

L.G. BALAKRISHNAN & BROS LIMITED



**61st
ANNUAL REPORT
2016 - 2017**

L.G. BALAKRISHNAN & BROS LIMITED

Corporate Information

BOARD OF DIRECTORS

Sri. B. Vijayakumar
Chairman cum Managing Director

Sri. P. Prabakaran
Deputy Managing Director

Non-Executive Directors

Sri. P. Balasubramanian
Sri. S. Sivakumar
Sri. V. Govindarajulu
Sri. P. Shanmugasundaram
Smt. Rajsri Vijayakumar
Sri. V. Rajvirdhan
Dr. T. Balaji
Sri. R. Vidhya Shankar

CHIEF FINANCIAL OFFICER

Sri. N. Rengaraj

GENERAL MANAGER CUM COMPANY SECRETARY

Sri. M. Lakshmi Kanth Joshi

BANKERS

Axis Bank Limited
Corporation Bank
HDFC Bank Limited
HSBC Limited
IndusInd Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Yes Bank Limited

STATUTORY AUDITORS

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

COST AUDITOR

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

SECRETARIAL AUDITOR

CS M.D. Selvaraj
MDS & Associates
Company Secretary in Practice
Surya, 35, Mayflower Avenue, Sowripalaym Road
Coimbatore - 641028
Phone : 0422 2318780

REGISTRAR AND SHARE TRANSFER AGENTS

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

SECURITIES ARE LISTED

BSE Ltd.
National Stock Exchange of India Ltd.

REGISTERED OFFICE

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

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61st ANNUAL GENERAL MEETING

Date : 27th July, 2017
Day : Thursday
Time : 10.30 A.M.
Venue : **Ardra Convention Centre**
"Kaanchan",
9, North Huzur Road
Coimbatore- 641 018.

NOTICE

Notice is hereby given that the Sixty First Annual General Meeting of the Members of the Company will be held on Thursday the 27th day of July 2017 at 10.30 A.M. at Ardra Convention Centre, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company along with Consolidated Financial Statements for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the equity shares for the financial year 31st March, 2017.
3. To appoint a Director in place of Sri.P.Prabakaran (DIN 01709564), who retires by rotation and being eligible, seeks re-appointment.
4. To appoint a Director in place of Smt.Rajsri Vijayakumar (DIN 00018244), who retires by rotation and being eligible, seeks re-appointment.
5. To appoint the Statutory Auditors of the Company, and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Suri & Co, Chartered Accountants, (Firm Registration No. 0042835) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s.Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No.008072S), the retiring Statutory Auditors and to hold office for a period of 5 years from the conclusion of 61st Annual General Meeting till the conclusion of 66th Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting, on a remuneration of ₹12,00,000/- (Rupees Twelve Lakhs Only) plus applicable taxes and reimbursement of out of pocket expenses.”

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to Section 61(1)(a) of the Companies Act, 2013, including any statutory enactment or modification thereof the Authorised Share Capital of the Company be and is hereby increased from ₹ 20,00,00,000/- (Rupees Twenty crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each by creation of additional 2,00,00,000 (Two Crores) equity shares of ₹ 10/- (Rupees Ten only) each ranking pari passu in all respect with the existing equity shares.

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

“RESOLVED THAT pursuant to the provisions of Section 13 and 61 and all other applicable provisions, if any, of the Companies Act, 2013, read with relevant Rules thereunder, Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

V. The Authorised Share Capital of the Company is ₹ 40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) Equity Shares of ₹ 10/- (Rupee Ten Only) each.

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

“RESOLVED FURTHER THAT, the Articles of Association of the Company be and is hereby altered by replacing the existing Article 2 thereof with the following new Article 2:

2. The authorized share capital of the company shall be in accordance with clause V of the Memorandum of Association of the company with such rights, privileges and conditions respectively attached thereto as may be, from time to time, conferred by the regulations of the company, and the company may, in its general meeting, from time to time, increase or reduce and divide the shares in the capital for time being into several classes, consolidate or sub-divide the shares and

attached thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and the Companies Act, 2013 and the rules issued there under and vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force in that behalf.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Dr.G.L.Sankaran, Cost Accountant, (Membership No.4482) appointed as Cost Auditor by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, on a remuneration of ₹ 1,25,000 (Rupees One Lakh Twenty Five Thousand Only) (exclusive of taxes and out of pocket expenses) be and is hereby ratified and confirmed.

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

ITEM NO.6, 7 & 8

The present Authorised Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each and considering the expansion of operations and future business plans of the Company, it would require additional funds in excess of the present Authorised Capital. Hence, the Board of Directors has proposed to increase the Authorised Share Capital of the Company from ₹ 20,00,00,000/- to ₹ 40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

Consequent upon the proposed alteration, as mentioned above, the Clause V and the Article 2 (Share Capital Clause) of the Memorandum and Articles of Association

of the Company, respectively, would be required to be amended in order to reflect the aforesaid increase in the Authorised Share Capital of the Company. Pursuant to Section 13(1) and 14(1) of the Companies Act, 2013, the alteration of any provisions contained in the Memorandum and the Articles of Association would require the approval of the members of the Company by way of passing a special resolution.

Hence, the Special Resolution(s) as set out in Item No.6, 7 & 8 of the Agenda are being placed before the members for approval.

Your Directors recommends the passing of the Resolution(s) set out under Item No. 6, 7 & 8 of the Agenda.

