



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

34th Annual Report 2014 - 2015



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN : L31200TZ1981PLC001124

BOARD OF DIRECTORS

Smt. NETHRA J.S. KUMAR	:	Chairperson and Managing Director
Sri. N. SURYAKUMAR	:	Director
Sri. SANJAY JAYAVARTHANAVELU	:	Director
Sri. D. SENTHILKUMAR	:	Director
Sri. RAMESH RUDRAPPAN	:	Director
Sri. A. PALANIAPPAN	:	Director
Sri. ARUN SELVARAJ	:	Director

Sri. R. VENKATESH PRASAD	:	Executive Director and Chief Financial Officer
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Auditors

M/s. N.R. Doraiswami & Co.,
Chartered Accountants
Coimbatore.

Registrars and Share Transfer Agents

M/s. S.K.D.C. Consultants Ltd.
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore - 641 006.
Tel No. : 0422 - 6549995, 2539835-36, Fax : 2539837
E-mail : info@skdc-consultants.com

Registered Office

34-A, Kamaraj Road
Coimbatore - 641 018

Admn. Office and Works

Arasur - 641 407
Coimbatore District
Tel No.: 0422-3093500
E-mail : secretary@lecsindia.com
investorscell@lecsindia.com

Bankers

Indian Bank
Bank of Baroda
Indian Overseas Bank
HDFC Bank Ltd.

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LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Fourth Annual General Meeting of the share holders of Lakshmi Electrical Control Systems Limited will be held on Thursday, the 13th day of August 2015 at 03.05 P.M at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore - 641 037 to transact the following business:

Ordinary Business:

1. To consider and adopt Annual Financial Statement including Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2015, Balance Sheet as on that date and the Report of Board of Directors' and the Auditor's Report thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Sri.D.Senthilkumar (holding DIN 00006172), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the financial year 2015-16 and to fix their remuneration.

Special Business:

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

"RESOLVED THAT pursuant to provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any amendment, modification or re-enactment thereof), consent of the share holders of the Company be and is hereby accorded to enter into related party transactions in excess of 10% of the annual Consolidated Turnover of the Company in any financial year with M/s Lakshmi Machine Works Limited and M/s. Lakshmi Precision Tools Limited for a period of Five years from the Financial Year 2015-2016."

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

"RESOLVED THAT in accordance with the provisions of Sections 197,198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification or amendment or re-enactment thereof and subject to such other approvals as may be necessary, consent of the shareholders be and is hereby accorded to the remuneration payable to Smt.Nethra J.S. Kumar (DIN:00217906) Chairperson and Managing Director for the period of 2 (two) years from 01.07.2015 to 30.06.2017 as set out below.

REMUNERATION:

- i) Salary : Rs. 5,00,000/- per month
- ii) Commission: 4% of the net profits payable annually
- iii) Perquisites:

In addition to the salary and commission, the Chairperson and Managing Director shall also be entitled to interchangeable perquisites, like furnished accommodation and where accommodation is not provided HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees, medical



insurance, etc., in accordance with the rules of the Company, such perquisites being restricted to the amount equal to the salary drawn per annum. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.

The Chairperson and Managing Director shall be entitled to reimbursement of all actual expenses incurred in the course of the Company's business.

In addition to the Salary, Commission and Perquisites, the Chairperson and Managing Director shall also be entitled to Company's contribution to Provident Fund as per rules of the Company to the extent it is not taxable under the Income Tax Act, 1961 and shall not be included in the computation of the ceiling on remuneration or perquisites.

Gratuity payable shall not exceed half months salary for each completed year of service.

The Chairperson and Managing Director is entitled to encashment of leave at the end of tenure which shall not be included in the computation of the ceiling on remuneration or perquisites.

Provision of a Company car with driver for use of Company's business and telephone facility at her residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to Chairperson and Managing Director.

"RESOLVED FURTHER THAT the minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of office shall be as per Schedule V of the Companies Act, 2013."

Place : Coimbatore
Date : May 22, 2015

By order of the Board
NETHRA J.S. KUMAR
Chairperson and Managing Director

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTE:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**
4. **A PERSON CAN ACT AS 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 PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
5. Members / proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Members and share transfer books of the Company will remain closed from Friday, the 7th August 2015 to Thursday, the 13th August 2015 (both days inclusive) as per clause-16 of the Listing Agreement.
9. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting will be paid within a period of 30 days from the date of declaration, in respect of those members who hold shares in physical form, whose names appear on the Register of Members as on 6th August 2015 and for those who hold shares in dematerialized form as per the details furnished by the depositories for this purpose as at the close of the business hours on 6th August 2015.
10. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of bank account details to their respective Depository participant(s). Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends.
11. Members are requested to address all correspondences, including change of address and dividend matters, to the Registrar and Share Transfer Agents of the Company, M/s S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
12. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary / Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
13. Brief resume, details of shareholding and Directors inter-se relationship of Directors seeking election/re-election as required under Clause 49 of the Listing Agreement entered into with stock exchanges, are provided as Annexure to this notice.
14. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
15. A member who needs any clarification on accounts or operations of the Company shall write to the Compliance Officer, so as to reach him at least 7 days before the meeting, so that the information required can be provided.
16. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

17. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their E-mail ID, physical copies of Annual Report and AGM Notice for the year 2014-15 are sent through the permitted mode separately.
18. The notice of the Annual General Meeting and this communication are also available on the website of the Company www.lecsindia.com.

Voting through electronic means

In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 34th Annual General Meeting scheduled to be held on Thursday, the 13th August 2015 at 3.05 p.m. by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities as per instructions below.

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

Kindly note that members can opt for only one mode of voting i.e., either by through remote e-voting or by ballot at the AGM.

In case of Members casting their vote by remote e-voting, then voting done through remote e-voting shall prevail. 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. 06.08.2015 alone will be counted.

The Board has appointed Sri. B. Krishnamoorthi, "Kanapathy Towers", III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006 as Scrutinizer for conducting the e-voting process and ballot at AGM.

The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period begins at 09.00 AM on 10.08.2015 and ends on 12.08.2015 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 06.08.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

	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 sequence number provided at the attendance slip enclosed herewith in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- 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 electronic 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 Company Name, Choose 'Lakshmi Electrical Control Systems Limited' 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

Item No. 5

As per Clause 49 of the Listing Agreement, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Members by a Special Resolution.

Company is purchasing Control Panel Components and Selling Control Panels and Engineering Plastics Components assembled / manufactured by the Company to Lakshmi Machine Works Limited on arms length basis. Company is also rendering job work services to Lakshmi Machine Works Limited on arms length basis.

Company is purchasing Control Panel Components and Selling Engineering Plastics Components manufactured by the Company to Lakshmi Precision Tools Limited on arms length basis.

The aggregate of all purchases, sales and earnings out of rendering services to these companies individually exceeds the 10% of Annual Consolidated Turnover of the company in a financial year. As per clause 49 of the Listing Agreement, all related party transactions which exceeds 10% of the Annual Turnover needs to be approved by the shareholders by way of a Special Resolution.

Directors recommend the resolution at item No.5 for the acceptance by the Members of the Company

Interest of Directors :

None of the Directors, Key Managerial Personnel or their relatives other than Sri.Sanjay Jayavarthanavelu, Director, Smt. Nethra J.S. Kumar, Chairperson and Managing Director and Sri.R.Venkatesh Prasad, Executive Director and Chief Financial Officer is concerned or interested in the resolution.

Item No. 6

Smt. Nethra J.S. Kumar was reappointed as Managing Director of the Company for a period of 5 years from 01.07.2012 to 30.06.2017 in conformity with Schedule XIII of the Companies Act, 1956 and the remuneration payable was fixed for a period of three years from 01.07.2012 to 30.06.2015 and the same was approved by the Shareholders in the 31st Annual General Meeting held on 23.08.2012.

The Nomination and Remuneration Committee at its meeting held on 21.05.2015 had fixed the remuneration as set out in the resolution. In accordance with Schedule V of the Companies Act, 2013 the remuneration is fixed for a period of two years from 01.07.2015 to 30.06.2017.

Smt. Nethra J.S. Kumar is also a Managing Director in M/s. Harshni Textiles Limited and does not draw any remuneration in that Company.

Accordingly the said resolution is submitted for your approval.

Interest of Directors :

None of the Directors, Key Managerial personnel or their relatives other than Sri.Sanjay Jayavarthanavelu, Director, Sri. D.Senthikumar, Director and Smt. Nethra J.S. Kumar, Chairperson and Managing Director is concerned or interested in the resolution.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

STATEMENT OF DISCLOSURES PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO.6 OF THE NOTICE.

I. General Information

1. Nature of the Industry : Manufacturing & Engineering
2. Date of commencement of commercial production : 01.11.1984
3. In case of new companies expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus : Not applicable
4. Financial Performance based on given indicators.

