijayakumar Sri. V. Rajvirdhan Sri. Rajiv Parthasarathy	
Nature of relationship	Interested as Directors / Shareholders / Shareholder's relative	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;		₹ in lakhs/Annum
	Leasing of Machineries	200.00
	Sale / purchase of Moveable and Immovable Assets	100.00
Tenure of the contract	The Contract would be for a period of 5 years.	
Any other information relevant or important for the members to take decision on the proposed resolution	L.G.B. Auto Products Private Limited is engaged in the Machinery leasing operations.	

**Details of Directors seeking Appointment / re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)**

Name	Sri.V.Rajvirdhan	Ms.Aishwarya Rao
DIN	00156787	07144139
Date of Birth	05.09.1983	23.05.1987
Nationality	Indian	Indian
Date of Joining the Board	04.11.2010	31.3.2015
Relationship with other Director	B.Vijayakumar - Father Sri. Rajiv Parthasarathy - Sister's Husband.	None
Qualification	B. Sc., IME	Master of Education
Expertise in area	More than 5 years experience in Engineering Industry.	More than 3 years of experience in Textile industry.
Number of shares held in the Company	10500000	Nil
List of Directorships held in other Companies	1. L.G. Balakrishnan & Bros Ltd 2. South Western Engineering India Limited 3. Rolon Fine Blank Limited 4. LGB Rolon Chain Limited 5. BCW V Tech India Private Limited 6. Super Transports Private Limited 7. Super Speeds Private Limited 8. Elgi Automotive Services Private Limited 9. LGB Fuel Systems Private Limited 10. LGB USA INC	Nil
Chairman/Member of the Committees of the Board of other companies in which he is Director	1. Member of Nomination and Remuneration Committee of LGB Forge Ltd 2. Member of Stakeholder Relationship Committee of LGB Forge Ltd	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Ninth Annual Report of your Company together with the audited accounts for the year ended on 31st March, 2015.

FINANCIAL RESULTS

The summary of the financial performance of the Company for the year ended 31st March, 2015 as compared to the previous year is as below

Particulars	31.03.2015 (₹ in Lakhs)	31.03.2014 (₹ in Lakhs)
Gross Income	8263.17	8,868.48
Profit before Interest, Depreciation & Tax	616.34	854.54
Less:		
Interest	427.00	608.84
Depreciation (refer Note No.34)	390.45	801.15
Add: Exceptional items	187.32	862.52
Profit/ (Loss) Before Tax	(13.79)	307.07
Profit / (Loss) After Tax	(13.79)	307.07
Depreciation adjusted against opening balance of retained earnings (refer Note No.34)	(115.57)	-
Add : Balance brought forward	(3999.41)	(4,306.48)
Amount transferred to Balance Sheet	(4128.77)	(3,999.41)

PERFORMANCE OF THE COMPANY

During the year under review, your Company's Gross Revenue is ₹ 8263.17 Lakhs [Previous Year: ₹ 8868.48 Lakhs]. Gross Profit / (Loss) before interest, depreciation and tax amounted to ₹ 616.34 Lakhs [Previous Year (₹ 854.54 Lakhs)]. The Net profit/ (Loss) stood at ₹ (13.79) Lakhs [Previous Year Net Profit ₹ 307.07 Lakhs].

AMOUNT TRANSFERRED TO RESERVES.

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

DIVIDEND

In view of the losses, current and accumulated, your Directors regret their inability to recommend dividend for the year 2014-2015.

PUBLIC DEPOSITS.

During the year under review, your Company did not accept any deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies

(Acceptance of Deposit) Rules, 2014. As on 1st April, 2014, no amounts were outstanding which were classified as 'Deposits' under the applicable provisions of Companies Act, 1956 and hence, the requirement for furnishing of details of deposit which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2015 made under the provisions of Section 92(3) of the Act is attached in prescribed form (MGT-9) as Annexure-A which forms part of this Report.

DISCLOSURE UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, WITH RESPECT TO MATERIAL CHANGES AFTER THE DATE OF FINANCIAL REPORT.

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (March 31, 2015) and the date of the Report (April 30, 2015)

INTERNAL CONTROL SYSTEMS AND COMPLIANCE FRAMEWORK

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

All Contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Hence the requirement for furnishing of details under Section 134(3) (h) in prescribed Form No.AOC-2 is not applicable.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

The Company has not provided any loan, Guarantee and made investments under Section 186 of the Companies Act, 2013 hence no information as per provisions of Section 134 (3) (g) of the Companies Act, 2013 has been furnished.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS.

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has not granted any Employees Stock Options Scheme, during the year under review and hence no information required to be furnished as per the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES.

The Company has not issued any Sweat Equity Shares during the year under review and hence no information required to be furnished as per the provisions of Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014.

DISCLOSURES IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES.

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

SHARE CAPITAL

The Paid-up share capital of the Company as at 31st March 2015 stood at ₹ 1500.02 lakhs. During the year under review the Company has not made any fresh issue of shares.

CHANGE IN NATURE OF BUSINESS, IF ANY.

There was no change in the nature of the business of the Company during the year under review.

MATTERS RELATING TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**RETIREMENT BY ROTATION**

In accordance with the provisions of Section 152(6) and as per the Articles of Association of the Company,

Sri.V.Rajvirdhan Director & Vice Chairman of the Company (DIN: 00156787) retires at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

APPOINTMENTS / RESIGNATION OF DIRECTORS / KMP.

During the year under review the following changes were occurred in the Directors and Key Managerial Personnel.

- ❖ Sri.V.Rajvirdhan, Executive Director resigned with effect from 16.05.2014 and appointed as Non-executive Vice Chairman of the Company. The Board placed on record its appreciation for the services rendered by Sri.V.Rajvirdhan during his tenure as Executive Director with the Company.
- ❖ Sri.K.Karthik was appointed as an Executive Director with effect from 16.05.2014 for the period of three years and same has been confirmed by the shareholders at the previous Annual General Meeting held on 9th July 2014.
- ❖ Sri.P.Shanmugasundaram, Sri.KNV Ramani, Sri.P.V.Ramakrishnan, Sri.Harsha Lakshmikanth were appointed as an Independent Directors of the Company in accordance with the provisions of the Companies Act, 2013 at the previous Annual General Meeting held on 9th July 2014. All the Independent Directors have given declaration that they meet the criteria of Independence as laid down in the Section 149(6) of the Act and clause 49 of the Listing Agreement and there is no change in their status of Independent.
- ❖ None of the Independent Directors will retire at the ensuing Annual General Meeting.
- ❖ Sri.B.Hariganesh, Company Secretary of the Company has resigned with effect from 30th January 2015.
- ❖ Sri.G.Karthik has been appointed as the Company Secretary & Compliance Officer of the Company with effect from 30th January 2015.
- ❖ Sri.R.Ramakrishnan has been appointed as the Chief Financial Officer of the Company with effect from 30th January 2015.
- ❖ Ms. Aishwarya Rao was appointed as an Additional Director (Independent) on the Board with effect from

31st March 2015. We seek your confirmation for appointment of Ms.Aishwarya Rao as an Independent Director for a term up to five consecutive year's i.e from 10th September 2015 to 9th September 2020.

At the Board Meeting held on 30th January 2015, Sri.K.Karthik, Executive Director, Sri.G.Karthik, Company Secretary and Sri.R.Ramakrishnan, Chief Financial Officer were designated as "Key Managerial Personnel" of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of sub-Section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013

DISCLOSURE RELATING TO BOARD, COMMITTEES AND POLICIES**NUMBER OF BOARD MEETINGS**

The Board of Directors met 4 times during the financial year ended on 31st March 2015 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details of Board Meeting Dates and Particulars of Directors Attendance are given in the Corporate Governance Report, has been enclosed with this report. All the Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time. Additionally, during the financial year ended 31st March 2015, the Independent Directors held a separate meeting in compliance with the requirement of Schedule IV of the Companies Act, 2013 and Clause 49(II)(B)(6) of the Listing Agreement.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended on 31st March, 2015, the Board of Directors hereby confirms that,

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that such accounting policies have been selected and applied consistently except as stated in note number 34 of the financial statement and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts of the Company have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) proper system have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION COMMITTEE AND REMUNERATION POLICY.

A Nomination and Remuneration Committee is in existence in accordance with the provisions of sub-Section (3) of Section 178. The Board has, on recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Kindly refer the Corporate Governance Report, for matters relating to constitution, meetings, and functions of the Committee and remuneration policy formulated by this committee.

AUDIT COMMITTEE

Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013.

Kindly refer to the section on Corporate Governance, under the head, 'Audit Committee' for matters relating to the composition, meetings, and functions of the Committee. The Board was accepted the Audit Committee recommendations during the year whenever required, hence no disclosure required under section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the policy on Vigil Mechanism/Whistle Blower for Directors and employees of the Company.

The Whistle Blower Policy is disclosed on the website of the Company at www.lgbforge.co.in

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

STAKEHOLDER RELATIONSHIP COMMITTEE

Kindly refer to the section on Corporate Governance, under the head, 'Stakeholder Relationship Committee' for matters relating to the composition, meetings, and functions of the Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

EVALUATION OF BOARD, COMMITTEES AND DIRECTORS.

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as whole and of the Chairman of the Board. The manner in which the evaluation has been carried out has been detailed in the Corporate Governance Report.

FAMILIARIZATION PROGRAMMES

The Company has conducted various sessions during the financial year to familiarize Independent Directors with the Company, their roles, responsibility in the Company and the technology and risk management systems of the Company.

Directors are encouraged to attend the training programmes being organized by various regulators/ bodies/ institutions on above matters.

RISK MANAGEMENT POLICY.

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

AUDITORS AND THEIR REPORTS**STATUTORY AUDITORS**

M/s. Haribhakti & Co LLP; Chartered Accountants (Firm Registration Number: 103523W), Coimbatore, who are the statutory auditors of the Company, hold the office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules made there under, it is proposed to appoint M/s.Haribhakti & Co LLP; Chartered Accountants as Statutory auditors of the Company from the conclusion of forthcoming AGM to the conclusion of the fifth consecutive AGM, subject to the ratification of their appointment at every AGM held after this AGM.

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Sri.P.Eswaramoorthy B.Sc, FCS,

(Membership No. FCS 6510 and CP.No.7069) Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report (in Form No. MR.3) for the financial year 2014-15 is attached as **Annexure- B** which forms part of this Report.

INTERNAL AUDITOR

Pursuant to the Provisions of Section 138 of the Companies Act, 2013 and rules made there under, Sri.MP Gopalakrishnan, Chartered Accountant was appointed as an Internal Auditor of the Company for the financial year 2014-15.

OBSERVATION OF STATUTORY AUDITOR AND SECRETARIAL AUDITOR IN RESPECT OF THEIR AUDIT REPORTS.

The Statutory Audit report and Secretarial Audit report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

OTHER DISCLOSURES**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The information relating to Conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as "**Annexure C**" which form part of this Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The Information as required under the provisions of the Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in the "**Annexure D**" which forms part of this report.

Further,

- ❖ None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Section 134 of the Companies Act, 2013.
- ❖ As on 31st March 2015 there were 362 Permanent employees of the Company.

**PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:**

Our Company does not have Holding and Subsidiary Company and hence no information required to be furnished under Section 197(14) of the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

The Management Discussion and Analysis Report of the operations of your Company is provided in a separate section of this Annual Report and forms part of the Report.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement entered in to with the Stock Exchanges, a report on Corporate Governance together with the Auditors Certificate regarding compliance of the conditions of Corporate Governance is forms part of this Report.

DISCLOSURE UNDER SEXUAL HARASSEMENT OF WOMAN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (the 'Said Act') has been made effective from December 9, 2013. This Act is to provide protection against Sexual harassment and for matters connected therewith and incidental threto. The Company has constituted an Internal Compliant Committee (ICC) on 15th May 2014 as required by the said Act. The Company is strongly opposed to sexual harassment and employees are made aware about consequences of such acts and about the constitution of ICC.

During the year under review, no complaints were filed with the committee under the provisions of the said Act.

UNCLAIMED AND UNPAID DIVIDENDS

As on 31st March, 2015 as no amount lying in the unpaid dividends account of the Company.

