

**33<sup>rd</sup>**  
**Annual Report**  
**2013-2014**



**LAMINA FOUNDRIES LIMITED**

## **LAMINA FOUNDRIES LIMITED**

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### **BOARD OF DIRECTORS**

Managing Director	<b>Sri Gopalkrishna Shenoy</b>
Directors	<b>Sri N. V. Hegde</b> <b>Sri T. R. Shenoy</b> <b>Sri Guruprasad Adyanthaya</b> <b>Capt. N.P.Hegde, IN (Retd)</b> <b>Sri B. S. Baliga</b> <b>Sri M. Rajendra</b> <b>Sri Vishal Hegde</b> <b>Dr. N. K. Thingalaya</b> <b>Sri J. Surendra Reddy</b> <b>Sri J. M. Nagaraj</b> <b>Sri. M. Raghava</b>
Company Secretary	<b>Smt. Shantheri Baliga</b>
Auditors	<b>Nitin J. Shetty &amp; Co.,</b> <b>Chartered Accountants</b> <b>Violet Complex, S.C.S. Hospital Road,</b> <b>Mangalore - 575 002.</b>
Bankers	<b>Syndicate Bank</b> <b>Vijaya Bank</b> <b>Corporation Bank</b> <b>Andhra Bank</b>
Registered Office & Factory	<b>Nitte Village - 574 110</b> <b>Karkala Taluk</b> <b>Udupi District</b> <b>Karnataka.</b>

## LAMINA FOUNDRIES LIMITED

### REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have the pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company for the financial year ended 31.03.2014.

#### FINANCIAL PERFORMANCE OF THE COMPANY

	F.Y 2013-2014	F.Y 2012-2013
(Rs. in lacs)		
Sales	5123.81	5245.98
Other Income	87.11	110.15
Profit before Interest & Depreciation	490.54	561.56
Interest	387.50	385.19
Depreciation	113.29	109.46
Net Profit / (Loss)	(10.25)	66.91
Provision for Taxation	1.14	10.56
Profit / (Loss) after Tax	(11.39)	56.35
Profit available for appropriation	(11.39)	56.35
Surplus brought forward from previous year	(124.72)	(181.07)
Balance Carried to Balance Sheet	(136.11)	(124.72)

#### DIVIDEND

Your Directors are not in a position to recommend any dividend for the year ended 31.03.2014 due to the accumulated losses of the Company.

#### OPERATIONAL PERFORMANCE

Category-wise performance is summarised below :

	F.Y 2013-2014		F.Y 2012-2013	
	Qty. (M.T.)	Value (Rs. in lacs)	Qty. (M.T.)	Value (Rs. in lacs)
Domestic Sales	5088	3619.54	4719	3326.60
Export Sales	1300	1504.27	2340	1919.38
<b>TOTAL</b>	<b>6388</b>	<b>5123.81</b>	<b>7059</b>	<b>5245.98</b>

Your Company produced 8900 MT of rough castings during the year ended 31.03.2014 as against 10049 MT during the preceding year and sold 6388 MT of rough & machined castings during the year ended 31.03.2014 as against 7059 MT during the preceding year.

Your Company has recorded a sales turnover of Rs 51.24 crores for the year ended 31.03.2014 as against Rs. 52.46 crores for the previous year ended 31.03.2013, resulting in a decline of 2.33% due to decline in exports. Your company suffered a marginal loss

## **LAMINA FOUNDRIES LIMITED**

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of Rs. 10.25 lacs for the F.Y. 2013-14 as against the pre-tax profit of Rs. 66.91 lacs during the preceding year, mainly due to drop in the "other income", besides decline in sales.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

Your Company has identified its activities under business and geographical segments and accordingly, disclosure was made against Sl. No. 1.4 of the Notes forming part of Financial Statements.

### **OPPORTUNITIES AND THREATS :**

Your Company continues to optimize its business operations under competitive environment.

The following thrust areas are foreseen for optimal growth :

- i. Availing the market expertise and customer contacts of its associate firm, M/S Lamina International in improving the export business.
- ii. Selling of automobile products through M/S Lamina Suspension Products Limited in the domestic market.
- iii. Diversifying the product range by producing high-ended products such as S.G. Iron items (rough & machined) and value-added C.I Castings, not only for the auto sector but also for the non-automotive sectors such as power, farm equipment, earthmoving machinery etc.
- iv. Upgrading old ML1 Moulding Line with a Technologically Superior High Pressure Moulding Line.
- v. Setting up of state-of-art machine shop to machine items for export customers & other value-added products for domestic market.
- vi. Mechanising the material handling systems to improve the productivity.
- vii. Continuing thrust on technology upgradation to further improve the quality of the products.

The following threats are foreseen by the Company :

- i. Recessionary trend prevailing in the Domestic & Export markets.
- ii. Possibility of depreciation of Euro currency.

### **RISKS AND CONCERNS**

Your Company does not foresee any internal risks or concerns.

However, risks / concerns influenced by the external factors such as volatility in foreign currency and rise in input costs, continue to impact the performance of the company.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

As reported by the statutory auditors under Clause (iv) of the Annexure to Auditor's Report under the Companies (Auditor's Report) order, 2003, the Management is of the opinion that the Company has adequate internal control systems commensurate with the size of the Company and the nature of its business.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / ON INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

Your Company maintains a cordial relationship with its workforce.

The wage agreement of the workers expired on 31-03-2014 and Your Company is initiating the process of finalising the new wage agreement in consultation with the workers union.

The number of employees as on 31.03.2014 was 384.

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## **LAMINA FOUNDRIES LIMITED**

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### **FUTURE OUTLOOK**

Though your Company's sales was marginally affected during the F.Y. 2013-14 on account of decline in exports, your Company's performance during the F.Y. 2014-15 is expected to be better, more due to improvement in exports.

Your Company is in the process of upgrading & modernizing the Plant at an investment of around Rs.9.00 crores by way of a term loan, with 1/3 contribution from the promoters as margin money. The same involves setting up of state-of the art CNC machine shop and replacement of main moulding line with the technologically superior high pressure moulding line and the work is expected to be completed before the current fiscal. This will not only result in improved quality of the product but also in the operational economy coupled with increased sales based on the anticipated orders from customers.

### **DIRECTORS**

Pursuant to the provisions of Section 149(10) read with Schedule IV of the Companies Act, 2013, the Board, at its meeting held on 29.07.2014, recommended the appointments of Dr. N. K. Thingalaya, Sri J. Surendra Reddy, Sri J. M. Nagaraj and Sri M. Raghava as Independent Directors of the Company, being not liable to retire by rotation, for a term of five consecutive years from the date of its 33rd Annual General Meeting subject to approval of the Members of the Company. The Company has received a notice under section 160 of the Companies Act, 2013, from a member of the Company signifying his intention to propose them as Directors of the Company. These Directors have given the declarations to the Board under section 149(7) of the Companies Act, 2013 that, they meet the criteria of independence as provided under Section 149(6) of the said Act.

Sri B. S. Baliga and Sri M. Rajendra, the Directors, retire by rotation and being eligible, have offered themselves for re-appointment.

The term of Sri Gopalkrishna Shenoy as Managing Director expires on 06.11.2014. The Directors recommend his reappointment for a further period of three years.