(Rupees in Lakhs)

Financial Performance	2014-15	2013-14	2012-13	2011-12	2010-11
Turnover - Total Income	18606.45	16469.55	13496.99	16808.50	14770.99
Profit / (Loss) as per P&L - Before Tax	1230.69	933.96	541.85	1500.61	1367.46
Profit / (Loss) as per P&L - After Tax	823.58	636.53	380.46	1036.44	901.49
Dividend Paid		122.90	49.16	122.90	110.61
Rate of Dividend (in %)		50	20	50	45
Dividend paid including Dividend Tax		143.79	57.51	142.84	128.55

5. Foreign Investments or Collaborators, if any - Nil

II. Information about the appointee

1. Background details : Smt.Nethra J.S.Kumar, a Management Degree holder is a Director since 23.10.2000.

2. Past Remuneration : (Amount in ₹)

Particulars	2014-15	2013-14	2012-13
Salary	60,00,000	42,00,000	42,00,000
Perquisites	-	-	-
Commission	5,62,685	8,26,819	-

3. Recognition or awards - Nil
4. Job Profile and suitability - Smt. Nethra J.S. Kumar was a Whole Time Director since 01.07.2002 and she was re-designated as Managing Director from 01.07.2010. She has a sound business acumen and has gained good experience in the manufacturing, administration, finance, etc.

- | | | |
|---|---|---|
| 5. Remuneration proposed | - | Given in the Item No.6 of notice to Shareholders. |
| 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his/her origin) | - | The proposed remuneration to Smt.Nethra J.S. Kumar is as per industry standard. |
| 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any : | - | Nil |

III. Other Information

- | | | |
|--|---|---|
| 1. Reason for loss or inadequate profit | - | Not Applicable |
| 2. Steps taken or proposed to be taken for improvement | - | Up gradation of technology, changing of product mix, improving the R&D activities, extension to present products and derivatives. |
| 3. Expected increase in productivity and profits in measurable terms | - | Both productivity and profitability are expected to increase by a minimum of 10% |

IV. Disclosures

- | | | |
|--|---|--|
| 1. Shareholders of the Company shall be informed of the remuneration package of the managerial person : | - | Yes, the information is given in the notice to shareholders. |
| 2. The following disclosures shall be mentioned in the Board of Directors' report under the heading Corporate Governance, if any, attached to the Annual Report: | | |
| i) All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc., of all the directors: | - | YES |
| ii) Details of fixed components and performance linked incentives along with performance criteria : | - | YES |
| iii) Service Contracts, notice period, severance fees : | - | NIL |
| iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable | - | NIL |

Place : Coimbatore
Date : May 22, 2015

By order of the Board
NETHRA J.S. KUMAR
Chairperson and Managing Director

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Annexure to Notice of Annual General Meeting

Profile of Directors seeking election / re-appointment :

Profile of Sri. D. Senthilkumar

Sri D.Senthilkumar holds a Bachelors' Degree in Mechanical Engineering and Master's Degree in Textile Technology.

Experience: He is having rich experience in managing spinning mills in all its facets such as Production, Marketing, Finance, etc.,

He holds Directorships in the following companies:

1. Shri Ramalinga Builders Limited
2. Shri Ramalinga Mills Limited
3. Tamilnadu Jaibharath Mill Limited
4. Supreme Dairy Products India Limited
5. Aruppukottai Sri Jayavilas Finance (P) Limited
6. Sree Jeya Soundharam Textile Mills (P) Limited
7. Ramalinga Exports Limited
8. Lakshmi Electrical Drives Limited
9. Ramlakshmi Agro Farms (P) Limited
10. Harshni Textiles Limited
11. Integrated Electrical Controls India Limited
12. Ramlakshmi Agro Plantations (P) Limited
13. Ramlakshmi Plantations (P) Limited
14. Ramlakshmi Holdings (P) Limited
15. Sun Spintex India Ltd
16. Shri Ramalinga Leasing Company Private Limited

Membership in Committees:

Name of the Company	Name of the Committee	Member / Chairman
Harshni Textiles Limited	Audit Committee	Chairman
Lakshmi Electrical Control Systems Limited	Corporate Social Responsibility Committee	Chairman
	Stakeholders Relationship Committee	Member
	Share Transfer Committee	Member

Directors' inter-se relationship:

Except the following, none of the Directors of the Company is related to Sri. D.Senthilkumar

Name	Relationship
Smt. Nethra J.S. Kumar	Wife

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

DIRECTORS' REPORT

CIN: L31200TZ1981PLC001124

Registered office: 34-A, Kamaraj Road, Coimbatore - 641 018.

Tel : +91 422 3093500

E-mail : lecs@vsnl.com

Website : www.lecsindia.com



Board of Directors' Report to Shareholders

Dear Shareholders,

The Board of Directors of your company are pleased to present the thirty fourth annual report on the business and commercial operations of the company alongwith annual financial statements for the year ended 31st March, 2015. The report is prepared in accordance with the provisions of the Companies Act, 2013.

1. The State of Affairs of the Company, Dividend & Reserve:

Financial summary/highlights & transfer to General Reserve :

Financial Results	Current Year Ended 31.03.2015 (Amount in ₹)	Previous Year Ended 31.03.2014 (Amount in ₹)
Sales and Other Income	1,85,98,22,697	1,64,79,82,342
Gross Profit	13,47,94,384	11,64,45,428
Less : Depreciation	1,17,25,103	2,30,49,757
Net Profit/Loss	12,30,69,281	9,33,95,671
Prior year Income	-	-
Excess provision for I.T for earlier years reversed	-	-
Less : Prior year Expenses / Extraordinary Items	-	-
Provision for Taxation	3,18,43,528	3,11,00,509
Provision for Deferred Tax	83,02,962	-14,09,422
Income Tax for earlier years	5,64,456	51,565
Add : Surplus brought Forward	17,33,02,847	13,40,28,514
Less: WDV of Assets transferred as per Sch II	16,24,519	-
Add : Deferred Tax on WDV of assets transferred as per Sch II	5,27,075	-
Available for Appropriation	25,45,63,738	19,76,81,533
Appropriations:		
Proposed Dividend	1,72,06,000	1,22,90,000
Provision for Corporate Tax on Dividend	34,40,188	20,88,686
Transfer to General Reserve	1,00,00,000	1,00,00,000
Balance Carried Forward	22,39,17,550	17,33,02,847
TOTAL	25,45,63,738	19,76,81,533

Share Capital :

The paid up Equity Share Capital as on 31st March, 2015 was ₹ 2,45,80,000/-. During the year under review, the Company has not issued any further shares.

Dividend

The Board recommends a dividend of ₹ 7/- per equity share of ₹ 10 each (70%) on the equity share capital of ₹ 2,45,80,000/- for the year ended on 31st March, 2015 aggregating to ₹ 1,72,06,000/- and to pay a dividend tax of

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

₹ 34,40,188/-. The total dividend payout works out to 25.07% of the net profit for the standalone results. The dividend on equity shares is subject to the approval of the shareholders at the Annual General Meeting.

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2007-08, is due for remittance on 20th August, 2015 to the Investor Education and Protection Fund established by the Central Government.

Your Company proposes to transfer ₹ 1,00,00,000/- to the General Reserve.

Business and Operations

During the year under review, the Company has achieved a turnover of ₹ 18209 Lakhs as against ₹ 16019 Lakhs for the previous year.

The profit before interest and Depreciation was ₹ 1380 lakhs as against ₹ 1171 lakhs for the previous year. The Profit before tax was ₹ 1231 lakhs as against ₹ 934 lakhs during the previous year.

During the year under review the turnover has increased by 14 % over the previous year and the profit before tax has increased by 32% over the same period last year.

Better market conditions for the products of the company have resulted in increased turnover and profitability.

Industrial Relations

Relationship with employees was cordial throughout the year.

2. Extracts of Annual Return

As per requirements of provisions of the Companies Act, 2013, the extract of annual return in the prescribed Form MGT9 is annexed hereto as Annexure 1 forming part of the report.

3. Number of Meetings of the Board

Details of number of meetings of Board of Directors and committees thereof and the attendance of the Directors in such meetings are provided under the Corporate Governance Report.

4. Directors' Responsibility Statement

The Directors, based on the representations received from the Operating Management, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. 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 for preventing and detecting fraud and other irregularities;
- d. have prepared the annual accounts on a going concern basis;
- e. have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. Nomination and Remuneration Committee and Policy

As per the requirements of the provisions of the Companies Act, 2013, a Nomination and Remuneration Committee of directors was formed by the Board of Directors consisting of:

1. Sri N.Suryakumar, Chairman (Non-Executive - Independent)
2. Sri Ramesh Rudrappan, Member (Non-Executive - Independent)
3. Sri Arun Selvaraj, Member (Non-Executive - Independent)

The said committee has been empowered and authorised to exercise widest power as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company has a policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178. The Nomination and Remuneration Policy is herewith annexed to the Board's Report as Annexure 2.

6. Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

7. Explanation & Comments

There are no adverse comments in the reports of Statutory Auditors (appearing elsewhere in the Annual Report) and that of the Secretarial Auditors (annexed hereto as Annexure 3).

8. Particulars of Loans / Guarantee / Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

9. Particulars of Contracts with Related Party

All the transactions of the company with related parties are at arm's length and have taken place in the ordinary course of business.

10. Material Changes

There is no material change or commitments after closure of the financial year till the date of this report.