LISTING

The Securities of your Company are listed with the National Stock Exchange of India Limited and BSE Limited, and pursuant to Clause 38 of the Listing Agreement, the Annual Listing fees for the year 2015-2016 have been paid to them well before the due date i.e. April 30, 2015.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

By Order of the Board

Coimbatore
30.04.2015

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2015
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

FORM NO. MGT - 9

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

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

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

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	43596215	0	43596215	29.06	43146215	0	43146215	28.76	-0.30
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	53166395	0	53166395	35.45	53166395	0	53166395	35.45	0.00
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0.00
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0.00
	Sub-Total (A)(1)	96762610	0	96762610	64.51	96312610	0	96312610	64.21	-0.30
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0.00
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
(c)	Institutions	0	0	0	0	0	0	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0.00
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	96762610	0	96762610	64.51	6312610	0	96312610	64.21	-0.30
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0	0	0.00
(b)	Financial Institutions/ Banks	16000	20	16020	0.01	16000	20	16020	0.01	0.00
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0.00
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(e)	Insurance Companies	135960	0	135960	0.09	0	0	0	0	-0.09
(f)	Foreign Institutional Investors	4346607	6500	4353107	2.90	3000	6500	9500	0.01	-2.89
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
	Any Other (specify)	0	0	0	0	0	0	0	0	0.00
	Sub-Total (B)(1)	4498567	6520	4505087	3.00	19000	6520	25520	0.07	-2.93

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

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(2)	Non-institutions									
(a)	Bodies Corporate	1740598	14621	1755219	1.17	3525217	13821	3539038	2.36	1.19
(b)	Individuals -									
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	20834632	3773623	24608255	16.40	27319984	3300383	30620367	20.41	4.01
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	11888682	6184960	18073642	12.05	14683019	109320	14792339	9.86	-2.19
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d)	Any Other (specify)									
	NRIs/OCBs	290882	21500	312382	0.21	347816	1860	349676	0.23	0.02
	Clearing Member	21936	0	21936	0.01	90150	0	90150	0.06	-0.05
	Directors & Relatives	2274787	269100	2543887	1.70	1728517	269100	1997617	1.33	-0.37
	Hindu Undivided Families	1418533	0	1418533	0.95	2274234	0	2274234	1.52	0.57
	Trusts	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total (B)(2)	38470050	10263804	48733854	32.49	49968937	3694484	53663421	35.77	3.28
	Total Public Shareholding (B)= (B)(1)+(B)(2)	42968617	10270324	53238941	35.49	49987937	3701004	53688941	35.79	0.35
	TOTAL (A)+(B)	139731227	10270324	150001551	100.00	146300547	3701004	150001551	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0.00
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00
	Public	0	0	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	139731227	10270324	150001551	100.00	146300547	3701004	150001551	100.00	0.00

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

S. No.	Shareholders Name	No. of Shares held at the beginning of the year 01.04.2014			No. of Shares held at the end of the year 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	B.Vijayakumar	15000000	10.00	0	15000000	10.00	0	0.00
2	V.Rajvirdhan	10500000	7.00	0	10500000	7.00	0	0.00
3	V.Rajsri	15000000	10.00	0	15000000	10.00	0	0.00
4	Vijayshree Vijayakumar	2001000	1.33	0	1551000	1.03	0	-0.30
5	Vijayshree Karivardhan	61250	0.04	0	61250	0.04	0	0.00
6	Arjun Karivardhan	508520	0.34	0	508520	0.34	0	0.00
7	K.Nithin	507000	0.34	0	507000	0.34	0	0.00
8	Rajiv Parthasarathy	18445	0.01	0	18445	0.01	0	0.00
9	L G Balakrishnan & Bros Ltd	29000000	19.33	0	29000000	19.33	0	0.00
10	Elgi Automotive Services Private Ltd	8437950	5.63	0	8437950	5.63	0	0.00
11	LGB Auto Products Private Ltd	7158510	4.77	0	7158510	4.77	0	0.00
12	LG Farm Products Private Ltd	4657800	3.11	0	4657800	3.11	0	0.00
13	Super Speeds Private Ltd	1639235	1.09	0	1639235	1.09	0	0.00
14	LG Sports Ltd	520000	0.35	0	520000	0.35	0	0.00
15	Super Transports Private Ltd	1725000	1.15	0	1725000	1.15	0	0.00
16	Silent chain India Private Ltd	18000	0.01	0	18000	0.01	0	0.00
17	Tribe Investments and Services Private Ltd	9900	0.01	0	9900	0.01	0	0.00
	Total	96762610	64.51	0	96312610	64.21	0	-0.30

iii) Change in Promoters' shareholding (Please specify, if there is no change)

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Vijayshree Vijayakumar At the Beginning of the year	2001000	1.33	2001000	1.33
Sale on 11.06.2014	(150000)	(0.10)	1851000	1.23
Sale on 14.06.2014	(50000)	(0.03)	1801000	1.20
Sale on 18.06.2014	(50000)	(0.03)	1751000	1.17
Sale on 19.06.2014	(100000)	(0.07)	1651000	1.10
Sale on 05.07.2014	(50000)	(0.03)	1601000	1.07
Sale on 25.03.2015	(25000)	(0.02)	1576000	1.05
Sale on 26.03.2015	(25000)	(0.02)	1551000	1.03
At the end of the year			1551000	1.03

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
iv) Shareholding Pattern of Top Ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs)

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	L.G.B. Educational Foundation **				
	At the beginning of the year	4815640	3.21	4815640	3.21
	Sale on 23.05.2015	128013	0.09	4687627	3.12
	Sale on 30.05.2015	108297	0.07	4579330	3.05
	Sale on 06.06.2014	202834	0.14	4376496	2.91
	Sale on 13.06.2015	1076496	0.72	3300000	2.19
	Sale on 20.06.2014	1055596	0.70	2244404	1.49
	Sale on 30.06.2015	414976	0.28	1829428	1.21
	Sale on 04.07.2014	829428	0.55	1000000	0.66
	Sale on 07.07.2014	190525	0.13	809475	0.53
	Sale on 11.07.2014	150000	0.10	659475	0.43
	Sale on 22.08.2014	19475	0.01	640000	0.42
	Sale on 29.08.2014	170000	0.11	470000	0.31
	Sale on 05.09.2014	157000	0.10	313000	0.21
	Sale on 12.09.2014	263000	0.18	50000	0.03
	Sale on 19.09.2014	50000	0.03	-	-
	At the end of the year 31.03.2015	-	-	-	-

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

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	International Finance Corporation ** At the beginning of the year Sale on 04.04.2014 Sale on 11.04.2014 Sale on 18.04.2014 At the end of the year 31.03.2015	4343607 285485 1483555 2574567 -	2.89 0.19 0.99 1.71 -	4343607 4058122 2574567 - -	2.89 2.70 1.71 - -
3	Sanjeev Vinodchandra Parekh JT1 : Daksha Sanjeev Parekh At the beginning of the year At the end of the year 31.03.2015	1720454 1720454	1.14 1.14	1720454 1720454	1.14 1.14
4	Vinodchandra Mansukhlal Parekh JT1 : Sanjeev Vinodchandra Parekh At the beginning of the year Sale on 04.07.2014 At the end of the year 31.03.2015	1242169 150000 1092169	0.83 0.10 0.73	1242169 1092169 1092169	0.83 0.73 0.73
5	Chandrika Vinodchandra Parekh JT1 : Vinodchandra Mansukhlal Parekh At the beginning of the year Purchase on 18.04.2014 Sale on 20.06.2014 Sale on 04.07.2014 At the end of the Year 31.03.2015	843929 500000 112838 170000 1061091	0.56 0.33 0.07 0.11 0.71	843929 1343929 1231091 1061091 1061091	0.56 0.89 0.82 0.71 0.71
6	Pranav Kumarpal Parekh JT1 : Sanjeev Vinodchandra Parekh At the beginning of the year At the end of the year 31.03.2015	744353 744353	0.50 0.50	744353 744353	0.50 0.50
7	BV Educational Foundation ** At the beginning of the year Sale on 10.10.2014 Sale on 17.10.2014 Sale on 24.10.2014 Sale on 21.11.2014 Sale on 28.11.2014 Sale on 05.12.2014 Sale on 12.12.2014 Sale on 19.12.2014 Sale on 31.12.2014 Sale on 02.01.2015 Sale on 09.01.2015 At the end of the year 31.03.2015	630000 60000 105000 60000 20005 69995 55000 40000 25000 45000 50000 100000 -	0.42 0.04 0.07 0.04 0.01 0.05 0.04 0.03 0.02 0.03 0.03 0.06 -	630000 570000 465000 405000 384995 315000 260000 220000 195000 150000 100000 - -	0.42 0.38 0.31 0.27 0.26 0.21 0.17 0.14 0.12 0.09 0.06 - -

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

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8	B V Medical Foundation **				
	At the beginning of the year	630000	0.42	630000	0.42
	Sale on 19.09.2014	170000	0.11	460000	0.31
	Sale on 30.09.2014	155000	0.10	305000	0.21
	Sale on 03.10.2014	11000	0.01	294000	0.20
	Sale on 10.10.2014	69000	0.05	225000	0.15
	Sale on 17.10.2015	115000	0.08	110000	0.07
	Sale on 24.10.2014	75000	0.05	35000	0.02
	Sale on 14.11.2014	35000	0.02	-	-
	At the end of the year 31.03.2015	-	-	-	-
9	Bharat Jamnadas Dattani				
	At the beginning of the year	556162	0.37	556162	0.37
	Purchase on 09.05.2014	118081	0.08	674243	0.45
	Sale on 04.07.2014	45000	0.03	629243	0.42
	Sale on 07.07.2014	25000	0.02	604243	0.40
	Sale on 11.07.2014	40000	0.03	564243	0.37
	Sale on 01.08.2014	16349	0.01	547894	0.36
	Sale on 08.08.2014	1060	0.00	546834	0.36
	Sale on 22.08.2014	9000	0.00	537834	0.36
	Sale on 21.11.2014	14525	0.01	523309	0.35
	Sale on 28.11.2014	5355	0.00	517954	0.35
	Sale on 06.03.2015	81830	0.05	436124	0.30
	At the end of the year 31.03.2015	436124	0.30	436124	0.30
10	Arjun Parthasarathy				
	At the beginning of the year	2272132	1.51	2272132	1.51
	Sale on 27.02.2015	243480	0.16	2028652	1.35
	Sale on 06.03.2015	273792	0.18	1754860	1.17
	Sale on 13.03.2015	28998	0.02	1725862	1.15
	At the end of the year 31.03.2015	1725862	1.15	1725862	1.15
11	Viraj Sanjeev Parekh *				
	JT1: Sanjeev Vinodchandra Parekh				
	At the beginning of the year	206800	0.13	206800	0.13
	Purchase on 18.04.2014	1246435	0.83	1453235	0.96
	Sale on 01.08.2014	124881	0.08	1328354	0.88
	At the end of the year 31.03.2015	1328354	0.88	1328354	0.88

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

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

	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12	Pushpa Mansukhlal Parekh * JT1 : Sanjeev Vinodchandra Parekh				
	At the beginning of the year	145000	0.10	145000	0.10
	Purchase on 18.04.2014	400000	0.27	545000	0.37
	At the end of the year 31.03.2015	545000	0.37	545000	0.37
13	Daksha Sanjeev Parekh * JT1 : Sanjeev Vinodchandra Parekh				
	At the beginning of the year	220000	0.15	220000	0.15
	Purchase on 18.04.2014	510001	0.34	730001	0.49
	Sale on 01.08.2014	114000	0.08	616001	0.41
	Sale on 16.01.2015	106000	0.07	510001	0.34
	At the end of the year 31.03.2015	510001	0.34	510001	0.34
14	Bharati Bharat Dattani * JT1 : Bharat Jamnadas Dattani				
	At the beginning of the year	451560	0.30	451560	0.30
	Sale on 04.07.2014	15000	0.01	436560	0.29
	Sale on 18.07.2014	11000	0.01	425560	0.28
	At the end of the year 31.03.2015	425560	0.28	425560	0.28

* Not in the list of Top 10 Shareholders as on 31.03.2014. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 31.03.2015

** Ceased to be in the list of Top Shareholders as on 31.03.2015. The same is reflected above since the Shareholder was one of the Top 10 Shareholders as on 31.03.2014.