### **AUDITORS**

Mr. Nithin J. Shetty & Co., Chartered Accountants, were the statutory auditors of the Company for the year 2013-14. The Board has recommended a change in the statutory auditor of the Company and proposed the appointment of Mr. P. Venugopal, Chartered Accountant, as statutory auditor of the Company for the Financial Year 2014-15, so as to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of its next Annual General Meeting.

The Company has received special notice of a resolution from a member of the Company, signifying its intention to propose the appointment of Mr. P. Venugopal, Chartered Accountant, as the statutory auditor of the Company for the Financial Year 2014-15.

The Board places on record its appreciation of the services rendered by Mr. Nithin J. Shetty & Co., Chartered Accountants.

### **PARTICULARS OF EMPLOYEES**

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 as amended, read with Section 217(2 A) of the Companies Act, 1956. Hence, no information is required to be appended in this regard.

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## **LAMINA FOUNDRIES LIMITED**

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### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the prescribed format as per annexure to this Report.

### **PUBLIC DEPOSITS**

There were no deposits, matured and remained unpaid during the year.

### **LISTING OF SHARES**

The Shares of the Company are presently listed in Bangalore and Madras Stock Exchanges. There were no dues in respect of the listing fees payable by the Company to these Stock Exchanges for the year under report.

The addresses of the Stock Exchanges, where the Company's shares are listed, are given below :

#### **Bangalore Stock Exchange**

No. 51,  
Stock Exchange Towers  
J. C. Road, Bangalore - 27

#### **Madras Stock Exchange**

Exchange Building,  
P.B. No. 183, No. 11,  
Second Line Beach, Chennai -1

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 217 (2 AA) of the Companies Act, 1956, the Directors state :

- i) that, in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) that, the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii) that, the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) that, the Directors have prepared the annual accounts on a going concern basis.

### **CORPORATE GOVERNANCE**

The Company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement with the Stock Exchanges, where, the Company's shares are listed. The report on the Corporate Governance in this regard is made a part of this annual report and a certificate from the auditors of the Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the co-operation and support extended by the bankers of the company and the Government agencies and the valued customers and suppliers, besides the shareholders. Your Directors also express their appreciation of the support given and contributions made by the employees during the year.

(BY ORDER OF THE BOARD)

Place : MANGALORE

**Gopalkrishna Shenoy**

**N.V. Hegde**

Date : 29-7-2014

*Managing Director*

*Director*

## LAMINA FOUNDRIES LIMITED

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### ANNEXURE

Information as per section 217(1)(e) of the Companies (Disclosures in the Report of Board of Directors) rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2014.

#### A. CONSERVATION OF ENERGY

##### FORM - A

	<u>F.Y</u> <u>2013-14</u>	<u>F.Y</u> <u>2012-2013</u>
<b>ELECTRICITY</b>		
Purchased :		
Quantity	1,04,55,592	1,16,38,900
Total amount (Rs)	6,36,54,167	6,71,35,300
Rate/unit (Rs)	6.09	5.77
<b>COKE</b>		
Quantity (kgs)	-	-
Total cost (Rs)	-	-
Rate/kg (Rs)	-	-
<b>DIESEL</b>		
Quantity (Ltrs)	18,346	14,442
Total cost (Rs)	10,00,101	6,94,005
Rate/ltr (Rs)	54.51	48.05
<b>CONSUMPTION PER UNIT</b>		
Electricity - Units/ton	1175	1158
Coke - kgs/ton	0	0
Diesel - litres/ton	2	1

#### B. TECHNOLOGY ABSORPTION

The Company's R & D activity is directed towards development of new product line and material substitution.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in Lacs)	(Rs. in Lacs)
Earnings	15,04,26,894	19,19,37,551
Outgo	1,33,33,411	13,99,755

(FOR AND ON BEHALF OF THE BOARD)

Place : MANGALORE

**Gopalkrishna Shenoy**

**Guruprasad Adyanthaya**

Date : 30.05.2014

*Managing Director*

*Director*

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# LAMINA FOUNDRIES LIMITED

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PHILOSOPHY :

The Board of Directors of your Company strongly supports the principles of corporate governance. Further, the Board lays emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders. The following are the detailed practices on Corporate Governance in your Company :

#### 1. BOARD OF DIRECTORS :

The Company has a Non-Executive Chairman, who is also, the promoter of the Company. As per the latest modification of clause 49 of the Listing Agreement, if the Chairman is a promoter, then, one-half of the members of the Board should consist of independent Directors. The amendment has been taken note of but the company could not implement the change.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement with Stock Exchanges) across all the Companies in which they are Directors.

Five Board Meetings were held in the year on 29<sup>th</sup> April 2013, 8<sup>th</sup> August 2013, 31<sup>st</sup> October 2013, 27<sup>th</sup> January 2014 and 1<sup>st</sup> March 2014.

Name	Attendance at the AGM	No. of meetings attended	No. of Directorships in other Companies*	No. of Committee positions held in other Companies*	
				Chairman	Member
Sri N. V. Hegde (Promoter Director)	Yes	5	1	-	-
Sri T. R. Shenoy (Promoter Director)	Yes	5	1	-	-
Sri G. P. Adyanthaya (Promoter Director)	Yes	4	1	-	-
Capt. N. P. Hegde, IN (Retd.)	No	1	-	-	-
Sri Gopalkrishna Shenoy	Yes	4	-	-	-
Sri M. Rajendra	No	5	1	-	-
Sri B. S. Baliga	Yes	5	1	-	-
Sri Vishal Hegde	Yes	5	2	-	-
Dr. N. K. Thingalaya **	Yes	4	2	2	2
Sri J. Surendra Reddy **	No	4	3	-	-
Sri J. M. Nagaraj **	No	3	-	-	-
Sri M. Raghava **	Yes	5	-	-	-

\* Excluding alternate directorship and directorship in private limited companies and foreign companies.

\*\* Non-Executive and Independent Director.

- Mr.N.V.Hegde is the Non-Executive Chairman.
- Mr. Gopalkrishna Shenoy is the Managing Director.



## **LAMINA FOUNDRIES LIMITED**

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### **2. AUDIT COMMITTEE**

The Terms of reference of the Audit Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are :

- a. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - b. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
  - c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - d. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
    - Matters required to be included in the Directors' Responsibility statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgement by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications in the draft audit report.
  - e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  - f. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
  - g. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - h. Discussion with internal auditors on any significant findings and follow-up thereon.
  - i. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - j. Discussion with statutory auditors before the commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - l. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
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## LAMINA FOUNDRIES LIMITED

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The Audit Committee consists of the following members :

1. Dr. N. K. Thingalaya Chairman of the Committee
2. Mr. M. Rajendra Member
3. Mr. M Raghava Member

The meetings of the Audit Committee were held on 29<sup>th</sup> April 2013, 8<sup>th</sup> August 2013, 31<sup>st</sup> October 2013 and 27<sup>th</sup> January 2014.

### 3. REMUNERATION COMMITTEE

The terms of reference made to the remuneration committee by your Board are to decide the policy on specific remuneration packages for Managing Director including pension rights and any compensation packages.

All non-executive directors of your Company receive sitting fees for each meeting of the Board attended by them. Other than the sitting fees, no other remuneration was payable to the non-executive directors for the year 2013-14.