11. Conservation of Energy, Technology Absorption & Foreign Exchange

The disclosures under Rule 8(3) of Companies (Accounts) Rules, 2014 are as under :

Statement for Conservation of Energy

Sl. No.	Particulars	Related Disclosures
Conservation of Energy		
i)	Steps taken or impact on conservation of energy	To meet the plant load, additional power demand to be availed from TANGEDCO instead of operating DGSET as a supplementary to meet the time being shortage. Activities under process and it could bring down the energy cost.
ii)	Steps taken by the company for utilising alternate sources of energy	Solar power installation project is under study. Company has installed windmills with a capacity of 1.7MW. Use of electricity generated in windmills with respect to captive consumption viability is under study. On need basis, can be considered for adjustment instead of sale to electricity board.
iii)	Capital investment on energy conservation equipments;	Investments during 2014-15 made for replacing energy efficient / conservative machines and equipments in Plastic Moulding and Tool Room for ₹ 7.0 crores. Also LED and induction Lighting systems are installed for the value of ₹ 5.0 lakh to save the electrical energy.

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Technology Absorption, Adaptation and Innovation

Sl. No.	Particulars	Related Disclosures
i)	Efforts made towards technology absorption ;	No technology or knowhow is brought from external bodies or imported
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution ;	In house developmental and operational research is a continual process. Innovations in processes and tool designs have contributed to cost savings in the operations.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): a) the details of technology imported; b) the year of import c) whether the technology has been fully absorbed d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	No technology was imported during the last three years
iv)	The expenditure incurred on Research and Development	Capital Expenditure : ₹ 22.83 Lakhs Revenue Expenditure : ₹ 20.81 Lakhs Total Expenditure : ₹ 43.64 Lakhs

Foreign Exchange outgo and Earnings:

₹ in Lakhs

Foreign Exchange earned through exports amount to :	- Nil -
Foreign Exchange used	587.35

12. Risk Management :

The Company follows a comprehensive and integrated risk appraisal, mitigation and management process. The risk management process of the company is being periodically reviewed for improvement. The identified elements of Risk and Risk Mitigation measures are annexed hereto as Annexure 4 of the report. None of the identified risk elements have any threat on the sustainability of the business.

13. Corporate Social Responsibility (CSR) :

The company has constituted a CSR committee of Board of Directors and has adopted a CSR Policy. The same is posted in the company's website www.lecsindia.com. A report in prescribed format detailing the CSR spend for the year 2014-15 is attached herewith as Annexure 5 forming part of this report.

14. Evaluation of Board's Performance :

On the advice of the Board of Directors, the Nomination and Remuneration Committee of Board of Directors of

the company have formulated the criteria for the evaluation of the performance of Board of Directors, Committees of the Board of Directors, Independent Directors, Non-Independent Directors and the Chairperson of the Board. Based on that performance evaluation has been undertaken. The Independent Directors of the company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated to the Chairperson of the Board of Directors.

15. Matters as may be prescribed :

As per Rule 8(5) of the Companies (Accounts) Rule, 2014, the following additional information is provided :

Sl. No.	Particulars	Related Disclosures
i)	The financial summary or highlights	The financial highlights including State of Affairs of the Company, Dividend & Reserve is provided in point 1 of this report.
ii)	The change in the nature of business, if any	There is no change in the business line of the company.
iii)	The details of directors or key managerial personnel who were appointed or have resigned during the year	<p>The Board of Directors have appointed Sri.R.Venkatesh Prasad as CFO under Section 203 of the Companies Act, 2013 and Re-designated him as Executive Director & CFO with effect from 08th August 2014.</p> <p>Sri.B.Satish Krishnan, Company Secretary has resigned and relieved with effect from 14th March 2015.</p> <p>Sri. N. Suryakumar, Sri. Ramesh Rudrappan, Sri. A. Palaniappan and Sri. Arun Selvaraj were appointed as Independent Directors of the Company for a period of five consecutive years from the conclusion of the Annual General Meeting held on 08th August 2014.</p>
iv)	The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year	None
v)	The details relating to deposits, covered under Chapter V of the Act	The company has not accepted deposits.
vi)	The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	Not Applicable
vii)	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future	Nil
viii)	The details in respect of adequacy of internal controls with reference to the Financial Statements.	Procedures are set so as to detect and prevent frauds and to protect the organisation's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or Intellectual property such as trademarks). The financial statements are prepared in accordance with the accounting standards issued by the ICAI.

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16. Re-appointment of retiring directors:

Sri. D. Senthilkumar, Director who retires by rotation at the ensuing Annual General Meeting, being eligible, offers himself for reappointment. The Board recommends his reappointment in the forthcoming Annual General Meeting.

17. Re-appointment of Independent Director:

There was no incidence of re-appointment of Independent Director.

18. Resignation of Director:

There was no incidence of resignation of Director.

19. Composition of Audit Committee:

The Audit Committee was formed by the Board of Directors and consists of :

- | | | |
|---|----------------------|---------------------------------------|
| 1 | Sri. N.Suryakumar | Chairman (Non-Executive- Independent) |
| 2 | Sri.A.Palaniappan | Member (Non-Executive - Independent) |
| 3 | Sri Ramesh Rudrappan | Member (Non-Executive - Independent) |

The Board has accepted the recommendations of the committee and there were no incidences of deviation from such recommendations during the financial year under review.

20. Vigil Mechanism :

The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and details whereof is available on the company's website at www.lecsindia.com . During the year under review, there were no complaints received under this mechanism.

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

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2014-15, no complaint was received before the committee.

22. Overall Maximum Remuneration :

Particulars pursuant to Section 197(12) & rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules:

a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Category	Ratio
Smt. Nethra J.S.Kumar	Executive - Chairperson and Managing Director	1:25
Sri N.Suryakumar	Non-Executive - Independent	-
Sri Sanjay Jayavarthanavelu	Non-Executive - Non Independent	-
Sri D.Senthilkumar	Non-Executive - Non Independent	-
Sri Ramesh Rudrappan	Non-Executive - Independent	-
Sri A.Palaniappan	Non-Executive - Independent	-
Sri Arun Selvaraj	Non-Executive - Independent	-

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

b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

Name	Category	Percentage
Smt. Nethra J.S.Kumar	Executive - Chairperson and Managing Director	32.07
Sri N.Suryakumar	Non-Executive - Independent	-
Sri Sanjay Jayavarthanavelu	Non-Executive - Non Independent	-
Sri D.Senthilkumar	Non-Executive - Non Independent	-
Sri Ramesh Rudrappan	Non-Executive - Independent	-
Sri A.Palaniappan	Non-Executive - Independent	-
Sri Arun Selvaraj	Non-Executive - Independent	-
Sri R.Venkatesh Prasad	Executive - Executive Director & CFO	20.48
Sri B.Satish Krishnan	Executive - Company Secretary	11.52

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

- c) The percentage increase in the median remuneration of employees in the financial year: 3.03%
- d) The number of permanent employees on the rolls of company: 230
- e) The explanation on the relationship between average increase in remuneration and company performance:

Company's PAT has grown from ₹ 636.53 Lakhs during 2013-14 to ₹ 823.58 Lakhs during 2014-15, an increase of 29.39% against which the average increase in remuneration is 14.04%; and this increase is aligned with the Remuneration Policy of the Company.

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Designation	Remuneration (CTC) (in ₹)	% increase in CTC	PAT (₹ in Lakhs)	% increase in PAT
Smt. Nethra J.S.Kumar	Chairperson and Managing Director	75,70,685	32.07	823.58	29.39
Sri R.Venkatesh Prasad	Executive Director & CFO	47,06,812	20.48	823.58	29.39
Sri B.Satish Krishnan	Company Secretary	5,60,089	11.52	823.58	29.39

- g) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	31st March, 2015	31st March, 2014
Market Capitalisation of the Company (₹ in Lakhs)	7873	5726
Issued Capital (in Nos.)	2458000	2458000
Closing Price at Bombay Stock Exchange Ltd (in ₹)	320.30	232.95
Earnings Per Share (in ₹)	33.51	25.90
Price Earnings Ratio as at the closing date	9.56	8.99

Note : Percentage increase over decrease in market quotations of the shares of the Company in comparison with the last public offer is not applicable as the last public offer was in 1984 and the data is incomparable.

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- h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average increase in remuneration is 12.57% for employees other than Managerial Personnel and KMP while it is 26.58% for Managerial Personnel (KMP and Senior Management).

- i) The Key Parameters for any variable component of the remuneration availed by the Directors:
The remuneration of Chairperson and Managing Director consists of a Commission paid at the rate of 4%. Besides the above there are no variable components in Managerial Remuneration.
- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :
Not applicable.
- k) Affirmation that the remuneration is as per the remuneration policy of the Company : Yes.
- l) Particulars of Employees: [Rule 5(2) and Rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel Rules, 2014) :

Name (Age in Years)	Designation	Gross Remuneration Paid (in ₹)	Qualification	Date of commencement of employment (Experience in Years)	Previous employment
Smt. Nethra J. S. Kumar (43 years)	Chairperson and Managing Director	75,70,685	Management degree	23-10-2000 (14 Years)	Nil

Note: 1. The remuneration includes Company's contribution to provident fund, gratuity and perquisites. Employment is contractual.