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Sri.B.Vijayakumar	15000000	10.00	15000000	10.00
Sri.V.Rajvirdhan	10500000	7.00	10500000	7.00
Sri.Rajiv Parthasarathy	18445	0.01	18445	0.01
Sri K.Karthik	0	0	0	0
Sri.K.N.V Ramani	0	0	0	0
Sri.P.Shanmugasundaram	0	0	0	0
Sri.P.V.Ramakrishnan	0	0	0	0
Sri.Harsha Lakshmikanth	0	0	0	0
Ms.Aishwarya Rao	0	0	0	0
Sri.R.Ramakrishnan (CFO)	0	0	0	0
Sri.G.Karthik (CS)	0	0	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3542.16	1567.91	0.00	5110.07
ii) Interest due but not paid	3.90	0.00	0.00	3.90
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	3546.06	1567.91	0.00	5113.97
Change in Indebtedness during the financial year				
Addition	938.01	620.70	0.00	1558.71
Reduction	1306.50	102.19	0.00	1408.69
Net Change	-368.49	518.51	0.00	150.02
Indebtedness at the end of the financial year				
i) Principal Amount	3176.44	2086.42	0.00	5262.86
ii) Interest due but not paid	1.13	0.00	0.00	1.13
iii) Interest accrued but not due	0	0.00	0.00	0.00
Total (i+ii+iii)	3177.57	2086.42	0.00	5263.99

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

₹ in Lakhs

Sl. No	Particulars of Remuneration	Sri.V. Rajvirdhan** Executive Director	Sri. K. Karthik Executive Director	Total
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.07	10.00	12.07
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
2	Stock Options	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify....	0	0	0
5	Others, please specify i. Deferred bonus (pertaining to the current Financial year payable in 2018)ii. Retirals	0	0	0
	Total (A)	2.07	10.00	12.07

**Sri.V.Rajvirdhan was employed for part of the year.

Note: Remuneration includes Salaries and Allowances and Contribution to Provident Fund.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
B. Remuneration to other Directors:

1. Independent Directors

Name of Directors	Particulars of Remuneration			Total (B)(1)
	Fee for attending Board / committee Meetings	Commission	Others, please specify	
Sri. K.N.V. Ramani	16,000	-	-	16,000
Sri. P. Shanmugasundaram	24,000	-	-	24,000
Sri. P.V. Ramakrishnan	24,000	-	-	24,000
Sri. Harsha Lakshmikanth	14,000	-	-	14,000
Ms. Aishwarya Rao**	-	-	-	-
Total Amount in Rupees	78,000	-	-	78,000

 ** Ms. Aishwarya Rao Appointed only on 31st March 2015.

2. Non Executive Directors

Name of Directors	Particulars of Remuneration			Total (B)(2) in Rupees	Total (B) = (B)(1) + (B)(2)
	Fee for attending Board / committee Meetings	Commission	Others, please specify		
Sri. B. Vijayakumar	16,000	-	-	16,000	
Sri. V.Rajvirdhan	12,000	-	-	12,000	
Sri. Rajiv Parthasarathy	20,000	-	-	20,000	
Total Amount in Rupees	48,000	-	-	48,000	1,26,000

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

Sl. No	Particulars of Remuneration	Sri. R. Ramakrishnan Chief Financial Officer	Sri. G. Karthik Company Secretary	Total Amount in Rupees
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	98080	74513	172593
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify	-	-	-
	Total	98080	74513	172593

**Sri.R.Ramakrishnan appointed as Chief Financial Officer on 30th January 2015.

**Sri.G.Karthik appointed as Company Secretary on 30th January 2015.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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

By Order of the Board

Coimbatore
30.04.2015

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

**FORM NO.MR-3
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended 31st March, 2015

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

To

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

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;

b. The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 1992;

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 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 March 31, 2015, 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, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 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 rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. 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;

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The major head/groups of Acts, Laws and Regulations as applicable to the Company are (i) Industrial Laws; (ii) Labour Laws; (iii) Environmental and prevention of pollution Laws; (iv) Tax Laws; (v) Economic and Commercial Laws; (vi) Legal Metrology Act, 2009 and (vii) Acts prescribed under Shops and Establishment Act of various local authorities.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India - not applicable as the same was not notified during the audit period; and
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads and Company Secretary taken on record by the Board

of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Laws.

I further report that during the audit period there were no instances of

- (i) Public/Rights/Preferential Issue of shares/ Debentures/ Sweat Equity etc.
- (ii) Redemption/buy-back of securities
- (iii) Major decisions taken by the members in pursuance of Section 180 of the CompaniesAct, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

P. ESWARAMOORTHY

Place : Coimbatore Company Secretary in Practice
Date : 30.04.2015 FCS:7069 C.P.NO:6510

Annexure A to Secretarial Audit Report

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

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

1. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively are the responsibilities of the management of the Company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in

secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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 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

Place : Coimbatore Company Secretary in Practice
Date : 30.04.2015 FCS:7069 C.P.NO:6510

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy

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

(ii) the steps taken by the company for utilising alternate sources of energy

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

(iii) the capital investment on energy conservation equipment

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

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption

In house research and development activities have been initiated.

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

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

(iii) in case of 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

Research and development expenditure during the year amounts to ₹ 14.70 Lakhs.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings	: ₹ 1022.64 Lakhs
Foreign Exchange used	: ₹ 5.61 Lakhs

By Order of the Board

Coimbatore
30.04.2015

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

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

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2015 ₹ in Lakhs

Sl. No	Director	Category	Remuneration	Median Remuneration	Ratio
1	Sri.B.Vijayakumar	Non-Executive Promoter	-	-	-
2	Sri.V.Rajvirdhan	Non-Executive Promoter	2.07	1.72	1.2 : 1
3	Sri.Rajiv Parthasarathy	Non-Executive Promoter	-	-	-
4	Sri K.Karthik	Executive Director	10.00	1.72	5.8 : 1
5	Sri.K.N.V Ramani	Non-Executive -Independent	-	-	-
6	Sri.P.Shanmugasundaram	Non- Executive Independent	-	-	-
7	Sri.P.V.Ramakrishnan	Non-Executive Independent	-	-	-
8	Sri.Harsha Lakshmikanth	Non- Executive Independent	-	-	-
9	Ms.Aishwarya Rao	Non- Executive Independent	-	-	-

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

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sl. No.	Director	Category	% increase
1	Sri.B.Vijayakumar	Non-Executive Promoter	N.A
2	Sri.V.Rajvirdhan	Non-Executive Promoter	N.A
3	Sri.Rajiv Parthasarathy	Non-Executive Promoter	N.A
4	Sri K.Karthik	Executive Director	0.00
5	Sri.K.N.V Ramani	Non-Executive Independent	N.A
6	Sri.P.Shanmugasundaram	Non-Executive Independent	N.A
7	Sri.P.V.Ramakrishnan	Non-Executive Independent	N.A
8	Sri.Harsha Lakshmikanth	Non-Executive Independent	N.A
9	Ms.Aishwarya Rao	Non-Executive Independent	N.A

Company Secretary & CFO

1	Sri.R.Ramakrishnan**	Chief Financial Officer	Not Applicable since appointed during the year.
2	Sri.G.Karthik**	Company Secretary	Not Applicable since appointed during the year.
3.	Percentage increase in the median remuneration of employees in the financial year.		9.85%
4.	Number of permanent employees on the rolls of Company as on 31 st March, 2015.		362
5.	Explanation on the relationship between average increase in remuneration and company performance		There is no direct relationship between the average increase in remuneration and Company performance. Increments are linked to the cost of living index and Market Compensation

6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The Key Managerial Personnel were Collectively paid a remuneration of ₹ 13.80 lakhs for the financial year 2014-15. This represents 0.17% of total turnover of the Company. The Company believes that the Key Managerial personnel have been compensated commensurate with their Knowledge, experience and contributions; The remuneration paid to the KMP does not impact the Company's performance significantly.
7.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	<ol style="list-style-type: none"> 1. Variation in Market Capitalization Market Capitalization as at 31st March 2014 - 22.65 Crores. Market Capitalization as at 31st March 2015- 95.40 Crores 2. Variation in Price Earning (PE) Ratio PE Ratio as at 31st March 2014- ₹ 7.55 PE Ratio as at 31st March 2015 is 0. 3. Percentage increase in the market quotation of the Shares of the Company in comparison to the rate at which the company came out with last Public Offer: 536%
8.	Average Percentile increase already made in the salaries of employees other than Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase of managerial remuneration.	Not Applicable. Since there is no increase of Managerial remuneration in the last financial year.
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Covered in Clause 6 above.
10.	Key parameters for any variable component of remuneration availed by the directors	<p>Non Executive Directors: The Company does not pay any variable component of remuneration to Non-Executive Directors as they are paid only sitting fees for attending the Meetings.</p> <p>Executive Directors: The Company does not pay any variable component of remuneration to Executive Director. The remuneration payable to Executive Director is fixed and approved by the Members.</p>
11.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	1 : 1.009
12.	Affirmation that the remuneration is as per the remuneration policy of the company	Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

By Order of the Board

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

Coimbatore
30.04.2015

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

Current year forging industry is likely to see a marginal increase in production compared to the previous year based on the anticipated growth in the automotive sector. The non-automotive sector is expected to continue in the current pattern.

OPPORTUNITIES:

During the Year 2014-15, LGB Forge Limited had continued to execute the cost control measures identified by 2013-14. This has helped the Company to become leaner in terms of cost structure.

Indian Auto Industry has not shown any signs of recovery during the financial year 2014-15. However your Company catering to Auto industry has shown stable growth. With the Government policies expected to remain stable and fiscal policies expected to become flexible during the year 2015-16 in terms of lower lending rates, your Company expects good growth opportunities in the coming years.

THREATS AND RISK & CONCERNS:

The overall power situation, increasing power cost, labour cost, consumables cost and general inflation will pose a threat to the Indian forging Industry.

Higher level of Automation will become order of the day and your Company will strive to focus on these areas to remain competitive in the Market. Cold forging division although relying less on power is located in Tamil Nadu and will be potentially exposed risk of power fluctuation in line with prevailing scenario in the state.

SEGMENT:

Your Company operates in only one segment-Forging

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company's internal control system has been designed & implemented, taking into account the nature of business and size of operations, to provide for:

- ❖ Reliability and integrity of financial and operational information
- ❖ Effectiveness and efficiency of operations and assets
- ❖ Compliance with applicable statutes, policies, listing requirements, management policies and procedures

The Company, through its own Internal Audit Department, carries out periodic audits at all locations and all functions and brings out any deviation to internal control procedures. The observations arising out of auditor periodically reviewed and compliance ensured. The summary of the internal audit observations is submitted to the Audit Committee. The Audit Committee at their meetings regularly review the financial, operating, internal audit & compliance reports to improve performance. The heads of various monitoring / operating cells are present for the Audit Committee meetings to answer queries from the Audit Committee

HEALTH, SAFETY, SECURITY ENVIRONMENT

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

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Employer - employee relation remained cordial during the year. Training and development of employees continue to be an area of prime importance.

RISK MANAGEMENT

To enhance the risk management process, the company has identified and prioritized the risks. Risk mitigation activity plans are established and executed as and when need arises. Periodical reviews are carried out to assess the risk levels and its mitigation plans.

CAUTIONARY STATEMENT

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

By Order of the Board

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

Coimbatore
30.04.2015

CORPORATE GOVERNANCE
1. Company's Philosophy on Code of Governance

LGB Forge believes in maximizing shareholders values by adopting transparent practices and high standards of Corporate Conduct towards stakeholders. The Philosophy of Corporate Governance is a principle based approach as codified in Clause 49(I) of the Listing Agreement, encompassing the fundamentals of rights and roles of various stakeholders of the Company, disclosure, transparency and Board responsibility.

Your Company is in compliance with the requirement of Clause 49 on Corporate Governance as they stood during the relevant period of FY 2014-15. All clauses/references in this Section on Corporate Governance refer to the Clause 49 of the Listing Agreements as it stands as on 31st March 2015.

A report on the matters mentioned in the said clause and practices/procedures followed by your company for the year ended on 31st March, 2015 is detailed below.

2. Board of Directors

Composition/Category of Directors/Attendance at Meetings/Directorship and Committee Memberships in other Company as on 31st March, 2015.

Your Company's Board has an optimum combination of Executive, Non-Executives, Independent Directors and a Women Director as per requirements of Clause 49 of the Listing Agreement as well as the Companies Act, 2013.

The present strength of the Board of Directors is a mix of three Non-Executive Directors, one Executive Director and five independent Directors including a Woman Director.

The Chairman of the Board is non Executive promoter.

The Independent Directors of the Company are in compliance with the provisions of Clause 49(II)(B)(2). Further disclosures have been made by the Directors regarding their Chairmanship /Membership of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under clause 49(II)(D)(2) of the Listing Agreement.

The Composition of the Board of Directors as on 31st March 2015 and other relevant details are as under:

Name of the Directors	Category	Attendance			Directorship ^(A) / Mandatory Committee ^(B) Memberships		
		No. of Board Meetings held during the year ⁽¹⁾	No. of Board Meetings attended	Last AGM Attendance	Directorship in Public Companies ^(C) ^(D)	Membership of mandatory committees ^(C)	Chairmanship of mandatory committees ^(C)
Sri. B. Vijayakumar Chairman	Non- Executive Promoter	4	4	Yes	9	3	0
Sri. V. Rajvirdhan Vice Chairman	Non-Executive Promoter	4	4	Yes	6	1	0
Sri. Rajiv Parthasarathy	Non- Executive Non Independent	4	4	Yes	3	1	0
Sri. K. Karthik Executive Director	Executive Non-Independent	4	4	Yes	1	0	0
Sri. K.N.V. Ramani	Non- Executive Independent	4	3	No	6	4	1
Sri. P.Shanmugasundaram	Non- Executive Independent	4	4	Yes	2	0	2
Sri. P.V. Ramakrishnan	Non- Executive Independent	4	4	No	1	1	1
Sri. Harsha Lakshmikanth	Non- Executive Independent	4	2	No	2	1	0
Ms.Aishwaraya Rao ⁽²⁾	Non- Executive Independent	0 ⁽³⁾	0	N.A	1	0	0

(1) excluding the separate meeting of Independent Directors, in which Non Independent Directors were not eligible to participate.