During the year 2013-14, the remuneration committee meeting was not held. The committee consists of the following members:

1. Dr. N. K. Thingalaya
2. Mr. J. Surendra Reddy
3. Mr. J. M. Nagaraj

Details of remuneration paid/payable to the Managing Director for the ended 31<sup>st</sup> March 2014.

Name	Designation	Salary (per annum)	Perquisites (per annum)
Sri Gopalkrishna Shenoy	Managing Director	Rs. 8,32,500/-	Rs. 3,54,032/-

No bonus shares and stock options were issued to any of the Directors.

### 4. SHAREHOLDERS' COMMITTEE :

#### a) Share Transfer Committee :

Members:

1. Sri T R Shenoy, Chairman
2. Sri Gopalkrishna Shenoy, Managing Director
3. Sri G P Adyanthaya, Director

The committee met on 8<sup>th</sup> June 2013, 27<sup>th</sup> June 2013, 31<sup>st</sup> October 2013, 20<sup>th</sup> November 2013, 26<sup>th</sup> October 2013, 15<sup>th</sup> February 2014.

#### b) Shareholders'/Investors' Grievance Committee :

Members:

1. Sri B S Baliga - Chairman
  2. Sri J M Nagaraj - Member
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## LAMINA FOUNDRIES LIMITED

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During the year, no complaints were received from the shareholders

**5. Name and Designation of Compliance Officer :**

Mrs. Shantheri Baliga  
Company Secretary

**6. GENERAL BODY MEETING :**

Location and time, where the last three AGMs were held :

Year	Location	Date	Time
2012-2013	Justice K.S. Hegde Institute of Management Auditorium, Nitte - 574110	27.09.2013	12.05 p.m.
2011-2012	Justice K S Hegde Institute of Management Auditorium, Nitte - 574110	28.09.2012	12.05 p.m.
2010-2011	Justice K S Hegde Institute of Management Auditorium, Nitte - 574110	05.09.2011	12.15 p.m.

Special resolutions in the last three AGMs :

2012-2013 – None

2011-2012 – None

2010-2011 – To Re-appoint Managing Director.

No Item of business, which required the member's approval through postal ballot was transacted during 2013-2014. Accordingly, the Companies (Postal Ballot) Rules, 2001 was not applicable to the Company during the said year.

**7. DISCLOSURES :**

- There were no materially significant related party transactions during the year that have potential conflict with the interests of the Company at large.
- There had been no non-compliance or penalties or strictures imposed on your Company by any of the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The company had implemented the Whistle blower policy during the previous financial year.

**8. MEANS OF COMMUNICATION :**

The quarterly results are published in the newspapers viz., The Financial Express in English and Hosa Diganta / Vijaya Karnataka in Kannada. The Company's website address is [www.laminafoundries.com](http://www.laminafoundries.com). Share holders grievances can be addressed at the e-mail id of the Company i.e. [lafoundry47@hotmail.com](mailto:lafoundry47@hotmail.com)

Official news releases are sent to the Stock Exchanges, where the shares of the Company are listed.

Management Discussion and Analysis forms part of the Annual Report.

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## LAMINA FOUNDRIES LIMITED

### 9. GENERAL SHAREHOLDER INFORMATION :

Sr.No.	Salient Item of Interest	Particulars
i)	AGM date, time and venue	26 <sup>th</sup> September 2014 @ 12.05 p.m at Justice K S Hegde Institute of Management Auditorium, Nitte - 574 110
ii)	Financial Calendar	Year ended 31 <sup>st</sup> March 2014
iii)	Date of Book Closure	15-09-2014 to 26-09-2014
iv)	Dividend payment date	Not applicable
v)	Listing on Stock Exchanges	<b>Bangalore Stock Exchange Limited</b> No. 51 Stock Exchange Towers, J.C.Road, Bangalore - 27. <b>Madras Stock Exchange Limited</b> Exchange Building, P.B. No. 183, No. 11, Second Line Beach, Chennai - 1.
vi)	Stock Code	Bangalore Stock Exchange Ltd., - LAMINAFOUN Madras Stock Exchange Ltd. - LAMINAFOU
vii)	Stock Market Data	Stock Market data has not been furnished as the stock is not being traded in the stock exchanges.
viii)	Share price performance in comparison to broad base indices such as BSE Sensex & NSE nifty	Details are not furnished, as it is not applicable to our company.
ix)	Registrar and Share transfer agents	M/s. Karvy Computer share Pvt. Ltd. 'KARVY HOUSE', 46, Avenue 4, Street No.1 Banjara Hills, Hyderabad - 500034
x)	Share Transfer Systems	Shares lodged in physical form with company / its Registrars & Share Transfer Agents are processed and returned, duly transferred, within 30 days normally, except in cases where litigation is involved.  In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit / credit accounts involved.
xi)	Dematerialisation of shares and liquidity	As at 31 <sup>st</sup> March 2014, 3,13,245 shares of the Company were held in dematerialized mode.
xii)	Outstanding GDRs / ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.	Not applicable to the company
xiii)	Plant Location	Nitte Village - 574 110, Karkala Taluk, Udupi District, Karnataka
xiv)	Address for correspondence	1. Nitte Village - 574 110 Karkala Taluk, Udupi District, Karnataka 2. 17-19, Industrial Area, Baikampady, New Mangalore - 575 011.
xv)	E-mail id for shareholder's Correspondence	lafoundry47@hotmail.com

## LAMINA FOUNDRIES LIMITED

### DISTRIBUTION SCHEDULE AS ON 31.03.2014

Sl.No.	Category From To	No. of cases	% of cases	Amount (Rs.)	% of Amount
1	upto 1 - 5000	1445	82.38	2383060.00	7.84
2	5001 - 10000	143	8.15	1212950.00	3.99
3	10001 - 20000	77	4.39	1142050.00	3.76
4	20001 - 30000	33	1.88	812000.00	2.67
5	30001 - 40000	11	0.63	392270.00	1.29
6	40001 - 50000	6	0.34	277500.00	0.91
7	50001 - 100000	18	1.03	1409250.00	4.64
8	100001 & Above	21	1.20	22770920.00	74.90
	<b>TOTAL</b>	<b>1753</b>	<b>100.00</b>	<b>30400000.00</b>	<b>100.00</b>

### SHAREHOLDING PATTERN AS ON 31.03.2014

S.No	Description	Cases	Shares	% to Equity
1	Banks	1	100	0.00
2	Directors	5	11777	0.39
3	Directors & Relatives	23	79685	2.62
4	HUF	1	1000	0.03
5	Bodies Corporate	28	267850	8.81
6	Promoters-Bodies Corporate	3	1675704	55.13
7	Company Promoters	3	147413	4.85
8	Resident Individuals	1689	856471	28.17
	<b>TOTAL</b>	<b>1753</b>	<b>3040000</b>	<b>100.00</b>