2. The above mentioned employee is not relative (in terms of the Companies Act, 2013) of any director of the Company except Sri. D.Senthil Kumar, Director and Sri. Sanjay Jayavarthanavelu, Director. Further no employee of the Company is covered by the Rule 5(2)(iii) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, that is employee holding by himself or with this family shares of 2% or more in the Company and drawing remuneration in excess of the Managing Director.

3. The remuneration details are for the year 2014-15 and all other particulars are as on 31st March, 2015.

23. Comments u/s 232(2)(c) and Schedule V Part II Section II

Since the Company does not belong to the specified class of the companies, the above cited provisions of the Companies Act, 2013 is not applicable to the Company.

24. Corporate Governance:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

Listing Fees for the financial year 2015-16 has been paid to the Stock Exchanges where the shares of the Company are listed.

25. Auditors:**Statutory Auditors:**

The Company's Auditors, M/s N.R.Doraiswami & Co, Chartered Accountants, Coimbatore hold the office till the conclusion of the ensuing Annual General Meeting to be held on 13th August, 2015. The auditors have consented to act as auditors and confirmed their eligibility and desire to continue as statutory auditors of the company.

Secretarial Auditor:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M.D. Selvaraj, M/s. MDS Associates, Coimbatore, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2015-16.

- 26.** The Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business of the Company, etc.

27. Acknowledgements

Your Directors thank the customers' for their continued support and patronage.

The Directors also thank the Company's Bankers, Vendors, Central and State Government for their valuable assistance.

The Directors wish to place on record their appreciation for the cooperation and contribution made by the employees at all levels towards the progress of the Company.

Place : Coimbatore
Date : May 22, 2015

By order of the Board
NETHRA J.S. KUMAR
Chairperson and Managing Director

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Annexure 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

i) CIN	L31200TZ1981PLC001124
ii) Registration date	03.12.1981
iii) Name of the company	Lakshmi Electrical Control Systems Limited
iv) Category / Sub-category of the company	Company limited by shares
v) Address of the registered office and contact details	34-A, Kamaraj Road, Coimbatore - 641 018 Ph : 0422 - 3028110
vi) Whether listed company	Yes
vii) Name, address and contact details of registrar and transfer agent, if any	M/s. S.K.D.C. Consultants Ltd. Kanapathy Towers, 3rd Floor 1391/A-1, Sathy Road Ganapathy, Coimbatore - 641 006. Tel no. : 0422 - 6549995, 2539835-36 Fax : 2539837 E-mail : info@skdc-consultants.com

II. Principal business activities of the company

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

S.No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the company
1	Control Panel	8537	85.11%
2	Plastic Components	8448	13.73%

III. Particulars of holding, subsidiary and associate companies

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	Harshini Textiles Limited Registered Office: 34-A, Kamaraj Road, Coimbatore - 641 018	U17111TZ2003PLC010786	Associate	28.57%	2(6)

IV. Shareholding pattern (Equity share capital breakup as percentage of total equity)

I) Category-wise shareholding

S.No.	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
1)	Indian									
a)	Individual/ HUF	512187	-	512187	20.84	512187	-	512187	20.84	-
b)	Central Govt									
c)	State Govt(s)									
d)	Bodies Corporate	131206	-	131206	5.34	131206	-	131206	5.34	-
e)	Banks / FI									
f)	Any Other....									
	Sub-total (A) (1):	643393	-	643393	26.18	643393	-	643393	26.18	-
2)	Foreign									
a)	NRIs - Individuals									
b)	Other - Individuals									
c)	Bodies Corporate									
d)	Banks / FI									
e)	Any Other....									
	Sub-total (A) (2):									
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	643393	-	643393	26.18	643393	-	643393	26.18	-
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	50	-	50	0.00	50	-	50	0.00	-
b)	Banks / FI	150	50	200	0.01	150	50	200	0.01	-
c)	Central Govt									
d)	State Govt(s)									
e)	Venture Capital Funds									
f)	Insurance Companies									
g)	FIs									
h)	Foreign Venture Capital Funds									
i)	Others (specify)									
	Sub-total (B)(1):	200	50	250	0.01	200	50	250	0.01	-
2.	Non- Institutions									
a)	Bodies Corp.	332888	827	333715	13.58	345736	827	346563	14.10	0.52
	i) Indian									
	ii) Overseas									
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	979617	184688	1164305	47.37	1004814	177497	1182311	48.10	0.73
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	210262	-	210262	8.55	178212	-	178212	7.25	-1.30
c)	Others(specify)									
	i) Directors & their Relatives	-	103	103	0.00	103	-	103	0.00	-
	ii) Foreign Nationals	50	-	50	0.00	25	-	25	0.00	-
	iii) Non Resident Indians	19940	526	20466	0.83	26520	526	27046	1.10	0.27
	iv) Overseas Corporate Bodies	-	1150	1150	0.05	-	1150	1150	0.05	-
	v) Clearing Members	16630	-	16630	0.68	17745	-	17745	0.72	0.05
	iv) Hindu Undivided Families	67676	-	67676	2.75	61202	-	61202	2.49	-0.26
	Sub-total (B)(2):	1627063	187294	1814357	73.81	1634357	180000	1814357	73.81	-
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	1627263	187344	1814607	73.82	1634557	180050	1814607	73.82	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	2270656	187344	2458000	100.00	2277950	180050	2458000	100.00	

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ii) Shareholding of promoters

S.No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	Lakshmi Electrical Drives Limited	131206	5.34	0.00	131206	5.34	0.00	-
2.	Nethra J.S. Kumar	497337	20.23	0.00	497337	20.23	0.00	-
3.	D. Senthilkumar	14750	0.60	0.00	14750	0.60	0.00	-
4.	D Thayarammal	100	0.00	0.00	100	0.00	0.00	-
	Total	643393	26.18	0.00	643393	26.18	0.00	-

iii) Change in promoters' shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	643393	26.18	643393	26.18
2	Date wise increase / decrease in promoters share-holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	No change during the year.			
3	At the end of the year	643393	26.18	643393	26.18

iv) Shareholding pattern of top ten shareholders

(Other than directors, promoters and holders of GDRs and ADRs)

Sl. No.	For Each of th Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ask Securities Advisory Services	105000	4.27	31.03.2015	At the end of the Year			105000	4.27
						-	-	105000	4.27
2	Shankar Resources Pvt Ltd	101000	4.11	31.03.2015	At the end of the Year			101000	4.11
						-	-	101000	4.11
3	Gagandeep Credit Capital Pvt Ltd	34274	1.39					34274	1.39
				10.10.2014	Sale	14274	0.58	20000	0.81
				31.10.2014	Sale	20000	0.81	0	0.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Madhukar Sheth	31706	1.29	31.03.2015	At the end of the Year	-	-	31706	1.29
5	Dipak Kanayalal Shah	26000	1.06	31.03.2015	At the end of the Year	-	-	26000	1.06
6	Narmada Appliances Private Limited	25000	1.02	31.03.2015	At the end of the Year	-	-	25000	1.02
7	Sangeetha S	20750	0.84					20750	0.84
				04.07.2014	Sale	700	0.03	20050	0.82
				08.08.2014	Sale	450	0.02	19600	0.8
				22.08.2014	Sale	450	0.02	19150	0.78
				05.09.2014	Sale	360	0.01	18790	0.76
				12.09.2014	Sale	540	0.02	18250	0.74
				30.09.2014	Sale	360	0.01	17890	0.73
				03.10.2014	Sale	990	0.04	16900	0.69
				10.10.2014	Sale	450	0.02	16450	0.67
				07.11.2014	Sale	450	0.02	16000	0.65
				21.11.2014	Sale	450	0.02	15550	0.63
				16.01.2015	Sale	450	0.02	15100	0.61
				31.03.2015	At the end of the Year	-	-	15100	0.61
8	Rakesh Kumar Jain	20500	0.83					20500	0.83
				23.05.2014	Sale	1000	0.04	19500	0.79
				30.05.2014	Sale	9500	0.39	10000	0.40
				31.03.2015	At the end of the Year			10000	0.40
9	Mukesh Chimanlal Patani	20000	0.81					20000	0.81
				31.03.2015	At the end of the Year	-	-	20000	0.81
10	Purnima Mukesh Patani	20000	0.81					20000	0.81
				31.10.2014	Sale	1830	0.07	18170	0.74
				31.03.2015	At the end of the Year			18170	0.74

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v) Shareholding of directors and KMP:

S. No.	Shareholding of each directors and each KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Share Holding of Directors :				
	Sri.N.Suryakumar				
	At the beginning of the year	103	0.00	103	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	103	0.00	103	0.00
2.	Sri.D.Senthilkumar				
	At the beginning of the year	14750	0.60	14750	0.60
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	14750	0.60	14750	0.60
1.	Shareholding of Key Managerial Personnel :				
	Smt.Nethra J.S. Kumar (Chairperson & Managing Director)				
	At the beginning of the year	497337	20.23	497337	20.23
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	497337	20.23	497337	20.23
2.	Sri.R.Venkatesh Prasad (Executive Director & CFO)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V) Indebtedness