(2) appointed w.e.f. 31st March, 2015.

(3) No meeting was held since her appointment.

(A) Directorship in foreign companies and membership in governing councils, chambers and other bodies are not included.

(B) Mandatory Committees are the Committees prescribed under the Listing Agreement i.e. Audit Committee and Stakeholder Relationship Committee of public companies.

(C) Including LGB Forge Limited.

(D) Private Companies which is subsidiary of public Company is considered as a public company.

Also, a separate meeting of Independent Directors was held on 16th March 2015 which was attended by all the Independent Directors.

2.1. Details of number of Board Meetings and dates of Board Meetings.

During the financial year 2014-15, four meetings of the Board of Directors were held on 15th May 2014, 01st August, 2014, 06th November, 2014, and 30th January, 2015.

Additionally a separate meeting of Independent Directors was held on 16th March 2015.

3. Audit Committee

3.1. Terms of reference of Audit Committee.

The terms of reference of this Committee covers matters specified under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and rules made there under and other matters referred by the Board from time to time.

3.2. Composition of Committee & Meetings.

The Board has constituted a well-qualified Audit Committee. The Committee comprises of four Directors, out of three are Independent Directors. The Chairman of the Committee is Independent Director and all the members of the Audit Committee are financially literate.

During the financial year 2014-15, four meetings were held on 14th May 2014, 31st July 2014, 05th November 2014 and 29th January 2015. The Composition of the Committee as on 31st March 2015 and member's attendance at the meetings during the year as under:

Name of the Member	Category	Designation	No of Meetings	
			Held	Attended
Sri. P. Shanmugasundaram	Independent Non Executive	Chairman	4	4
Sri. P.V. Ramakrishnan	Independent Non Executive	Member	4	4
Sri. Harsha Lakshmikanth	Independent Non Executive	Member	4	2
Sri. Rajiv Parthasarathy	Non Executive Director	Member	4	4

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

The Executive Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are the permanent invitees of the Audit Committee and the Company Secretary attended the meetings as Secretary of the Committee.

4. Nomination and Remuneration Committee

4.1. Terms of reference of Audit Committee.

The terms of reference of this committee covers matters specified under clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 and rules made there under and other matters referred by the Board from time to time.

4.2. Composition/Names of the members and chairman/Attendance

During the financial year 2014-15, three meetings were held. The Composition of the Committee as on 31st March 2015 and member's attendance at the meetings during the year as under:

Name of the Member	Category	Designation	No of Meetings	
			Held	Attended
Sri. K.N.V. Ramani	Independent Non Executive	Chairman	3	3
Sri. P. Shanmugasundaram	Independent Non Executive	Member	3	3
Sri. P.V. Ramakrishnan	Independent Non Executive	Member	3	3
Sri.V.Rajvirdhan ⁽¹⁾	Non Executive Director	Member	1 ⁽²⁾	1

⁽¹⁾ appointed on 30th January 2015.

⁽²⁾ One meeting was held since his appointment.

4.3 Remuneration Policy
A. Remuneration policy to Directors.

The Committee has formulated Policy for Remuneration of Directors, KMP and other employees. As per the policy, remuneration to Non-executives and Independent Directors entitled for sitting fees for attending meetings of the Board as well as Committees of the Board has decided by the Board within the limits prescribed under the Companies Act.

Further, as per the policy, remuneration to Executive Directors shall be fair and reasonable after taking into account, level of skill, knowledge and core competence of individual, functions, duties and responsibilities and other factors laid down in the policy.

B. Remuneration policy to Key Managerial Personnel (KMP) and Senior Management.

The Compensation of Key Managerial Personnel (KMP) and Senior Management person shall be approved by the Nomination and Remuneration Committee. The Compensation of a KMP and Senior Management personnel is done keeping in consideration of the prevailing market value of resources, criticality of their role and responsibilities.

4.4 Details of Remuneration paid to Directors during the financial year ended on 31st March, 2015
a) Remuneration paid/payable to the Executive Directors for the financial year ended March 31, 2015 is given as under :

Name of Directors	Service Contract	Salary & Allowances ⁽¹⁾ ₹ in Lakhs	Commission	Employees Stock Option Plan	Total ₹ in Lakhs
Sri.V.Rajvirdhan** Executive Director	Appointed for a period of 3 years as Executive Director with Effect from 01.02.2013.	2.07	0	Nil	2.07
Sri.K. Karthik Executive Director	Appointed for a period of 3 years with effect from 01.02.2014.	10.00	0	Nil	10.00

**Sri.V.Rajvirdhan has relinquished his office as a Executive Director with effect from 16.05.2014

⁽¹⁾ Salary & Allowances includes Salary and Company's Contribution to Provident fund.

B. Remuneration paid/payable to Independent Directors and Non-Executive Director for the financial year ended March 31, 2015 is given as under

The Independent Directors and Non-Executive Director 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 ₹

Name of Directors	Sitting Fees	Commission	Employees Stock Option Plan	Total
Sri.B.Vijayakumar	16000	-	-	16000
Sri.V.Rajvirdhan ⁽¹⁾	12000	-	-	12000
Sri.Rajiv Parthasarathy	20000	-	-	20000
Sri.P.Shanmugasundaram	24000	-	-	24000
Sri.KNV Ramani	16000	-	-	16000
Sri.P.V.Ramakrishnan	24000	-	-	24000
Sri.Harsha Lakshmikanth	14000	-	-	14000
Ms.Aishwarya Rao ⁽²⁾	0 ⁽³⁾	-	-	0
Total	126000	-	-	126000

⁽¹⁾ Sri.V.Rajvirdhan has become a Non-Executive Director w.e.f 16.05.2014

⁽²⁾ Ms.Aishwarya Rao was appointed as Director on 31st March 2015.

⁽³⁾ No meeting was held since her appointment.

c) Statement showing number of Equity Shares of ₹ 1/-each of the Company held by the present Non-Executive Directors as on March 31, 2015 :

Name	No. of shares held as on 31.03.2015	% of Holding
Sri. B. Vijayakumar	15,000,000	10.00
Sri.V.Rajvirdhan ⁽¹⁾	10,500,000	7.00
Sri. K.N.V. Ramani	-	-
Sri. P. Shanmugasundaram	-	-
Sri. P.V. Ramakrishnan	-	-
Sri. Harsha Lakshmikanth	-	-
Sri. Rajiv Parthasarathy	18,445	0.01
Ms. Aishwarya Rao	-	-

⁽¹⁾ Sri.V.Rajvirdhan has become a Non-Executive Director w.e.f 16.05.2014

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

The Company has not given any stock option scheme during the year.

4.5. Performance evaluation of Directors

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of the Board and Independent Directors. The Board carried out the annual performance evaluation of Board Committees and the Independent Directors, whereas at a separate meeting, Independent Directors evaluated the performance of Executive Director, Board as a whole and of the Chairman. Nomination and Remuneration Committee also evaluated individual directors' performance.

(A) Performance Evaluation of the Board as whole:

Evaluation Criteria for evaluation of Board inter alia covers: Composition in light of business complexities and statutory requirements; Establishment of vision, mission, objectives and values of the Company;

Laying down strategic road map for the Company and annual business plans; growth attained by the Company; providing leadership and directions to the company and employees.

(B) Performance Evaluation of Executive Director:

Evaluation Criteria for Executive Director inter alia includes: level of skill, knowledge and core competence; performance and achievement vis-à-vis budget and operating plans. Effectiveness towards ensuring the statutory compliances; discharging duties/responsibilities towards all stakeholders; reviewing/monitoring executive management performance, adherence to ethical standards and of integrity and probity.

(C) Performance Evaluation of Independent Directors:

Evaluation Criteria of Independent Directors based on the objectivity & constructivity while exercising duties; providing independent judgment on strategy, performance, risk management and Board deliberations; attendance and active participation in Board and Committees; devotion of sufficient time for informed decision making; exercising duties in bona fide manner; safeguarding interest of all the stakeholders;

(D) Performance Evaluation of Chairman

Evaluation criteria for Chairman inter alia includes : providing guidance and counsel in strategic matters; providing overall directions to the Board towards achieving Company’s objectives; effectiveness towards ensuring statutory compliances; maintaining the critical balance between the views of different board members; ensuring maximum participation and contribution by each board member; monitoring effectiveness of Company’s governance practices; conducting Board and Shareholders meetings in effective and orderly manner etc;

(E) Performance Evaluation of Committees

Evaluation criteria for Committees inter alia includes: effectiveness in discharging the duties and functions conferred; setting up and implementing the various policies, procedures and plans, effective use of Committee’s powers as per the terms of the reference, periodicity of meetings; attendance and participation of committee members; providing strategic guidance to the Board on various matters coming under the committee’s purview etc.

5. Stakeholders’ Relationship Committee:

In compliance with Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement entered into with Stock Exchanges, the nomenclature of Shareholders / Investor Grievance Committee was changed to Stakeholders’ Relationship Committee. This 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, transfers and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialization / re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

5.1 Composition of the Committee

Stakeholders’ Relationship Committee consists of the following Directors.

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

During the year under review, the Committee met 17 times to deliberate on various matters referred above.

5.2 Name and Designation of Compliance officer.

Sri.G.Karthik, Company Secretary, acts as Secretary to the Committee. He is the Compliance Officer of the Company and also responsible for Redressal of investors complaints.

5.3 Details of Complaints received from the Shareholders and pending complaints.

The Company has been receiving various correspondences from shareholders and required information/ documents are furnished immediately to the satisfaction of shareholders. At the beginning of the year, no complaint was pending. During the year ended 31st March, 2015, the Company received no complaint from investors and also no investor complaint was pending on 31st March 2015.

Pursuant to clause 47(c) of the Listing Agreement, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

6. General Body Meetings: Details of the Last 3 AGMs are given as under
6.1 Location / time/ Special resolution Details of the last 3 AGMs are given under:

Year	Date	Time	Venue	Special Resolution passed
2012	09.07.2012	09.15 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18	No
2013	08.08.2013	09.15 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18	Re - appointment of Sri V. Rajvirdhan as an Executive director.
2014	09.07.2014	09.00 A.M.	Ardra," Kaanchan, 9, North Huzur Road, Coimbatore- 18	Appointment of Sri.P.Shanmugasundaram as Independent Director of the Company for a term upto 8 th July 2019
				Appointment of Sri.K.N.V Ramani as Independent Director of the Company for a term up to 8 th July 2019
				Appointment of Sri.P.V.Ramakrishnan as Independent Director of the Company for a term up to 31 st August 2019
				Appointment of Sri.Harsha Lakshmikanth as Independent Director of the Company for a term up to 31 st August 2019
				Appointment of Sri.K.Karthik as Executive Director of the Company for the period of Three Years w.e.f. 1.02.2014
				Alteration of Clause 43 of the Articles of Association of the Company
				To authorize Board of Directors to enter into contracts and/or agreements with the related parties as defined under the Companies Act, 2013.

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

6.2 Special Resolution(s) passed through Postal Ballot/ Voting pattern.

During the year, the Company had sought approval from shareholders for below mentioned subjects through Postal Ballot.

1. Approval for Borrowing in excess of paid up Capital and free reserves pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013.
2. Approval for creation of Charges /mortgage etc. on Company's movable or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013.
3. Approval for Related Party Transactions.

The Company has also provided e-voting facility for the postal ballot. The Board had appointed Sri.P.Eswaramoorthy, B.SC, FCS; Company Secretary in Practice, Coimbatore as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

VOTING PATTERNS OF POSTAL BALLOT RESOLUTIONS AND RESULTS

Sl. No	Particulars	Resolution No. 1	Resolution No.2	Resolution No.3
1	Type of resolution	Special	Special	Special
2.	Subject Matter Resolution	Approval for Borrowing in excess of Paid up capital & Free reserves. U/s. 180(1)(c) of the Companies Act, 2013.	Approval for Creation of Charges/Mortgage etc. on company's Assets. U/s.180(1)(a) of the Companies Act, 2013	Approval for Related Party Transactions
3.	Valid Votes cast in favour	99502920	99487863	3645456
4.	Valid Votes cast against	38949	39416	35243
5.	Votes in favour as percentage of total votes	99.96%	99.96%	99.04%

6.3 Procedure for Postal Ballot

The Company had vide Postal Ballot Notice dated 1st August 2014 sought approval for shareholders for above mentioned resolutions. It had completed dispatch of Notice of Postal Ballot along with Postal Ballot form and self addressed reply envelop on 9th August 2014, whose names appear on the Register of members/list of beneficial owners, as received from NSDL/CDSL on 1st August 2014.

E-mails were sent to the shareholders desirous of receiving Notice through email under Section 110 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

The voting period commenced 10th August 2014 at 9.30 a.m and closed on 9th September 2014 at 5.00 p.m. Scrutinizer had submitted his report on 10th September 2014. On the basis Scrutinizer's report, the result of postal ballot was declared on 11th September 2014 at the registered office of the Company and the same have been uploaded on the website of Company i.e. www.lgbforge.co.in

7. Disclosures**7.1 Related Party Transactions**

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e www.lgbforge.co.in

7.2 Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

7.3 Compliance Status of the Company

There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital markets, during the last three years.