### LIST OF SHAREHOLDING OF DIRECTORS AS ON 31.03.2014

S.No.	Dpid	Folio/Client id	Name/Jt1/Jt2	Share	% Equity	Category
1		T 000002	T R Shenoy	50300	1.66	PRO
2.		N 000002	N V Hegde	49667	1.64	PRO
3.		G 000011	Guruprasad Adyanthaya	47436	1.56	PRO
4.		N 000014	Capt. N.P.Hegde	4600	0.15	DIR
5.		G 000010	Gopalkrishna Shenoy	3017	0.10	DIR
6.		M 000003	M Raghava	3010	0.10	DIR
7.		J 000002	J Surendra Reddy	1000	0.03	DIR
8.		B 000015	B S Baliga	150	0.00	DIR
		<b>Total</b>		<b>159180</b>	<b>5.24</b>	

## **LAMINA FOUNDRIES LIMITED**

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### **10. CEO / CFO Certification forms part of the Corporate Governance Report.**

#### **Certification by the Chief Executive Officer / Managing Director and the Chief Financial Officer of the Company:**

We, Gopalkrishna Shenoy, Managing Director and D. Chandramouleeswaran, General Manager (Finance), do hereby certify that :

- a) We have reviewed the Balance Sheet, profit and loss Statement and all its schedules and notes on accounts, as well the cash flow statements and the Directors' Report.
- b) These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- c) Based on our knowledge and information provided to us, no transactions entered into by the company are fraudulent, illegal or in violation of the company's code of conduct;
- d) These statements together present a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/or applicable laws/regulations;
- e) We are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company ; and there were no deficiencies in the design or operation of internal controls and hence there was no need to disclose the same to the auditors or the Audit Committee;
- f) There was no instance of any significant fraud that involves management or employees having significant role in the company's internal control systems;
- g) We have indicated to the auditors, the Audit Committee and in the notes of accounts that there were no significant changes in internal control or the accounting policies of the Company during the year.

Place : Mangalore

Date : 30.05.2014

**Gopalkrishna Shenoy**

*Managing Director*

**D. Chandramouleeswaran**

*General Manager (Finance)*

## **LAMINA FOUNDRIES LIMITED**

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### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
Lamina Foundries Limited

We have examined the compliance of conditions of Corporate Governance by Lamina Foundries Limited for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**for NITIN J. SHETTY & CO.**

Chartered Accountants  
Registration No. 008891S

Place : MANGALORE  
Date : 30.05.2014

CA. Nitin J. Shetty  
Partner  
Member No. 025990

# **LAMINA FOUNDRIES LIMITED**

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## **INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

### **TO THE MEMBERS OF LAMINA FOUNDRIES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s LAMINA FOUNDRIES LIMITED (the "Company"), which comprise the Balance Sheet as on 31<sup>st</sup> March 2014, the Statement of Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

#### **Auditors' Responsibility**

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

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

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

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## **LAMINA FOUNDRIES LIMITED**

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### **Opinion**

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

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

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

1. As required by the Companies (Auditors Report) Order, 2003 (the "Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For Nitin J. Shetty & Co.  
Chartered Accountants  
Registration No. 008891S**

**Place: Mangalore  
Date: 30.05.2014**

**CA. Nitin J. Shetty  
Partner  
Member No. 025990**

## **LAMINA FOUNDRIES LIMITED**

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### **Annexure to Independent Auditors' Report of Lamina Foundries Ltd.**

**as of and for year ended March 31, 2014**

**(referred to in our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the Management during the year at reasonable intervals. No material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year are not substantial and hence it has not affected the going concern status of the Company.
  - (ii) (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
  - (iii) (a) The Company has not granted any secured or unsecured loans to any parties covered under section 301 of the Companies Act, 1956. The Company has taken unsecured loans from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved in the transactions was Rs. Nil and the balance outstanding was Rs 611.03 Lacs.
  - (b) The rate of interest and other terms and conditions of loans taken by the company are not prima facie prejudicial to the interest of the company.  
Sub-clauses (c) & (d) are not applicable, as the loans are of long term in nature.
  - (iv) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
  - (v) (a) The transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) The transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
  - (vi) The Company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956, wherever applicable, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
  - (vii) The Company has an internal audit system commensurate with the size and nature of its business.
  - (viii) Consequent to the applicability of the Companies (Cost Accounting Records) Rules 2011, for the maintenance of cost records prescribed by the Central Government under Section
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## LAMINA FOUNDRIES LIMITED

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209(1)(d) of the Companies Act, 1956, proper records have been made and maintained by the Company.

- (ix) (a) The Company, during the year, has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty, Wealth Tax and Cess which are in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) There were no dues of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any disputes.
- (x) The accumulated losses of the Company are less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and also during the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institutions and banks. The Company has no debenture holdings during the financial year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The term loans have been applied for the purpose for which they were raised.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment and vice-versa.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period covered by our Audit Report.
- (xx) The Company has not raised money by way of Public Issues during the period covered by our Audit Report.
- (xxi) No fraud on or by the Company has been noticed or reported during the course of our audit.

**for Nitin J. Shetty & Co.,**  
*Chartered Accountants*  
Registration No. 008891S

**CA. Nitin J. Shetty**  
Partner  
Member No. 025990

Place : MANGALORE  
Date : 30.05.2014

## LAMINA FOUNDRIES LIMITED

### BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	As at 31st March, 2014	As at 31st March, 2013
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholder's funds			
(a) Share Capital	2	3,04,00,000	3,04,00,000
(b) Reserves and Surplus	3	(70,74,566)	(59,34,886)
		<u>2,33,25,434</u>	<u>2,44,65,114</u>
2. Non-current liabilities			
Long-term borrowings	4	1,65,52,271	1,72,65,817
		<u>1,65,52,271</u>	<u>1,72,65,817</u>
3. Current liabilities			
(a) Short-term borrowings	5	19,04,77,281	18,10,05,435
(b) Trade payables	6	6,01,16,521	6,08,52,386
(c) Other current liabilities	7	6,67,88,019	4,64,91,008
		<u>31,73,81,821</u>	<u>28,83,48,829</u>
TOTAL		<u><u>35,72,59,526</u></u>	<u><u>33,00,79,760</u></u>
<b>II. ASSETS</b>			
1. Non-current assets			
(a) Fixed assets			
Tangible assets	8	10,51,54,826	11,05,27,040
(b) Deferred tax assets (net)	9	3,82,341	4,96,616
(c) Long-term loans and advances	10	1,23,27,240	1,00,78,040
		<u>11,78,64,407</u>	<u>12,11,01,696</u>
2. Current assets			
(a) Inventories	11	12,62,47,788	13,26,58,228
(b) Trade receivables	12	7,78,69,638	5,46,65,358
(c) Cash and cash equivalents	13	1,05,80,677	98,65,497
(d) Short-term loans and advances	14	2,46,97,016	1,17,88,981
		<u>23,93,95,119</u>	<u>20,89,78,064</u>
TOTAL		<u><u>35,72,59,526</u></u>	<u><u>33,00,79,760</u></u>
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>			

For and on behalf of the Board of Directors

**Gopalkrishna Shenoy**  
Managing Director

**Guruprasad Adyanthaya**  
Director

**Shantheri Baliga**  
Company Secretary

In terms of our report attached  
for **NITIN J. SHETTY & CO**  
Chartered Accountants  
(Regn. No 008891s)