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,23,09,866	-	-	3,23,09,866
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
Total (i+ii+iii)	3,23,09,866			3,23,09,866
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	2,29,57,450	-	-	2,29,57,450
Net Change	2,29,57,450	-	-	2,29,57,450
Indebtedness at the end of the financial year				
i) Principal Amount	93,52,416	-	-	93,52,416
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	93,52,416	-	-	93,52,416

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of remuneration	Name of MD/WT/Manager	Total amount
		Smt. Nethra J.S. Kumar Chairperson & Managing Director	
1	Gross salary	₹	₹
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 -	-	-
2	Stock option	-	-
3	Sweat equity	-	-
4	Commission		
	- as % of profit	5,62,685	5,62,685
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	65,62,685	65,62,685
	Ceiling as per the Act (5%)	65,62,685	65,62,685

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

B. Remuneration to other directors

1 Independent Directors

S. No.	Particulars of remuneration	Name of directors				Total Amount ₹
		Sri. N. Surya Kumar	Sri. Ramesh Rudrappan	Sri. A. Palani appan	Sri. Arun Selvaraj	
a)	Fee for attending board committee meetings	80,000	1,00,000	60,000	45,000	2,85,000
b)	Commission	-	-	-	-	-
c)	Others, please specify	-	-	-	-	-
	Total (1)					2,85,000

2 Other Non- executive directors

S. No.	Particulars of remuneration	Name of directors		Total Amount ₹
		Sri. Sanjay Jayavarthanavelu	Sri. D. Senthil Kumar	
a)	Fee for attending board committee meetings	30,000	60,000	90,000
b)	Commission	-	-	
c)	Others, please specify	-	-	
	Total(2)	-	-	90,000
	Total (B)=(1+2)	-	-	3,75,000
	Total managerial remuneration		-	65,62,685
	Overall Ceiling as per the Act (11%)			1,44,37,907

C. Remuneration to KMP other than MD/WTD/Manager

S. No.	Particulars of remuneration	Key Managerial Personnel	
		CFO	Total
1	Gross salary	₹	₹
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,14,950	43,14,950
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	43,54,550	43,54,550

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief description	Details of penalty / punishment/ compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
	A. Company				
Penalty	None				
Punishment					
Compounding					
	B. Directors				
Penalty	None				
Punishment					
Compounding					
	C. Other officers in default				
Penalty	None				
Punishment					
Compounding					

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Lakshmi Electrical Control Systems Limited
(CIN: L31200TZ1981PLC001124)

Annexure 2

Nomination and Remuneration Policy

Lakshmi Electrical Control Systems Limited (the Company) believes in the fact that human resource asset is one of the vital factors which determines the success and sustainability of an organization. A committed work force is an invaluable asset for an organization. To achieve this end in view, the Company has framed this Nomination and remuneration policy.

The Nomination and Remuneration Policy (the Policy) of the Company is designed to attract, motivate and retain manpower in a competitive market environment. The policy reflects the Company's objectives for good Corporate Governance as well as sustained long-term value creation for stakeholders.

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with Stock Exchanges, also require the Company to formulate a policy relating to Nomination and Remuneration of Board of Directors, Senior Management and Key Managerial Personnel. The responsibility of formulating the policy for the Company is cast on the Nomination and Remuneration Committee of the Board of Directors of the Company.

Accordingly, the Nomination and Remuneration Committee of Board of Directors of the Company have formulated and recommended this policy to the Board and the same is approved by the Board of Directors of the Company.

GUIDING PRINCIPLES

- ❖ The Nomination and Remuneration Policy is guided by a common reward framework and a set of principles and objectives as envisaged under section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, inter-alia principles pertaining to determining qualifications, positive attributes and independence of the Directors, integrity, etc.
- ❖ The Nomination and Remuneration Committee, while considering a remuneration package has kept in view a balance between fixed pay and performance based variable pay reflecting short and long term performance objectives and goals of the company.
- ❖ The remuneration package must ensure a direct relationship with the key result areas and individual achievements and thereby strongly aligning with the interests of the company's stakeholders.

SCOPE OF THE POLICY

The scope of this policy is to:

- ❖ Guide the Board in matters relating to selection, appointment and removal of Directors, Senior Management Personnel and Key Managerial Personnel.
- ❖ Determine criteria for evaluation of performance of members of the Board.
- ❖ Lay down guiding principle for remuneration payable to Executive Directors, Non-Executive Directors and Senior Management Personnel and Key Managerial Personnel.
- ❖ Determine the criteria for qualifications, positive attributes, and independence of Directors.
- ❖ Devising criteria for board diversity.
- ❖ Develop succession plan for the Board, Senior Management and Key Managerial Personnel.

DEFINITIONS

1. Act: means the Companies Act, 2013 including schedules annexed thereto and the Rules framed there under.
2. Board: means the Board of Directors of the Company.
3. Committee: refers to the Nomination and Remuneration Committee of the Board of Directors.
4. Senior Management: includes executives of the Company occupying the position of Vice-President and above, but below Board.

5. Key Managerial Personnel: includes:
- Chief Executive Officer or Managing Director or Manager.
 - Whole-time Director
 - Chief Financial Officer
 - Company Secretary
 - Such other Officer as may be prescribed by the Act.

Words and expressions used in this policy not specifically defined will have the same meaning assigned to them in the Companies Act, 2013, Rules framed there under, Listing Agreement and the applicable SEBI Regulations.

I.APPOINTMENT CRITERIAAND QUALIFICATIONS

The Committee will identify persons with high educational qualification, rich experience and expertise,integrity, desirable personal traits & leadership qualities and recommend to the Board for appointment as Director, KMP or at Senior Management level. The proposed appointee shall possess appropriate skills, knowledge, experience in one or more fields of finance, accounts, audit, law, management, sales, marketing, administration, research, corporate governance, technical operation or other disciplines related to the Company's business.The Committee has the discretion to decide on the age, qualification, expertise and experience to be possessed by the appointee for the concerned position depending up on the circumstances of each case.

i) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director, or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the original term of appointment.

The Company shall appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of Twenty one years and not attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii) Non-Executive Independent Directors :

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years is eligible for appointment for one more term of 5 years only provided such appointment is approved by the shareholders by a special resolution.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Managing Director / Whole-time Director of a listed company or such other number as may be prescribed under the Act.

iii) Non-Executive Non- Independent Directors :

The qualification criteria as stated above is applicable for the Non-independent Directors including Nominee Directors also, however such Directors are liable to retirement by rotation.

iv) Senior management Personnel and KMPs not covered above:

The committee will fix and recommend the age, qualification and experience for persons to be appointed to the

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Senior Management positions depending upon the functional area where he/she is going to be appointed. Keeping in view of the specific requirement of the position to be filled up, the Committee will select the appointees in line with the recruitment policy of the Company and recommend to the Board for appointment.

II. BOARD DIVERSITY

The committee will review the constitution of the Board and recommend for reconstitution of the Board, whenever required, so as to ensure that the Board always consists of members with diversified skill, knowledge, experience and expertise to meet the requirements of the Company's business. The Committee will always ensure a balanced Board, consisting of members, each of them are experts in one or more functions of management.

III. EVALUATION

The Committee will devise suitable evaluation criteria and carry out evaluation of performance of every Director, KMP and Senior Management Personnel every year. The evaluation criteria shall include measures to test the skill, competencies, diligence, leadership, attendance, commitment, counselling, loyalty and contribution.

IV. REMOVAL

Where any Director, Senior Management personnel or KMP attract any disqualification mentioned in the Act or under any other applicable Law, Rules or Regulations made thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules or Regulations.

V. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing employees' retirement policy of the Company. The Board will have the discretion to retain the Director (other than an independent Director), KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

VI. SUCCESSION

The committee will plan in advance and recommend constitution of the Board of Directors, Senior Management Personnel & KMPs of the Company in such a way that it consist of a combination of members of all age group so as to ensure smooth succession at all times.

VII. POLICY RELATING TO THE REMUNERATION

A. Remuneration of Executive Directors.

The remuneration / compensation / commission etc. to the Managing Director and Whole-time Director, will be determined by the Committee and recommended to the Board for approval. The remuneration and commission to be recommended for the Managing Director and Whole-time Director shall be in accordance with the provisions of Section 197 read with Schedule-V of the Companies Act, 2013 and subject to the approval of the shareholders of the Company. Where the proposed remuneration is not in line with the said provisions, it shall also be approved by the Central Government.

i) Fixed pay:

The Managing Director and Whole-time Director are eligible for a monthly salary and perquisites as may be recommended by the Committee and approved by the Board. The breakup of the pay scale and quantum of perquisites including, house rent allowance, Leave travel assistance, employer's contribution to P.F, Gratuity Fund, medical expenses, club fees, Company car with driver, telephone for official purposes etc. shall be decided by the Board on the recommendation of the Committee and approved by the shareholders.

ii) Variable Pay - Commission on net profits:

In addition to the fixed salary and perquisites as stated above, the Managing Director and Whole-time Directors are entitled to a variable pay viz. commission on the net profits of the Company at the rates recommended by the Committee subject to the overall limits prescribed in the Act. On the recommendation of the Committee and at the absolute discretion of the Board of Directors the payment of variable pay may be made applicable to all or any of the Executive Directors and at different rates to different Executive Directors.

iii) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

iv) Provisions for excess remuneration:

If the Managing Director and Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

v) Others:

The Company is not offering sitting fees, stock option scheme, severance fees or any other perquisites, other than those stated above, for the Managing Director and Whole-time Directors.