7.4 Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the policy on Vigil Mechanism/Whistle Blower for Directors and employees of the Company. The whistle blower policy is disclosed on the website of the Company ie. www.lgbforge.co.in

Further your Company affirms that no personnel have been denied access to the audit committee.

7.5 Details of Compliance with Mandatory requirements and adoption of the non-mandatory requirements.

Your Company has complied with all the applicable mandatory requirements of the Clause 49 of the Listing Agreement of the Stock Exchange relating to Corporate Governance. Further, your Company has adopted two non-mandatory requirements of the clause 49 of the Listing Agreement relating to (i) endeavor to have unqualified financial statements, and (ii) direct reporting of the Internal Auditor to the Audit Committee.

7.6 Code 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, 1992. This code is applicable to all Directors/officers/designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

7.7. Executive Director / CFO Certification

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

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

7.8. Code of Conduct for Directors and Senior Management

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website. All the Board Members and the senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March 2015. The Company's Executive Director's declaration to this effect is as follows.

Declaration of Code of Conduct**To****The Members of LGB Forge Limited**

In accordance with Clause 49(II)(E) of the Listing Agreement entered with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel including me, have affirmed compliance to their respective Codes of Conduct, as applicable for the financial year ended on 31st March, 2015.

Coimbatore
30.04.2015

K. KARTHIK
Executive Director
DIN: 06846794

7.9. Disclosure of details of Unclaimed Shares (under Clause 5A of the Listing Agreement):

In terms of the amended Clause 5A of the Listing Agreement, the Company is following the prescribed procedure for opening the 'Unclaimed Suspense Account' in respect of the unclaimed physical share certificates. The disclosure of details of the unclaimed suspense account in terms of Clause 5A II (h) of the Listing Agreement are as follows:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account (Opening Balance of Account)	288	326960
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and outstanding shares in the suspense account lying as on end of the financial year	288	326960

The voting rights on the shares in the suspense account as on 31st March, 2015 shall remain frozen till the rightful owners of such shares claim them.

8. Means of Communication

The Company is regularly providing details of new Directors and Directors seeking re-appointment in the Annual General Meeting notice attached with the Annual Report.

(i) Financial Results

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

(ii) Official News Releases:

Official news releases are made whenever it is considered necessary.

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

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

9. Shareholder Information :

- a. Annual General Meeting is proposed to be held at 09.00 A.M. on Thursday the 10th September, 2015 at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore- 641 018.
- b. Financial Calendar
 Financial Year : April to March
 For the year ended 31st March 2014, results were announced on 30.04.2015
Financial Year - 2014-15
 Quarter ending June 2015 - End of July 2015*
 Quarter ending September 2015 - End of October 2015*
 Quarter ending December 2015 - End of January 2016*
 Year ended 31-03-2016 - End of April 2016*
 * Tentative
- c. Date of Book Closure - 04.09.2015 to 10.09.2015 (both days inclusive)
- d. Listing on Stock Exchanges - The Shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).
- e. Stock Code / Symbol - BSE : 533007
 - NSE : LGBFORGE
- f. ISIN Number - Equity : INE201J01017
- g. Listing Fees to Stock Exchanges - The Company has paid the Listing Fees for the financial year 2015-2016 to the above Stock Exchanges.

9.1 MARKET PRICE DATA:

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

Stock market data for the year 2014-2015

The high and low prices during each month in the last financial year on National Stock Exchange and Bombay Stock Exchange are given below - Equity Shares

	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2014	1.90	1.45	2.20	1.45
May	2.40	1.85	2.42	1.81
June	3.65	2.15	3.91	2.2
July	5.80	3.25	5.62	3.20
August	5.25	3.75	5.36	3.65
September	5.65	3.75	5.54	3.80
October	5.25	3.65	5.25	3.75
November	4.90	3.55	4.99	3.55
December	4.00	3.15	3.95	3.10
January - 2015	5.95	3.35	5.95	3.30
February	7.25	3.85	7.20	3.87
March	7.30	5.30	7.40	5.32

(Source: BSE and NSE Web site)

9.2. Registrar & Transfer Agents

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

9.3 Share Transfer System

For Shares held in physical form, all requisite documents for share transfer should be sent to the Registrar and Transfer Agent of the Company. The share transfers in physical forms will be generally approved within 15 days from the date of receipt subject to all documents being in order.

For shares held in dematerialised form, kindly contact your depository participant with whom your demat account is held.

9.4 Distribution of Shareholding as on 31st March, 2015

Range	No. of Holders	No. of Shares	% of Shares
1 - 100	3,641	243,064	0.16
101 - 500	5,125	1,692,989	1.13
501 - 1000	2,831	2,480,240	1.65
1001 - 2000	1,736	2,795,803	1.86
2001 - 3000	675	1,776,751	1.18
3001 - 4000	410	1,491,906	1.00
4001 - 5000	376	1,807,280	1.20
5001 - 10000	709	5,416,361	3.62
10001 - and above	731	132,297,157	88.20
Total	16,234	150,001,551	100.00

Pattern of Shareholding as on 31st March 2015

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and promoters group	17	96,312,610	64.21
2	Financial Institutions, Banks	2	16,020	0.01
3	Insurance Companies	0	0	0
4	Foreign Institutional Investors / NRI / OCB	85	359,176	0.24
5	Bodies Corporate	707	5,903,422	3.93
6	Public	15,423	47,410,323	31.61
	Total	16,234	150,001,551	100.00

9.5 Dematerialization of Shares as on 31st March, 2015.

Particulars	No. of Shares	Percentage (in Share Capital)
National Securities Depository Limited	135,747,057	90.50
Central Depository Services (India) Limited	10,553,490	7.03
Physical	3,701,004	2.47
Total	150,001,551	100.00

9.6 Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed Capital. The Audit carries out every quarter and report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in physical mode.

9.7. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity.

No GDR/ADRs/Warrants or any Convertible Instruments are outstanding as on 31st March 2015 having an impact on equity.

9.8. Plant Locations

1. Cold Forging Unit K.Palayam Plant, Pillaiyar Kovil Street, Near Power House, Kondayampalayam, Kottaipalayam(Post), Coimbatore-641110 TamilNadu	2. Hot Forging Unit Mysore Plant, Plot 80 & 81, 5 th Mile, KRS Road, Metagalli Post, Mysore-570016 Karnataka.
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9.9. Address for Correspondence

G. Karthik Company Secretary 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore- 641 006 Phone : 0422 - 3911199 Fax : 0422 - 3911163 E-Mail : karthikganesan@lgb.co.in
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CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of LGB Forge Limited

I have examined all the relevant records of LGB Forge Limited (“the Company”) for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended 31.03.2015. 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 of 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 the compliance of the conditions of the 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 all the mandatory conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement.

CS.P.Eswaramoorthy

Company Secretary in Practice

5th Street, Ramalinga Jothi Nagar,

Near Corporation Office, Nanjundapuram Road,

Ramanathapuram, Coimbatore-641045

FCS No.6510, C.P.No.7069

Place : Coimbatore

Date : 30.04.2015



CERTIFICATE PURSUANT TO CLAUSE 49 (IX) OF THE LISTING AGREEMENT.

We, K. Karthik Executive Director and R.Ramakrishnan, Chief Financial Officer hereby certify for the financial year ended on 31st March 2015 that:

- A) We have reviewed the financial statements and Cash Flow Statement for the year ended March, 31, 2015 and to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violative of the Company's Code of Conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) We have indicated to the Auditors and Audit Committee that:
- (i) There are no significant changes in internal controls over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - (iii) there are no instance of significant fraud which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Coimbatore
Date : 30.04.2015

K. KARTHIK
Executive Director
DIN : 06846794

R. RAMAKRISHNAN
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT**To the Members of LGB Forge Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of LGB Forge Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 34 to the financial statements regarding the change in accounting policy with respect to method of providing depreciation.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Order is yet to be notified in the Gazette of India.
- (2) As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Coimbatore
30.04.2015

For Haribhakti & Co. LLP
ICAI Firm Registration No. 103523W
Chartered Accountants
C.S. SATHYANARAYANAN
Membership No. 028328
Partner

ANNEXURE TO INDEPENDENT AUDITORS' 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, 2015

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) (a) The inventory (excluding stock lying with third party) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As informed no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of

our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the

Investor Education and Protection Fund by the Company.

- (viii) In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. Further, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

Coimbatore
30.04.2015

For **Haribhakti & Co. LLP**
ICAI Firm Registration No. 103523W
Chartered Accountants
C.S. SATHYANARAYANAN
Membership No. 028328
Partner

**BALANCE SHEET AS AT 31st MARCH, 2015**

Particulars	Note No.	AS AT 31.03.2015 (₹ in lakhs)	AS AT 31.03.2014 (₹ in lakhs)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,500.02	1,500.02
(b) Reserves and surplus	3	(354.94)	(225.55)
2 Non-current liabilities			
(a) Long-term borrowings	4	750.00	1,750.00
(b) Long-term provisions	5	6.10	0.23
3 Current liabilities			
(a) Short-term borrowings	6	1,426.44	792.16
(b) Trade payables		1,746.94	1,164.87
(c) Other current liabilities	7	1,334.51	1,406.71
Total		6,409.07	6,388.44
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		1,466.01	1,938.20
(ii) Intangible assets		5.96	3.65
(b) Long-term loans and advances	9	110.61	114.42
2 Current assets			
(a) Inventories	10	1,648.68	1,797.03
(b) Trade receivables	11	2,848.90	2,393.89
(c) Cash and cash equivalents	12	9.01	3.49
(d) Short-term loans and advances	13	319.90	137.76
Total		6,409.07	6,388.44

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

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

“As per our Report of even date”
For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration No. 103523W

Coimbatore
30.04.2015

R. RAMAKRISHNAN
Chief Financial Officer

G. KARTHIK
Company Secretary

C.S. SATHYANARAYANAN
Membership No. 028328
Partner

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2015**

Particulars	Note No.	YEAR ENDED	YEAR ENDED
		31.03.2015	31.03.2014
		₹ in lakhs	₹ in lakhs
I. Income			
Revenue From Operations (Gross)	14	8,880.84	9,575.93
Less: Excise duty		864.58	921.52
Revenue From Operations (Net)		8,016.26	8,654.41
II. Other income	15	246.91	214.07
III. Total Revenue (I + II)		8,263.17	8,868.48
IV. Expenses:			
a. Cost of materials consumed	16	3,934.90	4,348.67
b. Changes in inventories of finished goods and work-in-progress	17	(50.95)	33.20
c. Employee benefits expense	18	1,021.03	904.72
d. Finance costs	19	427.00	608.84
e. Depreciation and amortization Expenses	8 & 34	390.45	801.15
f. Other expenses	20	2,741.85	2,727.35
Total Expenses		8,464.28	9,423.93
V. Profit /(Loss) before exceptional items and tax (III-IV)		(201.11)	(555.45)
VI. Exceptional items (refer Note no.33)		187.32	862.52
VII. Profit / (Loss) before tax (V - VI)		(13.79)	307.07
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
IX. Profit / (Loss) for the year (VII - VIII)		(13.79)	307.07
X Earnings per equity share:	21		
(1) Basic		(0.01)	0.20
(2) Diluted		(0.01)	0.20

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

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

“As per our Report of even date”
For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration No. 103523W

Coimbatore
30.04.2015

R. RAMAKRISHNAN
Chief Financial Officer

G. KARTHIK
Company Secretary

C.S. SATHYANARAYANAN
Membership No. 028328
Partner

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015**Note 1.****SIGNIFICANT ACCOUNTING POLICIES****i. Basis of preparation**

The financial statements have been prepared to comply in all material respects with the accounting standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except as specified in Note No. 34 in financial statements.

ii. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognized in the year in which the events become known / are materialized.

iii. Fixed Assets & Depreciation

- a) Fixed Assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation, accumulated amortization and cumulative impairment. Costs include pre-operative expenses and all expenses
- b) Own manufactured assets are capitalized at cost including an appropriate share of overheads.
- c) Depreciation on assets has been provided on Straight line method at useful lives specified in the Schedule II of the Companies Act, 2013.
- d) As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- i) the provision for impairment loss, if any, required or;
- ii) the reversal, if any, required of impairment loss recognised in previous periods. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

iv. Valuation of Inventories

- a) Inventories are valued at lower of cost and estimated net realizable value. Cost is arrived at on weighted average basis.
- b) Excise Duty is added in the Closing Inventory of Finished Goods & Scrap.
- c) The basis of determining cost for various categories of inventories are as follows:
 - i) Raw Materials, Packing Materials and Stores and spares: Weighted Average basis.
 - ii) Finished Goods and Work-in-Progress: Cost of Direct Material, Labour and other Manufacturing overheads.

v. Revenue Recognition

- a) The Company generally follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- b) Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on despatch of goods.
- c) Claims made by the Company and those made on the Company are recognized in the Statement of Profit and Loss as and when the claims are accepted.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable .

vi. Foreign Currency Transactions

- a) Foreign currency transactions are recorded at exchange rates prevailing on the date of such transaction.