A copy of the Memorandum and the Articles of Association together with the proposed alteration would be available for inspection at the Registered Office of the Company on any working day during the normal business hours.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, financially or otherwise, interested or concerned in the Resolution(s) as set out under Item No. 6, 7 & 8.

ITEM NO. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Dr.G.L.Sankaran, Cost Accountant (Membership No.4482) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2017-2018. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing ordinary resolution as set out in item no.9 of the notice for ratification of remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company, for the financial year ending 31st March, 2018.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Ordinary Resolution as set out at Item No. 9 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 9 of the Notice for approval by the members.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.

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

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
4. Details under Regulation 36 of SEBI (Listing Obligations and disclosure Requirements) Regulation 2015 and clause 1.2.5 of Secretarial Standard (SS-2) in respect of the Directors seeking reappointment at the Annual General Meeting are furnished and forms a part of the notice. The Directors have furnished the requisite consents / declarations for their reappointment.
5. Pursuant to Section 123 of the Companies Act, 2013 dividend as recommended by the Board of Directors

for the year ended 31st March 2017, if declared, at the ensuing Annual General Meeting is proposed to be paid on or before 21.08.2017.

6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 21st July, 2017 to Thursday, the 27th July, 2017 (both days inclusive) for payment of final dividend.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or the Registrars cannot act on any request received directly from the members holding shares in electronic form for any change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members.

Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrars and Share Transfer Agents of the Company.
8. Change of Address: Members are requested to notify any change of address and bank details to their depository participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the secretarial department at the registered office of the Company or to M/s. Cameo Corporate Services Limited, “Subramanian Building” No.1, Club House Road, Chennai- 600 002 the Registrar and Share Transfer Agent of the Company.
9. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the Company has transferred the unclaimed or un-encashed dividends paid up to the year 2009 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account.

Members who have a valid claim to any unclaimed dividends which are not yet transferred, may claim the same from the Company immediately. The detailed

dividend history and due dates for transfer to IEPF are available on website of the Company, www.lgb.co.in. Further, pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 14.07.2016, i.e., the date of last Annual General Meeting, in respect of dividends paid since 2010 up to financial year 2016, on the website of the Company and also filed the same with the Ministry of Corporate Affairs.

10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents, for consolidation into a single folio.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
12. Copies of the Annual Report 2017, the Notice of the 61st Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

For members who have not registered their email address, physical copies of the Annual Report 2017 are being sent by permitted mode.

13. Members may also note that the Notice of the 61st Annual General Meeting and the Annual Report 2017 will be available on the Company's website, www.lgb.co.in. The physical copies of the aforesaid

documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: secretarial@lgb.co.in.

14. Pursuant to Section 72 of the Act, Members holding shares in Physical form are advised to file nomination in the prescribed form SH-13 with the Company's RTA. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
15. Voting Through Electronic Means: In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 61st Annual General Meeting scheduled to be held at 10.30 a.m. on Thursday, the 27th July, 2017, by electronic means and the business may be transacted through remote e-voting.

The Company has engaged the services of CDSL as the authorised agency to provide the remote e-voting facilities. The instructions for remote e-voting is provided below.

Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot conducted at the AGM.

Kindly note that members can opt for only one mode of voting i.e., either by remote e-voting or by ballot at the AGM. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cutoff date viz 20.07.2017 alone will be counted.

Instructions for Shareholders Voting Electronically are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24.07.2017 at 09.00 AM and ends on 26.07.2017 at 05.00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20.07.2017 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 / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's

before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued

in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

16. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 20th July, 2017. Mr. M.D. Selvaraj FCS of MDS & Associates, Company Secretary in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

17. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

18. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.lgb.co.in and on the website of CDSL immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

19. Request for additional information, if required: In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Mr.M.Lakshmi Kanth Joshi, General Manager cum Company Secretary, to the Registered Office address so that the same may be attended appropriately to your entire satisfaction.

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

Coimbatore
 06.05.2017

Additional information on Directors recommended for re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting.

Name	Sri. P. Prabakaran	Smt. Rajsri Vijayakumar
DIN	01709564	00018244
Date of Birth	01.02.1959	11.09.1981
Nationality	Indian	Indian
DOA on the Board	30.05.2008	30.10.2006
Relationship with other Director	None	Daughter of Sri. B. Vijayakumar Sister of Sri. V. Rajvirdhan
Qualification	B.E.,	B.B.A.,
Expertise in area	More than 27 years experience in Manufacturing and Marketing	More than 17 years in General administration
No. of shares held	400	1089576
Terms of appointment or reappointment	Appointed as DMD for a period of 3 years from 01.06.2016 and liable to retire by rotation.	Liable to retire by rotation
Remuneration sought to be paid	Salary	Sitting fees only
Remuneration last drawn	₹55.69 Lakhs	₹ 0.80 Lakhs
No. of Board meetings attended	4	4
List of Director-ships held in other Companies	1. BCW V Tech India P Ltd	1. LGB Auto Products P Ltd
	2. Silent Chain India P Ltd	2. Elgi Automotive Services P Ltd
		3. Silent Chain India P Ltd
		4. LG Farm Products P Ltd
		5. Super Speeds P Ltd
		6. Super Transports P Ltd
Chairman/Member of the Committees of the Board of other companies in which he/ she is Director	NIL	NIL