B. Remuneration of Non - Executive Directors:

Sitting Fees:

Non-Executive Directors are compensated by the payment of sitting fees

The Non- Executive Directors, whether independent , Non- independent are entitled to receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed rupees one lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The present sitting fees is Rs 15,000/- per meeting of the Board or committees thereof.

C. Remuneration for the Senior Management and KMPs not covered above.

The remuneration to the senior management personnel and KMPs not covered under the above categories are determined by the Management on the recommendation of the Committee. It includes monthly, quarterly and annual payments. The categories of such payment includes Basic salary, house rent allowance, special allowance, medical allowance, Bonus, company car with driver, annual leave travel assistance, leave encashment, contribution to provident fund and gratuity fund and additional benefits such as electricity expenses, telephone expenses and house maintenance.

VIII .DIRECTORS AND OFFICERS LIABILITY INSURANCE

Directors and Officers Liability Insurance policy is taken by the Company on behalf of its Managing Director and Whole-time Director, and officers for indemnifying them against any statutory liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

IX. DEVIATION FROM THE POLICY

Deviation from any element of this policy in extra-ordinary circumstances, when deemed necessary in the interest of the Company by the Committee may be accepted in specific cases by Board of Directors.

X. AMENDMENTS:

The policy is subject to change, if warranted consequent upon any change, modification amendment to the applicable Act, Rules and Regulations.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Annexure 3

SECRETARIAL AUDIT REPORT - FORM NO. MR-3 FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

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

To

The Members,
M/s. Lakshmi Electrical Control Systems Limited
CIN: L31200TZ1981PLC001124
No.34A, Kamaraj Road
Coimbatore - 641018

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

Based on my verification of **M/s. Lakshmi Electrical Control Systems Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and Madras Stock Exchange Limited.

I further report that, there were no actions/ events in pursuant of

- a. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.
5. I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads and Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws and environmental laws.
6. **I further report that** the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that

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

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

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- ❖ Public / Rights / Preferential issue of shares / debentures / sweat equity
- ❖ Redemption / buy-back of securities
- ❖ Major decision taken by the members in pursuant to section 180 of the Companies Act, 2013
- ❖ Merger / amalgamation / reconstruction etc
- ❖ Foreign technical collaborations

Place : Coimbatore

Date : 22nd May 2015

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Annexure A

To

The Members,
Lakshmi Electrical Control Systems Limited
CIN: L31200TZ1981PLC001124
No.34A, Kamaraj Road
Coimbatore - 641018

My report of even date is to be read along with this letter.

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

Place : Coimbatore
Date : 22nd May 2015

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

Annexure 4

RISK ASSESSMENT AND MINIMISATION

Type of Risk	Extent of Risk	Minimisation of Risk
Technology change	Can result in products obsolescence and even redundancy.	Company had established inhouse R&D and Ploughing in resources generously in creating research facilities and installing testing equipment. Qualified Engineers and specialist consultants are engaged to develop new products and devices, as also superior / economic manufacturing methods.
Risk of Competition	Aggressive pursuits of existing players and influx of MNCs/ imports. Could exert pressures on our market share and margins.	Stemming this tide through maintaining high quality standards, price control and prompter deliveries. This is accomplished through developing / adopting better manufacturing techniques and low cost automation.
Risk of raw materials shortage and increasing cost	Non availability of raw material / components may hamper performance of the Company and reduce margin.	Company adopts the policy of developing multiple sources of supply for all its essential raw materials and components both domestic and imports. Continuous search for alternative materials and sources is Company's hedging policy to ensure availability and cost control.
Quality variations and customer complaints	Can lead to failure in performance of products in the field, serious complaints, loss of business and goodwill.	Company's earnest practice of ISO 9001:2000 quality management system and stringent quarterly reviews ensure quality track performance and save us from the dangers of drift.
Risk of failure to comply with statutory requirements	Non compliance of statutory requirements may result in serious financial responsibilities on the Company.	All the department heads are entrusted with the responsibility of complying with statutory requirements pertaining to their departments. The level of compliance is periodically reported to the Board. The manager to bestows utmost respect and importance to this subject.
Risk of change in Government policies	Change in Government policies and fiscal measures may have surprising impacts on the profitability of the Company.	Conduct of business operation are always guided by caution and prudence devoid of irrational exuberance or cynicism.

Annexure 5**CORPORATE SOCIAL RESPONSIBILITY**

During the year Company constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below :

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	:	CSR Policy is available on the website of the Company www.lecsindia.com in the 'Investors' section under 'Policies'.
2.	The Composition of the CSR Committee.	:	Sri.D.Senthilkumar (Non Executive Director) - Chairman of the Committee
		:	Smt.Nethra J.S.Kumar (Executive Chairperson and Managing Director) - Member of the Committee
		:	Sri.Arun Selvaraj (Non Executive Independent Director) - Member of the Committee
3.	Average net profit of the company for last three financial years.	:	Rs.949.34 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	:	Rs.18.99 Lakhs
5.	Details of CSR spent during the financial year 2014-15		
	a) Total amount to be spent for the financial year ;	:	Rs.18.99 Lakhs
	b) Amount un spent , if any ;	:	Nil

c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs- 2) Over heads:	Cumulative Expenditure upto the reporting Period.	Amount spent Direct or through implementing Agency.
1.	Contribution made to District Collector, Coimbatore towards "Implementations of Solid and Liquid Resource Management Project"	Clause (i) of Schedule VII	Local Coimbatore / Tamil Nadu	Rs. 2 Lakhs	Rs. 2 Lakhs	Rs. 2 Lakhs	District Collector, Coimbatore
2.	Construction of the Patashala study room to Jagathguru Sri Jayendra Saraswathi Trust	Clause (ii) of Schedule VII	Local Coimbatore / Tamil Nadu	Rs.16.99 Lakhs	Rs.17 Lakhs	Rs.17 Lakhs	Through Jagathguru Sri Jayendra Saraswathi Trust

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount in its board report - NotApplicable

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Nethra J. S. Kumar

Chairperson and Managing Director

D. Senthilkumar

Chairman - CSR Committee

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The electrical and industrial electronics industry has witnessed a 11.47% growth in Q3 of FY 2014-15. The overall industry has grown by 8.95% in nine months of this fiscal. Although higher imports still plague the industry but policy changes and various initiatives undertaken by the industry and government are eventually showing signs of revival for the sector.

The main customer segment continues to be Textile Machinery Manufacturing Industry and the year 2014-15 has seen a good growth in the sector. This has helped in boosting our top line.

There exists a positive trend in the market and our performance reflect the same.

OPPORTUNITIES AND THREATS

All our business verticals have seen a positive growth for the year 2014-15. This has been possible due to increase in business from our existing customer base and also from new entrants in our customer portfolio. These new customer additions have demanded a lot of streamlining of our internal process and procedures.

SEGMENTWISE PERFORMANCE

Control Panel Production continues to be the spearhead of our company. We have taken a lot of steps during the year to improve our efficiency levels. There has been a widespread involvement of all cadres in improving the deliverables of this segment. New customers continue to be added and this segment should continue to grow at a brisk pace in the years to come.

Plastics has seen a total overhauling in terms of new machines which are more energy efficient being added to replace the old machines. The endeavour to broad base the customers and also forays into new verticals continue at brisk pace. This segment should contribute in greater measure to the top line in future.

OUTLOOK

We remain confident that growth pattern will be positive in the years to come and our company is well poised to reap this trend with excellent infrastructure, trained manpower in place.

RISK AND CONCERNS

Raw Material and Labour cost continue to be our major concern. The only solution here is better value addition and efforts are on to achieve the same.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The company has adequate internal control system, commensurate with its size and nature of its business. The management has the overall responsibility for the company's internal control system to safeguard the assets and to ensure reliability of financial records.

The company has a detailed budgetary control system and periodically the actual performance is reviewed and the deviations are addressed accordingly.

The audit committee reviews all financial statements and ensures adequacy of internal control systems.

FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	2014-15	2013-14
Sales & Other Income	18,598.23	16479.82
Profit before interest, depreciation, tax	1379.64	1,170.75
Interest	31.70	6.29
Depreciation	117.25	230.50
Profit Before Tax	1230.69	933.96
Provision for Taxation	407.11	297.43
Profit after tax	823.58	636.53
Earnings per share (Amount in ₹)	33.51	25.90

HUMAN RESOURCES

The company's HR objective is to achieve company's growth through developing a skilled, motivated and committed workforce.

RISK MANAGEMENT

The Company adapts a comprehensive and integrated risk appraisal, mitigation and management process. The risk and risk mitigation measures of the Company are being placed before the Board periodically for review and for improvement.

Place : Coimbatore
Date : May 22, 2015

For and on behalf of the Board of Directors
NETHRA J.S. KUMAR
Chairperson and Managing Director

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The corporate vision of LECS is to maintain responsible corporate behaviour across the organization, respectful of all rules and regulations governing corporate bodies.

Make all conscious efforts to conduct business in the best interests of all stake holders in a transparent manner.