- b) Foreign currency monetary assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and difference on realignment is recognized in the Statement of Profit and Loss.

vii. Research and Development

Revenue expenditure on Research and Development is charged under respective heads of account. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

viii. Employee Benefits

- a) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- b) Post employment and other long term benefits which are defined benefit plans are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognized based on the present value of the obligation determined in accordance with Revised Accounting Standard 15 on Employee Benefits. Actuarial gains & losses are charged to the Statement of Profit and Loss.
- c) Payments to defined contribution schemes are charged as expense as and when incurred.
- d) Termination benefits are recognized as an expense as and when incurred.

ix. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All other borrowing costs are charged to revenue. A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale.

x. Taxes on Income

Current tax on income for the 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 assessment / appeals. Deferred tax is recognized on timing 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 virtual certainty that sufficient future income will be available against which such deferred tax assets can be realized.

xi. Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognised as assets of the Company on the date of acquisition and depreciated over their estimated useful lives. Finance costs are treated as period cost using effective interest rate method and are expensed accordingly. Rentals payable under operating leases are expensed as incurred.

xii. CENVAT/Service Tax

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

xiii. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted

average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any. For the purpose of calculating diluted earnings per share, the net 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.

xiv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for

- (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- (ii) Present obligations arising from past events where it is not probable that an outflow of

resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

xv. Cash and Cash equivalents

Cash flow are reported using the indirect method, where by net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the Company. Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to Financial Statements for the year ended 31st March 2015
EQUITY AND LIABILITIES
SHAREHOLDERS' FUNDS
2. SHARE CAPITAL

PARTICULARS	AS AT 31.03.2015		AS AT 31.03.2014	
	In numbers	₹ in lakhs	In numbers	₹ in lakhs
Authorised				
300,000 Redeemable Preference Shares of ₹ 100/- each	300,000	300.00	3,00,000	300.00
170,000,000 Equity Shares of ₹ 1/- each	170,000,000	1700.00	170,000,000	1,700.00
		2000.00		2,000.00
Issued				
150,001,551 Equity Shares of ₹ 1/- each	150,001,551	1,500.02	150,001,551	1,500.02
Subscribed & Fully paid up				
150,001,551 Equity Shares of ₹ 1/- each	150,001,551	1,500.02	150,001,551	1,500.02

a. Terms/Rights attached to Equity shares

The Company has one class of issued shares referred to as equity shares having a par value of ₹ 1/- Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of Directors, if any, is subject to the approval of shareholders in Annual General Meeting. In the event of liquidation of the Company the holder of the equity shares will be entitled to receive remaining assets of the Company after settlement of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

b. Reconciliation of the number of Shares outstanding and the amount of Share Capital as at March 31, 2015 and March 31, 2014.

Equity shares (Issued Capital)	As at 31.03.2015		As at 31.03.2014	
	In numbers	₹ in lakhs	In numbers	₹ in lakhs
Shares outstanding at the beginning of the year	150,001,551	1,500.02	150,001,551	1,500.02
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	150,001,551	1,500.02	150,001,551	1,500.02

c. Details of Shareholders holding more than 5% shares in the Company :

S. No.	Name of Shareholder	Equity Shares			
		As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	L.G.Balakrishnan & Bros Limited	29,000,000	19.33	29,000,000	19.33
2	Smt. V. Rajsri	15,000,000	10.00	15,000,000	10.00
3	Sri. B. Vijayakumar	15,000,000	10.00	15,000,000	10.00
4	Sri.Vijayakumar Rajvirdhan	10,500,000	7.00	10,500,000	7.00
5	Elgi Automotive Services P ltd	8,437,950	5.63	8,437,950	5.63

d. There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Notes to Financial Statements for the year ended 31st March 2015
3 RESERVES & SURPLUS

	Description	AS AT	AS AT
		31.03.2015 (₹ in lakhs)	31.03.2014 (₹ in lakhs)
a. Capital Reserves			
	Opening / Closing Balance	2,898.85	2,898.85
b. Securities Premium Account			
	Opening / Closing balance	875.01	875.01
c. Surplus			
	Opening balance	(3,999.44)	(4,306.51)
	(+) Net Profit / (Net Loss) for the current year	(13.79)	307.07
	(-) Depreciation as per transition provision in Note 7 (b) of Schedule II of Companies Act, 2013 (refer Note No.34)	(115.57)	-
	Closing Balance	(4,128.77)	(3,999.44)
	Total	(354.94)	(225.55)

NON-CURRENT LIABILITIES
4 LONG TERM BORROWINGS

PARTICULARS	₹ in lakhs			
	Non-Current Portion		Current maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Secured				
(a) Term loans				
	From banks			
	- ICICI Bank Limited	750.00	1,750.00	1,000.00
Unsecured				
(a) Deferred payment liabilities				
	Sales tax deferral scheme loan	-	-	16.06
(b) Loans and Advances from related parties				
	Inter Corporate Deposits			
	M/s Tribe Investments and Services Pvt. Ltd	-	-	16.67
		750.00	1,750.00	1032.73
Amount disclosed under the head "Other Current Liabilities - Current maturities of Long term debt" (Note no 7)			(1000.00)	(1032.73)
	Net Amount	750.00	1,750.00	-

Notes to Financial Statements for the year ended 31st March 2015
4 LONG TERM BORROWINGS (Contd.)

- i. Rupee Term loan from ICICI Bank carries interest @ base rate plus 3.25% (i.e. 13.25 % p.a.), payable on monthly basis. The loan is repayable in 7 quarterly installments of ₹ 250 lakhs each. The loan is secured by way (a) hypothecation (first charge) of whole movable properties including its movable plant and machinery, machinery spares, tools and accessories and other movable (except current assets), both present and future located at Belagola Industrial Area, Hebbal village, Mysore (Hot forging unit), Pillaiappanpalayam, Coimbatore (Hot and Warm forging unit) and Kondayampalayam, Coimbatore (Cold forging unit); and (b) first charge by way of deposit of title deeds in respect of immovable properties situated at (i) Kariyampalayam Village, Pillaiappanpalayam, Coimbatore; and (ii) Hebbal Village, Kasaba Hobli, Mysore. Loan is further secured by corporate guarantee of L.G. Balakrishnan & Bros Limited.
- ii. Interest free Sales tax deferral scheme loan in respect of Karnataka Sales Tax amounting to ₹ 104.38 lakhs and Karnataka VAT amounting to ₹ 56.23 lakhs, has been repaid in 1 half yearly installment of ₹ 10.44 lakhs & ₹ 5.62 lakhs respectively ending with June 2014.
- iii. Intercorporate deposit of ₹ 50 lakhs received from Tribe Investments and Services Private Limited carries interest @ 14% p.a and has been repaid in 2 quarterly installments of ₹ 8.33 lakhs.

5 LONG TERM PROVISIONS

₹ in lakhs

PARTICULARS	As at 31.03.2015	As at 31.03.2014
Provision for Gratuity (refer Note No.31)	6.10	0.23
	<u>6.10</u>	<u>0.23</u>
CURRENT LIABILITIES		
6 SHORT TERM BORROWINGS		
Secured		
(a) Loans repayable on demand from banks		
IDBI Bank Ltd. - Short term loans	150.00	-
IDBI Bank Ltd - Packing Credit	377.71	59.86
(b) Cash Credit Loan from banks		
- Axis Bank Ltd	293.34	10.65
- Corporation Bank	-	0.79
- ICICI Bank Ltd	504.53	317.06
- IDBI Bank Ltd	100.86	403.80
	<u>1,426.44</u>	<u>792.16</u>

Notes to Financial Statements for the year ended 31st March 2015
6 SHORT TERM BORROWINGS (Contd.)

- i. Working Capital/ Cash Credit loan from Axis Bank carries interest @ 12.75% p.a 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.
- ii. Working Capital/Cash Credit loan from ICICI Bank carries interest @ 12.50 % p.a. and are secured by first charge by way of hypothecation of the Company's entire stock of raw materials, semi finished and finished goods, consumable stores, tools and spares and such other moveables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, ranking pari passu with other participating bank (viz., Axis bank).
- iii. Working Capital/Cash Credit loan from IDBI bank carries interest @ 14.00% and are secured by pari passu first charge over the current assets of the Company. Collateral second pari passu charge over the fixed assets of the Company except those that are exclusively charged to term lenders.
- iv. Packing Credit facility from IDBI Bank carries interest @ 11.75% p.a. and is secured by pari pasu first charge over the current assets of the Company. Collateral second pari pasu charge over the fixed assets of the Company except those that are exclusively charged to term lenders
- v. The above loans are further secured by Corporate Guarantee of L.G.Balakrishnan & Bros Ltd.

NON-CURRENT LIABILITIES
7 OTHER CURRENT LIABILITIES

₹ in lakhs

PARTICULARS	As at 31.03.2015	As at 31.03.2014
(a) Current maturities of long-term debt (refer note no.4 "Long term borrowings")	1,000.00	1,032.73
(b) Accrued salaries and benefit	91.24	87.46
(c) Advance received from Customers	26.89	88.78
(d) Statutory dues	43.01	24.32
(e) Interest accrued but not due on loans	1.13	3.90
(f) Expense payable	161.95	169.52
(g) Provision for Gratuity (refer Note No. 31)	9.28	-
(h) Amount payable to related parties	1.01	-
Total	1,334.51	1,406.71

Notes to Financial Statements for the year ended 31st March 2015
NON CURRENT ASSETS
8 - FIXED ASSETS

(₹ in Lakhs)

Fixed Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	Balance as at 1.4.2014	Additions	Deductions	Balance as at 31.3.2015	Balance upto 31.3.2014	Depreciation charge for the year	Transfer to Retained Earnings	Deductions/withdrawal (refer Note No.34)	Balance as at 31.3.2015	Balance as at 31.3.2015	Balance as at 31.3.2014
a Tangible Assets (Not Under Lease)											
Land	98.86	-	10.37	88.49	-	-	-	-	-	88.49	98.86
Buildings	132.47	0.35	-	132.82	76.51	2.62	-	-	79.13	53.69	55.96
Plant and Machinery	7,232.02	96.09	773.63	6,554.48	5,575.30	359.40	110.40	691.89	5,353.2	1,201.27	1,656.72
Furniture and Fixtures	42.99	0.86	-	43.85	35.17	3.47	0.11	-	38.75	5.10	7.82
Vehicles	18.35	14.19	0.53	32.01	15.24	0.95	-	0.31	15.88	16.13	3.11
Office equipment	9.72	2.06	0.30	11.48	4.36	1.97	1.19	0.02	7.50	3.98	5.36
Data Processing Machine	63.26	3.52	-	66.78	58.25	1.98	0.23	-	60.46	6.32	5.01
Electrical installation	275.92	7.82	-	283.74	213.19	13.54	-	-	226.73	57.01	62.73
Pipeline fitting	36.88	-	-	36.88	31.92	0.41	-	-	32.33	4.55	4.96
Lab equipment	54.07	0.99	-	55.06	30.96	3.39	-	-	34.35	20.71	23.11
Fire equipment	3.04	-	-	3.04	2.17	-	0.78	-	2.95	0.09	0.87
Canteen Equipments	2.18	-	-	2.18	1.29	-	0.80	-	2.09	0.10	0.89
Tools & Die sets	386.43	-	22.00	364.43	373.63	2.07	-	19.84	355.86	8.57	12.80
Total	8,356.19	125.88	806.83	7,675.24	6,417.99	389.80	113.51	712.06	6,209.24	1,466.01	1,938.20
b Intangible Assets											
Computer Software	36.31	5.01	-	41.32	32.65	0.65	2.06	-	35.36	5.96	3.65
Total	36.31	5.01	-	41.32	32.65	0.65	2.06	-	35.36	5.96	3.65
c Capital Work In Progress											
Total	-	-	-	-	-	-	-	-	-	-	-
Total	8,392.49	130.89	806.83	7,716.55	6450.64	390.45	115.57	712.06	6,244.60	1,471.97	1,941.85
Previous Year	9,351.37	53.40	1,012.27	8,392.49	6,155.36	801.15	-	505.88	6,450.64	1,941.85	3,232.58

Notes to Financial Statements for the year ended 31st March 2015
NON CURRENT ASSETS
9 LONG TERM LOANS AND ADVANCES

₹ in lakhs

PARTICULARS	As at 31.03.2015	As at 31.03.2014
a. Capital Advances		
Unsecured, considered good	5.97	7.05
	<u>5.97</u>	<u>7.05</u>
b. Security Deposits		
Unsecured, considered good	72.21	76.13
	<u>72.21</u>	<u>76.13</u>
c. Other loans & advances		
Tax payments pending Adjustment	32.43	31.24
	<u>32.43</u>	<u>31.24</u>
Total	110.61	114.42