CA. Nitin J. Shetty  
Partner  
Membership No. 025990

Place : MANGALORE  
Date : 30-05-2014

## LAMINA FOUNDRIES LIMITED

### PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
		Rs.	Rs.
<b>I. Revenue from operations</b>	15	<b>51,80,95,274</b>	53,16,13,049
Less : Excise Duty		<u>4,04,56,224</u>	<u>3,73,81,814</u>
		<b>47,76,39,050</b>	49,42,31,235
<b>II. Other Income</b>	16	<b>29,96,869</b>	40,00,428
<b>III. Total Reveune</b>	<b>(I + II)</b>	<b>48,06,35,919</b>	49,82,31,663
<b>IV. Expenses :</b>			
a) Cost of materials consumed	17	<b>20,13,35,361</b>	22,80,87,981
b) Manufacturing Cost	18	<b>13,66,38,297</b>	14,06,52,374
c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	<b>18,94,310</b>	(1,85,22,438)
d) Employee benefit expense	20	<b>5,81,32,656</b>	5,76,11,283
e) Finance costs	21	<b>3,87,50,531</b>	3,85,18,660
f) Depreciation and amortization expense	8	<b>1,13,28,592</b>	1,09,46,384
g) Other expenses	22	<b>3,35,81,577</b>	3,42,46,576
<b>Total Expenses</b>		<b>48,16,61,324</b>	49,15,40,820
<b>V. Profit before exceptional and     extraordinary items and tax</b>	<b>(III - IV)</b>	<b>-10,25,405</b>	66,90,843
<b>VI. Profit before extraordinary items     and tax</b>		<b>-10,25,405</b>	66,90,843
<b>VII. Profit before tax</b>		<b>-10,25,405</b>	66,90,843
<b>VIII. Tax expense :</b>			
(1) Current tax		-	-
(2) Deferred tax	23	<u>1,14,275</u>	<u>10,55,723</u>
<b>IX. Profit/(Loss) for the period from     continuing operations</b>	<b>(VII - VIII)</b>	<b>-11,39,680</b>	56,35,120
<b>X. Profit/(Loss) for the period</b>		<b>-11,39,680</b>	<b>56,35,120</b>
<b>XI. Earning per equity share :</b>			
(1) Basic		-	1.85
(2) Diluted		-	-
<b>XII. NOTES FORMING PART OF FINANCIAL     STATEMENTS</b>	<b>1-31</b>		

For and on behalf of the Board of Directors

**Gopalkrishna Shenoy**  
Managing Director

**Guruprasad Adyanthaya**  
Director

**Shantheri Baliga**  
Company Secretary

In terms of our report attached

for **NITIN J. SHETTY & CO**

Chartered Accountants  
(Regn. No 008891S)

CA. Nitin J. Shetty  
Partner

Membership No. 025990

Place : MANGALORE

Date : 30-05-2014

## LAMINA FOUNDRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	2013-14 (Rs.)	2012-13 (Rs.)
<b>A. Cash Flow from operating Activities</b>		
Net Profit before tax and ordinary items	3,80,04,083	4,52,80,605
Adjustments for :		
Profit on Sale of Assets	97,401	45,920
Depreciation	1,13,28,592	1,09,46,384
Operating profit before working capital changes	<u>4,94,30,076</u>	<u>5,62,72,909</u>
Adjustments for :		
Trade and Other receivables	(3,83,61,515)	33,88,737
Inventories	64,10,440	(2,06,76,713)
Trade payables	63,27,784	58,39,124
	<u>(2,56,23,291)</u>	<u>(1,14,48,852)</u>
Cash Generated from operations	2,38,06,785	4,48,24,057
Interest paid	3,87,50,531	3,85,18,660
Cash flow before extraordinary items	<u>(1,49,43,746)</u>	<u>63,05,397</u>
Net cash from operating activities	<u>(1,49,43,746)</u>	<u>63,05,397</u>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed assets	(60,16,182)	(1,96,38,289)
Sale of fixed assets	59,804	1,15,652
	<u>(59,56,378)</u>	<u>(1,95,22,637)</u>
<b>C. Cash flow from financing activities</b>		
Working capital borrowings	88,05,546	1,57,53,784
Repayment of term loans	1,31,86,116	(57,48,880)
Tax Paid	(3,76,358)	(1,17,023)
Net cash used in financing activities	<u>2,16,15,304</u>	<u>98,87,881</u>
Net increase in cash and cash equivalents	7,15,180	(33,29,359)
Opening Balance of cash & cash equivalents	98,65,497	1,31,94,856
Closing Balance of cash & cash equivalents	1,05,80,677	98,65,497

For and on behalf of the Board of Directors

**Gopalkrishna Shenoy**  
Managing Director

**Guruprasad Adyanthaya**  
Director

**Shantheri Baliga**  
Company Secretary

Place : MANGALORE  
Date : 30-05-2014

In terms of our report attached

for **NITIN J. SHETTY & CO**  
Chartered Accountants  
(Regn. No 008891s)

CA. Nitin J. Shetty  
Partner  
Membership No. 025990

# LAMINA FOUNDRIES LIMITED

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## NOTES FORMING PART OF FINANCIAL STATEMENTS

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### NOTE 1

#### 1.1 Significant Accounting Policies :

(a) Method of Accounting :

The financial statements are prepared following mercantile system on historical cost basis of accounting in accordance with the generally accepted accounting principles in India and the Provisions of the Companies Act, 1956, unless otherwise specifically stated.

(b) Fixed Assets :

Upto 31st December 1984, Fixed Assets were valued at cost, which included interest capitalisation on loans availed and subsequent additions are stated at cost.

(c) Valuation of Inventories :

(i) Raw materials, Stores and Spares are valued at cost, on average value basis.

(ii) Work-in-Progress is valued at lower of cost which includes material, labour and overheads or net realisable value.

(iii) Finished goods are valued at lower of cost which includes materials, labour and overheads or net realisable value.

(d) Sales :

Sales include excise duty collected from the customers through the invoices and the excise duty paid on the despatches covered by the invoices are shown as deduction from the "Revenue from operations" in the profit and loss statement.

(e) Debtors :

Debtors are stated net of Bills Discounted.

(f) Depreciation :

Depreciation is provided at the rates prescribed under schedule XIV of the Companies Act, 1956 as amended by notification No. GSR 756 (E) Dtd. 16.12.93, on straight line method and on single shift basis.

(g) Foreign Exchange Transaction :

All payments made in foreign currency are translated into rupees at the rates debited by bank and all receipts, at the rates credited by the bank.

## LAMINA FOUNDRIES LIMITED

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(h) Retirement benefits :

Retirement benefits are provided for by payments to Gratuity and Provident Fund. The Gratuity Liability is determined on the basis of actuarial valuation furnished by Life Insurance Corporation of India under Group Gratuity Scheme.

(i) Deferred Tax :

Deferred tax is recognised on all timing differences, subject to consideration of prudence in respect of deferred tax asset.

1.2 Confirmations of balances were not received from the parties under security and other deposits and from debtors and creditors.

1.3 In the opinion of the management, Current Assets, Loans and Advances are approximately of the value stated in the Balance Sheet on a going concern basis.