Engage in continuous improvement of products, manufacturing processes and work environment to deliver the best-in-class products and services to customers.

2. BOARD OF DIRECTORS

In order to enable the Board to discharge its responsibilities effectively all statutory, significant and material informations are placed before the Board on Quarterly Basis.

Composition

The Board of Directors of LECS is headed by Chairperson and Managing Director and ably supported by six non-executive Directors of which four of them are Independent Directors.

Position of Board of Directors

As mandated by Clause 49 of the listing agreement entered into with the Stock Exchanges, none of the Directors hold any membership in more than ten Committees of Boards or Chairman of more than five Committees in which they are members.

Name of the Director	Position	Other Directorships	Membership in Committees	
			Chairman	Member
Smt.Nethra J.S. Kumar	Executive – Chairperson and Managing Director	15	1	1
Sri.N.Suryakumar	Non-executive – Independent	2	1	-
Sri.Sanjay Jayavarthanavelu	Non-executive Director	10	-	2
Sri.D.Senthilkumar	Non-executive Director	16	1	1
Sri.Ramesh Rudrappan	Non-executive – Independent	2	1	1
Sri. A. Palaniappan	Non-executive – Independent	9	-	1
Sri. Arun Selvaraj	Non-executive – Independent	3	-	-

Board Meetings and Attendance

During the period from 1st April, 2014 to 31st March, 2015 four Board Meetings were held on 26.05.2014, 08.08.2014, 29.10.2014 and 05.02.2015.

Details of attendance of each Director at the meetings of the Board during the Financial Year ended 31st March, 2015 are as follows :

Name of the Directors	Attendance in Board meetings (No. of Board meeting(s) held during the financial year : 4)	Attendance in last AGM (AGM Date: 08.08.2014)
Sri.N.Suryakumar	4	Yes
Sri.Sanjay Jayavarthanavelu	4	Yes
Sri.D.Senthilkumar	4	Yes
Sri.Ramesh Rudrappan	4	Yes
Smt.Nethra J.S. Kumar	4	Yes
Sri A. Palaniappan	4	Yes
Sri Arun Selvaraj	3	Yes

Remuneration of Directors

Remuneration and sitting fee paid to the Directors during the year ended 31st March, 2015:

Name	Salary	Other Perquisites	Sitting fee	Commission	Total
Sri.N.Suryakumar	-	-	80,000	-	80,000
Sri.Sanjay Jayavarthanavelu	-	-	30,000	-	30,000
Sri.D.Senthilkumar	-	-	60,000	-	60,000
Sri.Ramesh Rudrappan	-	-	1,00,000	-	1,00,000
Sri A. Palaniappan	-	-	60,000	-	60,000
Sri Arun Selvaraj	-	-	45,000	-	45,000
Smt.Nethra J.S. Kumar	60,00,000	-	-	5,62,685	65,62,685 [#]

This excludes contribution to Provident Fund, Gratuity and Leave Encashment.

At present, no Remuneration is being paid to Non Executive Directors other than Sitting Fees for the meetings of the Board/Committee which a Director attends.

No benefit other than the above is given by the Company to the Non Executive Directors.

Shareholding of Non-Executive Directors

S.No.	Name of the Directors	No. of Shares
1.	Sri. N.Suryakumar	103
2.	Sri. Sanjay Jayavarthanavelu	Nil
3.	Sri. D.Senthilkumar	14750
4.	Sri. Ramesh Rudrappan	Nil
5.	Sri. A.Palaniappan	Nil
6.	Sri. Arun Selvaraj	Nil

Committee of Directors

The Board has constituted various Committees of Directors to deal with matters referred to it for timely decisions.

(i) Audit Committee:

The terms of reference of Audit Committee has been re defined by the Board in line with the Companies Act, 2013 and clause 49 of the Listing Agreement as amended. The Audit committee would assure to the Board, compliance of adequate internal control systems and financial disclosure and other issues confirming to the requirements specified in the Companies Act and Listing Agreement entered into with the Stock Exchanges.

Audit Committee consists of the following Independent Directors :

1. Sri. N.Suryakumar - Chairman
2. Sri. Ramesh Rudrappan - Member
3. Sri. A.Palaniappan - Member

Company Secretary of the Company is the Secretary of the Committee.

The Committee met four times during the Financial Year ended 31st March 2015 on 26th May 2014, 8th August 2014, 29th October 2014 and 5th February 2015.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Particulars of Audit Committee Meeting and attendance of members

Name of the Directors	Attendance in Audit Committee meetings (No. of Audit Committee meeting(s) held during the financial year : 4)
Sri. N.Suryakumar	4
Sri. Ramesh Rudrappan	4
Sri. A. Palaniappan	4

(ii) Stakeholders Relationship Committee:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The Committee has been formed to specifically focus on the services to the stakeholders.

The Committee was reconstituted and presently consists of the following Directors as its members:

1. Sri. Ramesh Rudrappan - Chairman
2. Sri. D.Senthilkumar - Member
3. Smt. Nethra J.S. Kumar - Member

Sri. B.K.Ravi Kumar, General Manager - Finance & Accounts also functions as the Compliance Officer.

During the year No letters / complaints were received from the investor. The outstanding letters / complaints as on 31.03.2015 was NIL. The Committee had met two times during the Financial Year ended 31st March, 2015, on 8th August 2014 and on 5th February, 2015.

Particulars of Stakeholders Relationship Committee meeting and attendance of members

Name / Date of Meetings	08.08.2014	05.02.2015
Sri. D.Senthilkumar	✓	✓
Smt. Nethra J.S. Kumar	✓	✓
Sri. Ramesh Rudrappan	✓	✓

(iii) Share Transfer Committee:

Share Transfer Committee consists of the members of the Board, Compliance Officer and Share Transfer Agents. At present there are 6 members in the committee. The committee reviews and approves transfers and transmission of equity shares, issue of duplicate share certificate etc. The committee had met twenty five times during the Financial Year ended 31st March, 2015.

(iv) Nomination and Remuneration Committee:

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee". It consists of the following independent Directors. The remuneration of policy and details of remuneration to all the Directors is provided elsewhere in this Annual Report.

1. Sri. N. Suryakumar - Chairman
2. Sri. Arun Selvaraj - Member
3. Sri. Ramesh Rudrappan - Member

The terms of reference of the Committee inter alia, include the following:

- ❖ formulate the criteria for appointment of Directors / Senior Management and determining qualifications, positive attributes and independence of Directors.
- ❖ Recommend to the Board their appointment, reappointment and removal.
- ❖ Formulate a policy on the constitution of the Board.
- ❖ Identification of persons who are qualified to become Directors.
- ❖ Identification of persons who may be appointed to the Senior Management positions of the Company.
- ❖ Formulation of criteria for evaluation of Independent Directors and the Board.
- ❖ Carry out evaluation of Director's performance.
- ❖ Recommend to the Board policy relating to remuneration of Directors, Key Managerial Personnel and other employees.
- ❖ Recommend the remuneration package for Executive Directors.
- ❖ Determine the minimum remuneration of Executive Directors in the event of inadequate profits.
- ❖ Recommend to the Board the remuneration including commission payable to Non Executive Directors.
- ❖ Shall frame suitable policies and systems to ensure there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Particulars of Nomination and Remuneration Committee meeting and attendance of members

Name / Date of Meetings	08.08.2014
Sri. N.Suryakumar	✓
Smt. Arun Selvaraj	✓
Sri. Ramesh Rudrappan	✓

(v) Corporate Social Responsibility Committee:

In compliance with Section 135 of the Companies Act, 2013, the Board of Directors on 26th May, 2014, constituted Corporate Social Responsibility Committee

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.
2. Recommend the amount of expenditure to be incurred on the activities to be undertaken by the company; and
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

The Corporate Social Responsibility Committee consists of the following directors:

- | | | |
|--------------------------|---|----------|
| 1. Sri.D.Senthilkumar | - | Chairman |
| 2. Smt.Nethra J.S. Kumar | - | Member |
| 3. Sri.Arun Selvaraj | - | Member |

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Particulars of Corporate Social Responsibility Committee meeting and attendance of members.

Name / Date of Meetings	07.08.2014	04.02.2015
Smt. Nethra J.S.Kumar	✓	✓
Smt. D. Senthilkumar	✓	✓
Sri. Arun Selvaraj	✓	✓

(vii) Independent Directors Meeting:

During the year under review, the independent Directors met on March 25, 2015, inter alia, to discuss:

- ❖ Evaluation of performance of Non Independent Directors and the Board of Directors as a whole.
- ❖ Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non Executive Directors.
- ❖ Assess the quality quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Except Sri.A.Palaniappan all the Independent Directors were present at the meeting.

3. GENERAL BODY MEETINGS

Information about the last three Annual General Meetings are given below:

Location	Time	Day	Date
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	02.30 p.m	Friday	08.08.2014
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	10.35 a.m	Saturday	07.09.2013
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	03.15 p.m	Thursday	23.08.2012

Details of Special Resolutions passed at the above Annual General Meetings :

1. At the AGM held on 08.08.2014

Approval for amendment in the Articles of Association of the Company

Approval to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company u/s 180(1)(c) and any other applicable provisions of the Companies Act, 2013.