CURRENT ASSETS
10 INVENTORIES (Valued at lower of cost and net realisable value)

a. Raw Materials and components	843.20	1,010.59
	<u>843.20</u>	<u>1,010.59</u>
b. Work-in-progress	425.58	408.81
	<u>425.58</u>	<u>408.81</u>
c. Finished goods		
Internally Manufactured	163.20	129.02
	<u>163.20</u>	<u>129.02</u>
d. Stores and spares	91.65	132.71
	<u>91.65</u>	<u>132.71</u>
e. Loose Tools	125.05	115.90
	<u>125.05</u>	<u>115.90</u>
Total	1,648.68	1,797.03

11 TRADE RECEIVABLES

Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	2,719.79	2,332.23
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	129.11	61.66
Total	2,848.90	2,393.89

Notes to Financial Statements for the year ended 31st March 2015
12 CASH AND CASH EQUIVALENTS

₹ in lakhs

PARTICULARS	As at 31.03.2015	As at 31.03.2014
a. Balances with banks	8.34	2.81
b. Cash on hand	0.67	0.68
	9.01	3.49

13 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good		
Prepaid expenses	9.76	5.10
Loans to employees - staff advances	4.47	10.63
Balance with statutory / government authorities	23.79	38.57
Advance to Creditors	11.08	21.94
Amount due from related parties	270.80	61.46
Rent advance	-	0.06
	319.90	137.76

14 REVENUE FROM OPERATIONS:

₹ in lakhs

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Revenue from operations (Gross)		
Sale of Products - Finished Products		
Domestic	7,322.41	7,758.26
Export	1,089.55	1,240.14
	8,411.96	8,998.40
Sale of services	4.16	22.73
Other operating revenue		
Scrap Sales	464.72	554.80
Revenue from operations (Gross)	8,880.84	9,575.93
Less:		
Excise duty	864.58	921.52
Revenue from operations (Net)	8,016.26	8,654.41
Details of products sold		
Manufactured Goods		
Cold forged components	2,312.86	2,024.80
Press components	3,973.04	3,914.35
Hammer components	2,126.06	3,059.25
Total	8,411.96	8,998.40
Details of Services rendered		
Cold forged components - Job receipts	2.10	1.18
Hammer components - Job receipts	2.06	21.55
Total	4.16	22.73

Notes to Financial Statements for the year ended 31st March 2015
15 OTHER INCOME

₹ in lakhs

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Interest Income	7.24	7.16
Rent receipts	0.00	67.98
Profit on sale of assets (Net)	121.67	25.58
Export Incentives	104.93	60.67
Foreign Exchange Gain (Net)	13.07	52.68
Total	246.91	214.07

16 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Inventory at the beginning of the year	1,010.59	931.06
Add: Purchases	3,767.51	4,428.20
	4,778.10	5,359.26
Less: Inventory at the end of the year	843.20	1,010.59
Cost of raw material consumed	3,934.90	4,348.67
Details of Raw materials and components consumed		
Rods, Coils & Bars	3,934.90	4,348.67
Total	3,934.90	4,348.67

17 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in lakhs

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	(Increase) / Decrease
Details of changes in Inventory			
Inventory at the end of the year			
Work in Progress	425.58	408.81	(16.77)
Finished Goods	163.20	129.02	(34.18)
Total	588.78	537.83	(50.95)
Inventory at the beginning of the year			
Work in Progress	408.81	403.63	(5.18)
Finished Goods	129.02	167.40	38.38
Total	537.83	571.03	33.20
(Increase)/decrease in Inventories	(50.95)	33.20	

Notes to Financial Statements for the year ended 31st March 2015
18 EMPLOYEE BENEFITS EXPENSES

₹ in lakhs

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
(a) Salaries, wages and bonus	872.65	783.83
(b) Contributions to - Provident and other fund	78.99	54.28
(c) Managerial Remuneration	12.28	18.47
(d) Staff welfare expenses	57.11	48.14
Total	1,021.03	904.72
Details of Managerial Remuneration		
Sri.V. Rajvirdhan- Executive Director		
Salaries and Allowances	1.85	15.00
Contribution to Provident Fund	0.22	1.80
Total	2.07	16.80
Sri.K. Karthik - Executive Director		
Salaries and Allowances	10.00	1.63
Contribution to Provident Fund	0.21	0.04
Total	10.21	1.67
19 FINANCE COST		
Interest expense	417.84	592.40
Other borrowing costs	9.16	16.44
Total	427.00	608.84
20 OTHER EXPENSES		
Consumption of Stores & Spares	302.89	400.23
Consumption of loose tools	234.60	147.10
Processing Charges	655.25	606.65
Power & Utilities	709.79	733.71
Printing & Stationery	16.41	12.91
Postage, Telegram and Telephone	16.34	9.17
Rent on building	39.12	39.29
Rental charges on machinery	4.63	10.98
Rates, taxes and Licence	11.99	16.91
Insurance	9.97	11.88
Travelling & Conveyance	74.56	67.78
Advertisement, Publicity & Sales Promotion	1.57	1.14
Directors' Sitting Fees	1.26	0.92
Professional Charges, training fees	17.06	39.93
Miscellaneous Expenses	5.54	4.56
Selling & Distribution expenses	264.13	309.47
Packing Material	64.36	54.31
Bank Charges	32.56	25.53
Repairs and maintenance		
Machinery	144.01	84.49
Building	16.13	15.16
Others	80.54	52.34

Notes to Financial Statements for the year ended 31st March 2015
20 OTHER EXPENSES (Contd.)

₹ in lakhs

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Watch & ward expenses	33.59	32.19
Auditor's Remuneration	5.55	5.70
Bad debts written off	0.00	45.00
Total	2,741.85	2,727.35
Auditor's Remuneration (exclusive of Service Tax)		
Payments to the Auditor as		
a. for statutory audit	3.35	3.00
b. for taxation matters	2.15	2.65
c. for other services	0.05	0.05
Total	5.55	5.70
21 EARNINGS PER SHARE		
Profit/(Loss) after taxation as per		
Statement of Profit & Loss	(13.79)	307.07
Number of equity shares outstanding	1,500.02	1,500.02
Basic & Diluted Earnings per share in rupee		
(Face value of ₹ 1 per share)	(0.01)	0.20

- 22 The Company has not recognised the net deferred tax assets, in respect of accumulated losses and unabsorbed depreciation in view of absence of virtual certainty of availing the benefit in the future.
- 23 The balance in parties accounts are subject to confirmation and reconciliation, if any. In the opinion of the management all current assets including stock-in-trade/sundry debtors and loans and advances in the normal course of business would realize the value at least to the extent stated in the Balance sheet.

24 Micro, Small and Medium Enterprises

There are no amounts payable to Micro, Small and Medium Enterprise as at 31st March 2015. Further, there is no interest payable on account of overdue payments. The above information regarding Micro, Small and Medium enterprises have 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.

- 25 The Company has only one reportable business segment namely manufacture of forged and machined components.

26 CONTINGENT LIABILITIES (to the extent not provided for)

₹ in lakhs

PARTICULARS	As at 31.03.2015	As at 31.03.2014
a Guarantee given by Bankers and outstanding	75.00	50.00
b Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net after advance payments)	-	7.05
c Letter of Credits	324.48	261.93
d Counter guarantee given to L.G. Balakrishnan & Bros Limited for guarantee given		to the extent of loan guaranteed

Notes to Financial Statements for the year ended 31st March 2015
27. RELATED PARTY DISCLOSURES (As identified by the Management and relied upon by Auditors)

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

i. Key Management Personnel

Sri. V. Rajvirdhan*	Sri. K. Karthik
---------------------	-----------------

* 1. Sri. V. Rajvirdhan has relinquished his office as a Executive Director from w.e.f. 16.05.2014

2. Sri. V. Rajvirdhan has been appointed as a Vice Chairman (Non-Executive Director) w.e.f. 16.05.2014

ii Relatives of Key Management Personnel - Sri. V. Rajvirdhan

Sri. B.Vijayakumar	Sri. Arjun Karivardhan
Smt. D.Sasikala	Sri. Nithin Karivardhan
Smt. Vijayshree.V	Smt. V. Rajsri

ii Relatives of Key Management Personnel - Sri. K. Karthik

Sri. V. Kalyanasundaram	Sri. Bharathi Sriram	Ms. Kirthika Kalyan
Smt. K. Anuradha	Sri. Eshwar K Srivats	

iii. Others : (Enterprise over which key management personnel are able to exercise significant influence)

Companies

a. L.G. Balakrishnan & Bros Ltd	i. Silent Chain India Private Ltd
b. Elgi Automotive Service (P) Ltd	j. LGB Fuel Systems Private Ltd
c. L.G.B Auto Products (P) Ltd	k. BCW V Tech India Private Ltd
d. LG Farm Products (P) Ltd	l. Rolon Fine Blank Ltd
e. L.G. Balakrishnan & Bros - Karur	m. LGB Rolon Chain Ltd
f. LG Sports Ltd	n. South Western Engineering India Ltd
g. Super Speeds Private Ltd	o. Tribe Investments and Services Private Ltd
h. Super Transports Private Ltd	p. Renold Chain India Private Ltd

Transactions during the year with related parties / Key Managerial Personnel are as under :

₹ In Lakhs

Nature of Transactions	Others	Relatives of Key Managerial Personnel	Key Managerial Personnel	Total 2014-15	Total 2013-14
Managerial Remuneration	-	-	12.28	12.28	18.47
ICD loan - Opening Balance	16.17	-	-	16.17	50.00
Add : ICD Loan receipts	-	-	-	-	-
Less : ICD Loan re-payments	16.17	-	-	16.17	33.83
ICD loan - Closing Balance	-	-	-	-	16.17
Interest Payments	0.74	-	-	0.74	4.98
Rent Receipts	-	-	-	-	67.98
Rent Payment	38.99	-	-	38.99	39.15
DEPB Licence sold	62.07	-	-	62.07	42.42
Purchase of Power, Spares, Processing, Conversion, Service charges payments	191.72	-	-	191.72	116.07
Sales of Power, Stores, Materials and Service charges	481.91	-	-	481.91	96.15

Notes to Financial Statements for the year ended 31st March 2015

Transactions during the year with related parties / Key Management Personnels are as under (Contd.) :

Nature of Transactions	Others	Relatives of Key Managerial Personnel	Key Managerial Personnel	Total 2014-15	Total 2013-14
Purchase of assets	9.63	-	-	9.63	0.20
Sale of Assets	240.79	-	-	240.79	1362.74
Lease Charges Payments	4.40	-	-	4.40	10.90
Amount Payable as on Closing date	1.01	-	-	1.01	-
Amount Receivable as on Closing date	270.80	-	-	270.80	61.46

28. Expenditure in Foreign Currency (₹ in Lakhs)

	31.03.2015	31.03.2014
Travelling	1.15	12.18
Technical know-how fee	0.00	26.62
Others	3.77	39.55
	4.92	78.35

29. Value of Imports calculated on CIF basis in respect of

	31.03.2015	31.03.2014
Stores and Spare Parts	0.69	0.35
	0.69	0.35

(₹ in Lakhs)

Particulars of Consumption	Imported		Indigenous		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2013
Raw Materials (Including Expenses)						
Value	-	-	3,934.10	4,348.67	3,934.10	4,348.67
Percentage	-	-	100.00	100.00	100.00	100.00
Stores & Spares (Including Expenses)						
Value	0.69	0.35	536.80	546.98	537.49	547.33
Percentage	0.13	0.06	99.87	99.94	100.00	100.00
Packing Materials						
Value	-	-	64.34	54.31	64.34	54.31
Percentage	-	-	100.00	100.00	100.00	100.00

30. Earnings in Foreign Exchange

PARTICULARS	31.03.2015 (₹ in Lakhs)	31.03.2014 (₹ in Lakhs)
On account of Export of Goods at FOB value	1,022.64	1,160.33

31 Gratuity:

Description of the Company's defined benefit Plan:

The Company operates a defined benefit plan for the payment of the post employee benefits in the form of gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided for in the payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the Company.