1.4 Segment Reporting :

The management has identified the business segment as the Primary Segment and the geographical segment as the Secondary Segment.

a) Primary Segment : Business

The management is of the opinion that there are no separate reportable business segments as per Accounting Standards (AS)-17, as the entire operation of the company relates to one reportable segment comprising of manufacture of Iron Castings. Hence, the company's business segment represents single business segment, which does not include products with significantly differing risks and returns.

b) Secondary Segment : Geographical

Segment revenue by geographical based location of customers:

Domestic (Rs.)		Export (Rs)		Total (Rs.)	
<b>2013-14</b>	2012-13	<b>2013-14</b>	2012-13	<b>2013-14</b>	2012-13
<b>36,19,54,013</b>	33,26,60,500	<b>15,04,26,894</b>	19,19,37,551	<b>51,23,80,907</b>	52,45,98,052

c) The company's operating facilities are located in India.

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## LAMINA FOUNDRIES LIMITED

### NOTE 2

Share capital	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
Authorised Share Capital :		
48,00,000 Equity shares of Rs.10/- each	4,80,00,000	4,80,00,000
20,000 13.5% Redeemable Cumulative Preference Shares of Rs 100/- each	20,00,000	20,00,000
	5,00,00,000	5,00,00,000
Issued, Subscribed and fully paid up :		
30,40,000 Equity Shares of Rs 10/- each (Of the above, 16,75,704 equity shares are held by the Holding company, M/s Lamina Suspension Products Ltd)	3,04,00,000	3,04,00,000
<b>Ordinary Shares of Rs. 10 each :</b>		
- In respect of every Ordinary share (whether fully paid or partly paid), voting right shall be in same proportion, as the capital paid upon such ordinary share, bears to the total paid up ordinary capital of the company.		
- In the event of liquidation, the shareholders of ordinary shares are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holdings.		
<b>Information regarding issue of shares in the last five years.</b>		
(a) Company has not issued any shares without payment being received.		
(b) The Company has not issued any bonus shares.		
(c) The Company has not undertaken any buy- -back shares.		
	3,04,00,000	3,04,00,000
<b>Name of Share -</b>	<b>No. of Shares</b>	<b>% of</b>
- holder	held	Holding
Lamina Suspension Products Ltd. -	16,75,704	55.12
Holding Company		

## LAMINA FOUNDRIES LIMITED

### NOTE 3

<b>Reserves and surplus</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Capital reserve</b>		
Capital Subsidy from Govt. of Karnataka	30,00,000	30,00,000
Forfeited shares	22,966	22,966
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	10,00,000	10,00,000
<b>General Reserve</b>		
Balance as per last Balance Sheet	25,14,085	25,14,085
<b>Profit &amp; Loss Account</b>		
Balance as per last Balance Sheet	(1,24,71,937)	(1,81,07,057)
Add: Current year profit before appropriation	<u>(11,39,680)</u> <b>(1,36,11,617)</b>	<u>56,35,120</u> (1,24,71,937)
	<u><b>(70,74,566)</b></u>	<u><b>(59,34,886)</b></u>

### NOTE 4

<b>Long term borrowings</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Secured</b>		
(i) Term loans from Scheduled Banks	1,51,57,421	1,50,54,667
(ii) H.P. Finance - Vehicle Loan from Syndicate Bank	6,54,199	4,48,879
<b>Unsecured</b>		
Hire Purchase Finance	<u>7,40,651</u>	<u>17,62,271</u>
	<u><b>1,65,52,271</b></u>	<u><b>1,72,65,817</b></u>

a) Secured term Loans

Term loans from Scheduled Banks, (Syndicate Bank, Corporation Bank, Vijaya Bank and Andhra Bank) for working capital, are secured by a pari-passu first charge on the fixed assets of the company and are further secured by hypothecation of Plant and Machinery. The term loans, aggregating 480 lacs, are additionally secured by the personal guarantees of the three Promoter Directors.

b) The repayment terms of the term loans are monthly/quarterly/annual as per the terms stipulated by the respective banks.

c) The Vehicle loan of Rs. 1058743/- availed from Syndicate Bank, includes Rs. 404544/- included in Current Maturities of Long Term Debt under Note 7.

d) Hire purchase finance loans are repayable in EMIs

## LAMINA FOUNDRIES LIMITED

### NOTE 5

<b>Short term borrowings</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Secured</b>		
Loans repayable on demand		
- From Scheduled banks	<b>7,98,57,042</b>	8,86,93,672
<b>Unsecured</b>		
(a) Loans repayable on demand		
From Scheduled banks	<b>25,76,100</b>	25,18,720
(b) Loans and advances from		
(i) Related Parties	6,11,03,139	5,74,82,043
(ii) Others	<u>1,30,00,000</u>	<u>1,00,00,000</u>
(c) Deposits	3,39,41,000	2,23,11,000
	<b><u>19,04,77,281</u></b>	<b><u>18,10,05,435</u></b>

Note : Secured Loans

Loans mentioned above are secured by the hypothecation of Stock-in-trade, book debts and also by a pari passu 1st charge on the Fixed assets of the company & further secured by the personal guarantees of the three Promoter Directors for Rs. 7,98,57,042

### NOTE 6

<b>Trade Payables</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Secured</b>		
Sundry Creditors for Raw materials	<b>6,01,16,521</b>	6,08,52,386
	<b><u>6,01,16,521</u></b>	<b><u>6,08,52,386</u></b>

### NOTE 7

<b>Other current liabilities</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Current maturities of long-term debt	<b>2,83,45,101</b>	1,51,11,740
Liabilities for Expenses	<b>2,66,56,859</b>	2,55,86,334
Other Payables	<b>1,17,86,059</b>	57,92,934
	<b><u>6,67,88,019</u></b>	<b><u>4,64,91,008</u></b>

## LAMINA FOUNDRIES LIMITED

### NOTE 8

#### Fixed Assets

Tangible Fixed Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 31st March 2013 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees	For the year Rupees	On Dedu- -ctions Rupees	As at 31st March 2014 Rupees	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees
LAND	21,04,706	-	-	<b>21,04,706</b>	-	-	-	-	<b>21,04,706</b>	21,04,706
BUILDINGS	2,62,22,020	2,27,059	-	<b>2,64,49,079</b>	1,29,48,715	6,97,384	-	<b>1,36,46,099</b>	<b>1,28,02,980</b>	1,32,73,305
PLANT AND MACHINERY	21,62,61,700	50,85,728	-	<b>22,13,47,428</b>	12,40,61,272	1,01,79,736	-	<b>13,42,41,008</b>	<b>8,71,06,420</b>	9,22,00,428
VEHICLES	48,67,118	6,74,960	11,31,205	<b>44,10,873</b>	23,16,516	4,01,420	10,71,401	<b>16,46,535</b>	<b>27,64,338</b>	25,50,602
FURNITURE	16,96,534	28,435	-	<b>17,24,969</b>	12,98,535	50,052	-	<b>13,48,587</b>	<b>3,76,382</b>	3,97,999
<b>TOTAL</b>	<b>25,11,52,078</b>	<b>60,16,182</b>	<b>11,31,205</b>	<b>25,60,37,055</b>	<b>14,06,25,038</b>	<b>1,13,28,592</b>	<b>10,71,401</b>	<b>15,08,82,229</b>	<b>10,51,54,826</b>	<b>11,05,27,040</b>
PREVIOUS YEAR	23,19,70,038	1,96,38,289	4,56,250	<b>25,11,52,077</b>	13,00,19,251	1,09,46,384	3,40,598	<b>14,06,25,037</b>	<b>11,05,27,040</b>	10,19,50,787