(₹ in Lakhs)

Particulars	31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
1 Principal Actuarial Assumptions (Expressed as weighted averages)					
Discount Rate	7.83%	9.20%	8.05%	8.00%	8.00%
Salary Escalation	8.00%	8.00%	7.00%	6.00%	6.00%
2 Table Showing changes in present value of Obligation as on 31.03.2015					
Present value of obligations as at the beginning of year	49.84	48.73	43.85	33.96	31.33
Interest cost	3.69	4.08	3.26	2.53	2.38
Current Service Cost	8.42	7.31	7.71	8.03	6.13
Benefits Paid	(5.25)	(8.85)	(6.71)	(4.61)	(3.08)
Actuarial (gain) / loss on obligations	7.29	(1.43)	0.62	3.94	(2.81)
Present value of obligations as at end of the year	63.99	49.84	48.73	43.85	33.95
3 Table Showing changes in fair value of plan assets as on 31.03.2015					
Fair value of plan assets at the beginning of the year	49.61	53.48	55.26	43.51	39.19
Expected return on plan assets	3.46	3.95	4.19	3.81	3.16
Contributions	1	0.49	0.13	-	3.82
Benefits Paid	(5.25)	(8.85)	(6.71)	(4.61)	(3.08)
Actuarial gain / (loss) on plan assets	(0.21)	0.54	0.61	(0.13)	(0.42)
Fair value of plan assets at the end of the year	48.61	49.61	53.48	42.59	43.51
4 Actuarial Gain / Loss recognized for the year as on 31.03.2015					
Actuarial (gain) / loss on obligations	7.29	(1.43)	0.62	3.94	(2.81)
Actuarial (gain) / loss for the year - plan assets	0.21	(0.54)	0.62	3.94	(2.81)
Total (gain) / loss for the year	7.50	(1.97)	0.01	4.07	(3.23)
Actuarial (gain) / loss recognized in the year	7.50	(1.97)	0.01	4.07	(3.23)
5 The amounts recognized in the balance sheet					
Present value of obligation as at the end of the year	63.99	49.84	48.73	43.85	33.96
Fair value of plan assets as at the end of the year	48.61	49.61	53.48	42.59	43.51
Net assets / (liability) recognized in balance sheet	(15.38)	(0.23)	4.75	11.41	9.56
6 Expenses Recognised in statement of Profit and Loss					
Current Service Cost	8.42	7.31	7.71	8.03	6.13
Interest Cost	3.69	4.08	3.26	2.53	2.38
Expected return on plan assets	(3.46)	(3.95)	(4.19)	(3.81)	(3.16)
Net Actuarial (gain) / loss recognized in the year	7.50	(1.97)	0.01	4.07	(3.23)
Expenses recognised in statement of Profit and Loss	16.16	5.47	6.79	10.82	2.12
7 Amount for the Current Period					
Present value of the obligation	63.99	49.84	48.73	43.85	33.96
Plan Assets	48.61	49.81	53.48	42.59	43.51
Surplus / (deficit)	(15.38)	(0.23)	4.75	11.41	9.56
Experience adjustments on Plan liabilities	7.29	(1.43)	0.62	3.94	(2.81)
Experience adjustments on Plan Assets	0.21	(0.54)	(0.61)	0.13	0.42

32 Operating Lease:
As Lessee:

The Company has entered into operating leases, having a lease period ranging from one year to five years, with an option to renew the lease. The future minimum lease payments are as follows: ₹ in Lakhs

Particulars	31.03.2015	31.03.2014
Within one year	39.12	43.16
After one year but not more than five years	49.24	49.24
More than five years	-	-

33 Profit on sale of land at Pillaiappampalayam has been shown under exceptional items.

34 a) Effective April 1, 2014, the Company has, with retrospective effect, changed its method of providing depreciation on certain fixed assets from 'Written Down Value' method to 'Straight Line' method. Accordingly, depreciation is now provided on Straight Line basis for all tangible fixed assets. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Consequent to the above, the impact of the change in the method of providing depreciation upto March 31, 2014 amounting to ₹ 61.18 lacs has been credited to the Statement of Profit and Loss for the year and balance of Net Tangible Fixed Assets and Reserves and Surplus are higher by ₹ 61.18 lacs.

b) The management of the Company has reassessed the useful life of tangible fixed assets in accordance with Schedule II of the Companies Act, 2013 and depreciation has been provided based on the the remaining useful life of the asset on a straight line basis. In respect of assets whose remaining useful life is already exhausted as at April 1, 2014, depreciation of ₹ 115.57 lacs has been adjusted against the opening balance of Retained Earnings as on that date.

Consequent to the above, depreciation for the year is higher by ₹ 9.64 lacs.

This being a technical matter, has been relied upon by the auditors.

35 Unhedged foreign currency exposure :

Particulars	Amount in USD/ Euro		Conversion rate		Amount INR	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
US Dollars						
Trade Receivables	858,896	1,089,585	62.59	60.10	53,758,301	65,484,059
Trade Payables	6,825	2,458	62.59	60.10	427,177	147,726
Packing credit facility	603,469	99,611	62.59	60.10	37,771,125	5,986,621
Euro						
Professional Fees Payable	-	3,738	-	82.58	-	308,684



36 Figures have been rounded off to the nearest Lakhs and two decimals thereof.

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

	K. KARTHIK Executive Director DIN: 06846794	P. SHANMUGASUNDARAM Director DIN: 00119411	“As per our Report of even date” For Haribhakti & Co. LLP Chartered Accountants Firm Registration No. 103523W
Coimbatore 30.04.2015	R. RAMAKRISHNAN Chief Financial Officer	G. KARTHIK Company Secretary	C.S. SATHYANARAYANAN Membership No. 028328 Partner



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015		(₹ in Lakhs)
PARTICULARS	31.03.2015	31.03.2014
A Cash Flow From Operating Activities		
Net Profit before Tax and Extraordinary items	(13.79)	307.07
Adjustments for :		
Depreciation	390.45	801.15
Interest Paid/other finance charges	427.00	608.84
Interest Income	(7.24)	(6.53)
(Profit)/Loss on sale of Asset (incl.exceptional items)	(308.99)	(25.58)
	501.22	1,377.88
Operating Profit before working capital changes	487.43	1,684.95
Trade and Other receivables	(455.01)	194.88
Inventories	148.35	45.39
Trade payable	582.07	(144.23)
Other current liabilities	(39.47)	(78.67)
Loans & advances	(178.33)	8.81
Other current assets	- 57.61	45.00 71.18
Cash generated from Operations	545.04	1,756.13
Direct taxes paid	0.00	-
Net Cash Flow from Operating activities	545.04	1,756.13
B Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(130.89)	(16.82)
Sale of Fixed Assets	403.71	531.97
Interest received	7.24	6.52
Net Cash used in investing activities	280.06	521.67
C Cash Flow from Financing Activities :		
Long Term loan recd / (Repaid)	(1,032.73)	(1,032.73)
Long Term Provisions	5.87	0.23
Unsecured Loans	0.00	(32.71)
Working Capital Borrowings	634.28	(604.94)
Interest paid	(427.00)	(608.84)
Net cash used in financing activities	(819.58)	(2278.99)
D Net increase / (Decrease) in cash and cash equivalents (A+B+C)	5.52	(1.19)
Cash and cash equivalents as at 1.4.2014 and 1.4.2013 (Opening Balance)	3.49	4.68
Cash and cash equivalents as at 31.3.2015 and 31.3.2014 (Closing Balance)	9.01	3.49

K. KARTHIK
Executive Director
DIN: 06846794

P. SHANMUGASUNDARAM
Director
DIN: 00119411

“As per our Report of even date”
For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration No. 103523W

C.S. SATHYANARAYANAN
Membership No. 028328
Partner

Coimbatore
30.04.2015

R. RAMAKRISHNAN
Chief Financial Officer

G. KARTHIK
Company Secretary

ATTENDANCE SLIP

LGB FORGE LIMITED

CIN : L27310TZ2006PLC12830

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

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

Phone: 0422 2532325, Fax: 0422 2532333

9th ANNUAL GENERAL MEETING

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

I hereby record my presence at the 9th ANNUAL GENERAL MEETING of the Company held on **Thursday, September 10th, 2015 at 9.00 A.M.** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for FY 2014-15 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2014-15 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.



E-VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USED ID	PASSWORD*
150725003	Folio No. / Client ID	PAN Number / Bank Account No / Date of Birth

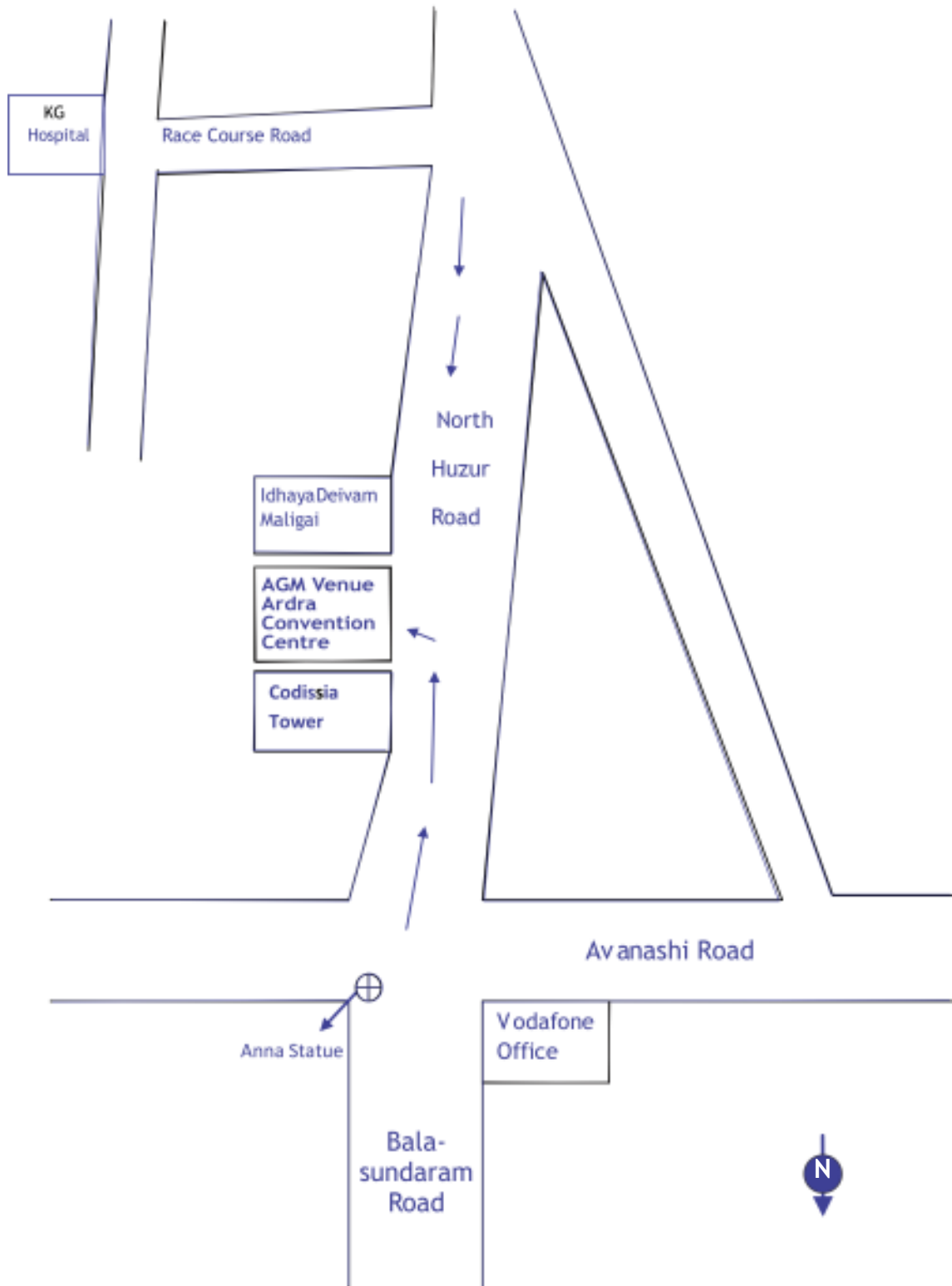
* Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting.

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

Commencement of e-voting	End of e-voting
Monday, 7 th September, 2015 (from 9.00 A.M)	Wednesday, 9 th September, 2015 (upto 5.00 P.M)

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

Route map of AGM Venue



PROXY FORM

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

LGB FORGE LIMITED

CIN : L27310TZ2006PLC12830

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

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

Phone: 0422 2532325, Fax: 0422 2532333

**9th ANNUAL GENERAL MEETING
10th September, 2015**

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

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

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the Company, to be held on **Thursday, September 10, 2015 at 9.00 A.M** at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

S.No	Resolutions
Ordinary Business	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Sri. V. Rajvirdhan (DIN 00156787), who retires by rotation and being eligible, seeks re-appointment.
3	Appointment of Statutory Auditor
Special Business	
4	Appointment of Ms. Aishwarya Rao (DIN: 07144139) as an Independent Director of the Company
5	To consider and approve Related Party Transaction(s) Under Section 188 of the Companies Act, 2013.

Signed this day of 2015

Signature of Shareholder

Affix Revenue Stamp not less than ₹ 0.15
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Notes

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 9th Annual General Meeting

If Undelivered Please Return to :



LGB FORGE LIMITED

Registered Office : 6/16/13, Krishnarayapuram Road,
Ganapathy, Coimbatore - 641 006, India.
Tel : 0422 - 2532325, Fax : 0422 - 2532333
CIN : L27310TZ2006PLC012830
E-Mail : info@lgb.co.in Web site : www.lgbforge.co.in