## LAMINA FOUNDRIES LIMITED

### NOTE 9

Deferred Tax Assets (Net)	As at 31st		As at 31st	
	March 2014		March 2013	
	Rs.		Rs.	
Deferred tax asset	1,08,51,989	-	1,09,66,264	
Less : Deferred tax liability	<u>1,04,69,648</u>	<u><b>3,82,341</b></u>	<u>1,04,69,648</u>	<u>4,96,616</u>

### NOTE 10

Long term Loans & Advances	As at 31st		As at 31st	
	March 2014		March 2013	
	Rs.		Rs.	
Security Deposit				
- With Mescom	1,09,33,040		80,16,840	
- Other Deposits	<u>13,94,200</u>	<u><b>1,23,27,240</b></u>	<u>20,61,200</u>	<u>1,00,78,040</u>

### NOTE 11

Inventories	As at 31st		As at 31st	
	March 2014		March 2013	
	Rs.		Rs.	
Raw Materials	<b>50,24,009</b>		1,01,60,775	
Work-in-Progress	<b>10,37,20,312</b>		10,70,11,126	
Finished Goods	31,26,223		17,29,719	
Stores & Spares	1,35,46,288		1,29,32,922	
Other Items				
Oils & Lubricants	1,21,637		1,32,886	
Building Materials	18,519		-	
Coke	<u>6,90,800</u>	<u><b>8,30,956</b></u>	<u>6,90,800</u>	<u>8,23,686</u>
		<u><b>12,62,47,788</b></u>		<u>13,26,58,228</u>

#### Valuation of Inventories

- i) Raw materials, Stores & Spares are valued of cost, on average value basis
- ii) Work-in-Progress is valued at lower of cost, which includes material, labour & overheads or net realisable value.
- iii) Finished goods are valued at lower of cost, which includes material, labour & overheads or net realisable value.

### NOTE 12

Trade receivables	As at 31st		As at 31st	
	March 2014		March 2013	
	Rs.		Rs.	
Unsecured, considered good				
(a) Outstanding for a period exceeding six months	1,35,38,862		65,75,222	
(b) Others	<u>6,43,30,776</u>	<u><b>7,78,69,638</b></u>	<u>4,80,90,136</u>	<u>5,46,65,358</u>
		<u><b>7,78,69,638</b></u>		<u>5,46,65,358</u>

## LAMINA FOUNDRIES LIMITED

### NOTE 13

<b>Cash and cash equivalents</b>	<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>	
	<b>Rs.</b>		<b>Rs.</b>	
(a) Balances with banks				
In current accounts :-				
Others	10,24,328	<b>10,24,328</b>	4,87,495	4,87,495
(b) In Fixed Deposits with banks				
(i) LC Margin Money	90,12,849		84,94,041	
(ii) FD margin Money	4,20,185	<b>94,33,034</b>	4,20,185	89,14,226
(c) Cash on hand		<b>1,23,315</b>		4,63,776
		<b><u>1,05,80,677</u></b>		<b><u>98,65,497</u></b>

### NOTE 14

<b>Short term loans and advances</b>	<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>	
	<b>Rs.</b>		<b>Rs.</b>	
(a) Advances recoverable in cash or in kind or for value to be received (unsecured, considered good)	65,71,150		76,54,674	
(b) Export incentive receivable	12,49,270		10,25,276	
(c) Prepaid Expenses	21,39,099		23,79,234	
(d) Payments to suppliers for Capital Goods (unsecured, considered good)	1,47,37,497	<b>2,46,97,016</b>	7,29,797	1,17,88,981
		<b><u>2,46,97,016</u></b>		<b><u>1,17,88,981</u></b>

### NOTE 15

<b>Revenue from Operations</b>	<b>Y.E 31st March 2014</b>		<b>Y.E 31st March 2013</b>	
	<b>Rs.</b>		<b>Rs.</b>	
(a) Sales of Products - Unmachined and machined Castings		51,23,80,907		52,45,98,052
(b) Other Operating Income				
(i) Export Incentives	22,96,539		42,47,978	
(ii) Sale of Scrap	9,51,130		11,78,333	
(iii) Sale of Pattern	-		2,45,000	
(iv) Pattern Charges Collected	24,66,698	57,14,367	13,43,686	70,14,997
		<b><u>51,80,95,274</u></b>		<b><u>53,16,13,049</u></b>

## LAMINA FOUNDRIES LIMITED

	Rs.	Rs.
<b>NOTE 16</b>	<b>Y.E 31st</b>	<b>Y.E 31st</b>
<b>Other Income</b>	<b>March 2014</b>	<b>March 2013</b>
(a) Interest earned	16,08,190	15,15,589
(b) Misc. Income	13,88,679	24,84,839
	<u>29,96,869</u>	<u>40,00,428</u>
<b>NOTE 17</b>	<b>Y.E 31st</b>	<b>Y.E 31st</b>
<b>Cost of Materials Consumed</b>	<b>March 2014</b>	<b>March 2013</b>
Opening Stock	1,01,60,775	89,68,277
Add : Purchases	19,61,98,595	22,92,80,479
	<u>20,63,59,370</u>	<u>23,82,48,756</u>
Less : Closing Stock	50,24,009	1,01,60,775
	<u>20,13,35,361</u>	<u>22,80,87,981</u>
<b>NOTE 18</b>	<b>Y.E 31st</b>	<b>Y.E 31st</b>
<b>Manufacturing Costs</b>	<b>March 2014</b>	<b>March 2013</b>
Stores & Spares consumed	1,41,13,123	1,43,35,560
Freight Inwards	1,46,98,208	1,65,21,601
Power & Fuel	6,46,54,268	6,78,29,305
Repairs to Machineries	18,49,250	18,40,796
Repairs to Buildings	7,00,498	5,31,956
Other Manufacturing Expenses	4,01,72,950	3,92,33,156
Lease rent on Building	4,50,000	3,60,000
	<u>13,66,38,297</u>	<u>14,06,52,374</u>
<b>NOTE 19</b>	<b>Y.E 31st</b>	<b>Y.E 31st</b>
<b>Changes in Inventories of finished goods, work-in-progress &amp; Stock-in-trade</b>	<b>March 2014</b>	<b>March 2013</b>
Opening Stock		
Manufactured Goods	17,29,719	34,40,971
Work-in-Progress	10,70,11,126	10,87,40,845
Less : Closing Stock		
Manufactured Goods	31,26,223	17,29,719
Work-in-Progress	10,37,20,312	10,70,11,126
	<u>18,94,310</u>	<u>(1,85,22,438)</u>
<b>NOTE 20</b>	<b>Y.E 31st</b>	<b>Y.E 31st</b>
<b>Employee Benefit Expense.</b>	<b>March 2014</b>	<b>March 2013</b>
Salaries, Wages & Bonus	4,76,42,859	4,75,01,996
Contribution to Provident Fund, Gratuity & other funds	67,90,440	66,75,177
Staff welfare Expenses	36,99,357	34,34,110
	<u>5,81,32,656</u>	<u>5,76,11,283</u>

## LAMINA FOUNDRIES LIMITED

### NOTE 21

<b>Finance Costs</b>	<b>Y.E 31st March 2014</b>	<b>Y.E 31st March 2013</b>
	Rs.	Rs.
(a) Interest on Term Loans	<b>39,05,305</b>	49,89,517
(b) Other Borrowing Costs		
(i) Bank Interest & Bank Charges	<b>2,51,46,540</b>	2,47,89,896
(ii) Other Interest & Finance Charges	<b>96,98,686</b>	87,39,247
	<b><u>3,87,50,531</u></b>	<b><u>3,85,18,660</u></b>

### NOTE 22

<b>Other Expenses</b>	<b>Y.E 31st March 2014</b>	<b>Y.E 31st March 2013</b>
	Rs.	Rs.
Freight Forwarding & Clearing	<b>2,16,15,550</b>	2,08,89,168
Rates, Taxes & License Fees	<b>6,96,164</b>	7,32,070
Advertisements & Sales Promotion	<b>6,26,501</b>	6,72,022
Insurance Premium	<b>7,86,848</b>	11,84,788
Postage & Telephone	<b>3,95,355</b>	4,04,347
Printing & Stationery	<b>4,46,990</b>	5,71,694
Directors' Sitting Fees	<b>1,80,000</b>	1,40,000
Internal Audit Fees	<b>50,000</b>	50,000
<b>Payments to Auditor:</b>		
As Auditor	<b>50,000</b>	50,000
For Taxation Matters	<b>30,000</b>	30,000
For Other Services	<b>31,500</b>	21,000
Reimbursement of Expenses	<b>10,290</b>	<u>7,525</u>
Directors' Remuneration	<b>11,86,532</b>	11,50,392
Vehicle Maintenance	<b>8,48,737</b>	<b>10,94,955</b>
Consultancy & Professional Charges	<b>4,25,250</b>	<b>5,21,064</b>
Board Meeting & AGM Expenses	<b>1,94,440</b>	<b>1,12,805</b>
Security Charges	<b>16,69,793</b>	<b>12,48,771</b>
Service Charges	<b>1,88,150</b>	<b>1,72,500</b>
Miscellaneous Expenses	<b>11,78,496</b>	<b>5,29,694</b>
Income Tax	<b>3,76,358</b>	<b>1,17,023</b>
General Expenses	<b>10,25,017</b>	29,27,585
Travelling Expenses	<b>15,69,606</b>	<b>16,19,173</b>
	<b><u>3,35,81,577</u></b>	<b><u>3,42,46,576</u></b>



## LAMINA FOUNDRIES LIMITED

### NOTE 23

<b>Deferred tax</b>	<b>Y.E 31st March 2014</b>	<b>Y.E 31st March 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Deferred tax expense on Depreciation	<u><b>1,14,275</b></u>	<u><b>10,55,723</b></u>

### NOTE 24

<b>Contingent Liabilities &amp; Commitments</b>	<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
	<b>Rs.</b>	<b>Rs.</b>
a) <b>Guarantees</b>		
Inland Letters of Credit & Bank Guarantee	<b>5,84,35,789</b>	5,35,78,459
b) <b>Other money for which the company is contingently liable</b>		
Bills discounted with banks	<b>5,67,50,565</b>	7,84,20,541

### NOTE 25

<b>Raw materials &amp; Components consumed</b>		<b>For the year ended 31st March 2014</b>		<b>For the year ended 31st March 2013</b>	
		<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
		<b>Rs.</b>		<b>Rs.</b>	
I) a) Pig Iron	Imported	-	-	-	-
	Indigenous	<u><b>7,08,61,247</b></u>	100	<u>6,10,97,800</u>	100
	<b>Total</b>	<u><b>7,08,61,247</b></u>		<u>6,10,97,800</u>	
b) Iron Scrap	Imported	-	-	50,53,826	4
	Indigenous	<u><b>10,27,03,704</b></u>	100	<u>13,21,19,144</u>	96
	<b>Total</b>	<u><b>10,27,03,704</b></u>		<u>13,71,72,970</u>	
c) Ferro Alloys	Imported	-	-	-	-
	Indigenous	<u><b>89,35,523</b></u>	100	<u>95,96,150</u>	100
	<b>Total</b>	<u><b>89,35,523</b></u>		<u>95,96,150</u>	
d) Other Raw materials	Imported	-	-	-	-
	Indigenous	<u><b>1,88,34,888</b></u>	100	<u>2,02,21,062</u>	100
	<b>Total</b>	<u><b>1,88,34,888</b></u>		<u>2,02,21,062</u>	
II Stores, Spares & Components	Imported	<b>65,870</b>	-	57,230	-
	Indigenous	<u><b>1,40,47,253</b></u>	100	<u>1,42,78,330</u>	100
	<b>Total</b>	<u><b>1,41,13,123</b></u>		<u>1,43,35,560</u>	

## LAMINA FOUNDRIES LIMITED

### NOTE 26

#### Related Party Disclosure :

- a) Name of the related Parties & description of relationship
- i) Lamina Suspension Products Limited : Holding Company
  - ii) General Engineering Services & Industries : Associate
  - iii) General Springs : Associate
  - iv) Mr. N.V. Hegde : Key Management Personnel
  - v) Mr. T.R. Shenoy : Key Management Personnel
  - vi) Mr. G.P. Adyanthaya : Key Management Personnel
  - vii) Mr. Gopalkrishna Shenoy : Key Management Personnel

#### b) i) Transactions with related parties :

(Figure in Rs.)

	Holding Company		Associates		Key Management Personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Purchase of goods	17,42,230	12,99,364	-	1,357	-	-	17,42,230	13,00,721
Sales of goods	2,52,46,682	2,50,13,891	14,700	34,957	-	-	2,52,61,382	2,50,48,848
Receiving of Services	-	-	1,11,44,637	1,21,84,685	11,86,532	11,50,392	1,23,31,169	1,33,35,077
Loan Taken	-	-	-	-	1,20,00,000	68,000	1,20,00,000	68,000
Interest	40,23,440	40,77,400	-	-	28,34,103	23,60,423	68,57,543	64,37,823
Closing Balance	5,03,81,998	4,73,85,242	10,94,179	8,07,864	2,14,61,000	2,13,93,000	-	-

	<b>2013-14</b>	2012-13
	<b>Rs.</b>	Rs.
<b>ii) Remuneration to Key Management Personnel :</b>		
Mr. Gopalkrishna Shenoy	<b>11,86,532</b>	11,50,392

### NOTE 27

#### Expenditure incurred in Foreign Currency :

Export of Goods on F.O.B. Basis	<b>15,04,26,894</b>	19,19,37,551
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### NOTE 28

#### C.I.F. Value of Imports

- Raw Materials	-	50,53,826
- Stores, Spares & Components	<b>65,870</b>	57,230

### NOTE 29

#### Expenditure incurred in Foreign Currency

Travel Expenses	<b>3,83,288</b>	3,46,755
Commission	-	10,53,000
Advance for Machinery	<b>1,29,50,123</b>	-

### NOTE 30

On the basis of information available with the company there is no amount due but remaining unpaid as on 31st March, 2014 to any supplier who was a small scale or ancillary industrial undertaking.

### NOTE 31

Previous years figures have been regrouped/reclassified, wherever necessary, to correspond with the current year classification/disclosure.