2. At the AGM held on 07.09.2013, no Special Resolution was passed.

3. At the AGM held on 23.08.2012

Approval for reappointment of Smt. Nethra J.S.Kumar as Managing Director for a period of 5 Years and her remuneration under Section 198, 309, 349 and 350 of the Companies Act, 1956.

Special Resolutions passed through Postal Ballot

During the year, 2 (Two) Special Resolutions were passed through e-voting process and postal ballot (in lieu of e-voting at the AGM on 08th August 2014). Sri. M.D. Selvaraj, of M/s. MDS & Associates, Company Secretaries had carried out the scrutiny of the e-voting process and the postal ballot forms received upto 5.00 p.m. on 04th August 2014 and submitted his report thereon on 07th August 2014 addressed to the Chairperson of the AGM. Based on the scrutinizer's report, the details of the voting pattern of the special resolutions is as follows:

1) Amendment of Articles of Association in line with the provisions of the Companies Act, 2013.

Modes of voting	No. of members voted in favour	No. of votes casted in favour	No. of members casted against	No. of votes casted against	No. of members whose votes declared invalid and No. of invalid votes
E - Voting	2	109	Nil	Nil	Nil
Postal ballot (in lieu of e-voting at the AGM)	51	7,23,444	Nil	Nil	Members- 3 Votes - 800
Total	53	7,23,553 *	-	-	-

* % of total votes casted in favour of the Resolution : 100.00%

% of total votes casted against the Resolution : Nil

2) Borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company pursuant to section 180 (1) (c) of the Companies Act, 2013.

Modes of voting	No. of members voted in favour	No. of votes casted in favour	No. of members casted against	No. of votes casted against	No. of members whose votes declared invalid and No. of invalid votes
E - Voting	2	109	Nil	Nil	Nil
Postal ballot (in lieu of e-voting at the AGM)	50	7,23,419	1	25	Members- 3 Votes - 800
Total	53	7,23,528 *	1	25	-

* % of total votes casted in favour of the Resolution : 100.00%

% of total votes casted against the Resolution : Negligible (0.0034%)

4. DISCLOSURES

Materially significant related party transactions:

The Transactions with related parties are monitored in accordance with the policy. All the transactions with the related parties are arms length transaction and are taking place in the ordinary course of business. Material related party transactions are being approved by the shareholders by a special resolution. The Details of related party transactions are provided elsewhere in the Annual report. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Weblink: <http://www.lecsindia.com/financial/Policies/relatedpartytransactionPolicy.Pdf>

In August 2014, the Board adopted the Whistle Blower Policy . We have established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

and Ethics. It also provides for adequate safeguards against the victimization of director(s) / employee(s) who avail of the mechanism, and allows direct access to the chairman of the audit committee in exceptional cases. We further affirm that no Director or Employee has been denied access to the Audit Committee during the year

The Company has not been penalized, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets, non-compliance of any law.

In the preparation of Financial Statements no differential treatment from the prescribed Accounting Standard is followed.

Certificate from the Statutory Auditors confirming the compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement forms part of this report. Among the non-mandatory requirements of Clause 49, the internal auditor submits the report to the Audit Committee.

5. MEANS OF COMMUNICATION

The quarterly results were published in leading newspapers viz. Financial Express (English) and Dina Malar (Tamil).

The Company Profile, Corporate Information, Share Holding Pattern, Code of Conduct for Directors and Officers, Financial Statements and Product Range is published in the Company's website www.lecsindia.com.

6. SHAREHOLDERS INFORMATION

Annual General Meeting

Day & Date : Thursday, 13th August 2015

Time : 03.05 P.M

Venue : Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

Financial Calendar

Financial Year : 1st April to 31st March

Annual Results 2014-15 announced : 22nd May 2015

Announcement of Quarterly Results : August 2015, November 2015, February 2016
for the Financial Year 2015 – 2016 and May 2016
(Tentative)

Date of Book Closure : Friday, the 7th August 2015 to Thursday, the 13th August 2015
(both days inclusive)

Dividend Payment Date : On or before 12th September 2015.

Listing on Stock Exchanges

The equity shares of the Company are listed in Bombay Stock Exchange Limited, Mumbai and Madras Stock Exchange Limited, Chennai. The listing fees have been paid to Bombay Stock Exchange Limited up to the Financial Year 2015 - 2016.

Stock Codes & ISIN Number :

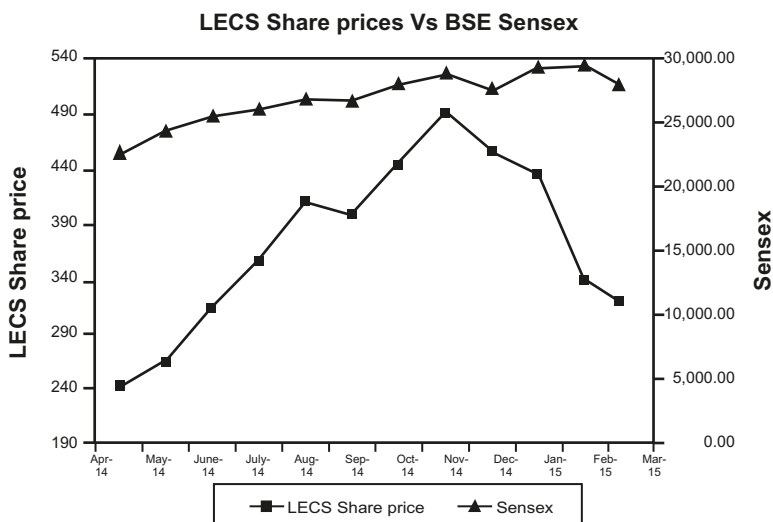
Stock Exchange	Scrip Code	ISIN No.
Bombay Stock Exchange Limited	504258	INE284C01018
Madras Stock Exchange Limited	-	INE284C01018

Market Price Data:

The High & Low during each month in last Financial Year in BSE is given below:

Month	Share Price (₹)	
	High	Low
Apr - 14	242.20	219.00
May - 14	327.60	231.00
Jun - 14	363.00	260.00
Jul - 14	396.70	313.20
Aug - 14	432.00	344.40
Sep - 14	461.00	383.60
Oct - 14	498.00	393.00
Nov - 14	525.00	424.00
Dec - 14	502.95	391.75
Jan - 15	482.00	430.00
Feb - 15	449.90	330.00
Mar - 15	359.90	319.00

Share Price Performance in Comparison with BSE Index



Registrar & Share Transfer Agents:

Transfer, transmission, split, consolidation, recording the change of name of shareholders, issue of duplicate certificate, dematerialisation and such other matters relating to the shares of the Company are entrusted to the share transfer agents M/s. S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. They are the connectivity providers for Demat Segment.

Share Transfer System:

The share transfers are registered and share certificates are returned within a period of 15 days from the date of receipt, if documents are in order. The share transfers are approved by Share Transfer Committee.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Distribution of Share Holding as on 31.03.2015

Range	No. of shares	% Held	No. of Shareholders	%
Upto 500	8,37,988	34.09	10,453	96.25
501 - 1000	1,91,559	7.79	247	2.27
1001 - 2000	1,24,698	5.07	87	0.80
2001 - 3000	85,983	3.50	34	0.31
3001 - 4000	37,041	1.51	10	0.09
4001 - 5000	13,102	0.53	3	0.03
5001 - 10000	58,008	2.36	8	0.07
10001 and above	11,09,621	45.14	18	0.17
Total	24,58,000	100.00	10,860	100.00

Share Holding Pattern as on 31.03.2015

S.No.	Category	No. of Shares	Percentage of holding
1.	Promoters and Promoters Group	6,43,393	26.18
2.	Financial Institutions, Banks and Mutual Fund	250	0.01
3.	Bodies Corporate	3,46,563	14.10
4.	Indian Public	13,60,523	55.35
5.	Directors and Relatives	103	0.00
6.	NRI	27,046	1.10
7.	Foreign Nationals	25	0.00
8.	Overseas Corporate Bodies	1,150	0.05
9.	HUF and Others	78,947	3.21
	Total	24,58,000	100.00

Dematerialisation of Shares:

As on 31st March, 2015, 22,77,950 shares constituting 92.68% of the total paid up capital of the Company has been dematerialized.

Outstanding ADR / GDR / Warrants / or any Convertible Instruments - The Company has not issued any ADR / GDR / Warrants / or any Convertible Instruments.

Plant Locations :

The Company's plant is situated at the following location:

Factory : Arasur, Coimbatore – 641 407 Wind Mill Division : Palladam (TK), Tirupur District

Address for Correspondence :

All correspondence should be addressed to : The Compliance Officer,
Lakshmi Electrical Control Systems Limited
Arasur, Coimbatore – 641 407. E-mail: investorscell@lecsindia.com

Place : Coimbatore

Date : 22.05.2015

For and on behalf of the Board of Directors

NETHRA J.S. KUMAR

Chairperson and Managing Director

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

The Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct during the year 2014-2015.

Place : Coimbatore

Date : 22.05.2015

NETHRA J.S. KUMAR

Chairperson and Managing Director

CERTIFICATE

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

To
The Members of M/s. Lakshmi Electrical Control Systems Limited

We have examined the compliance of conditions of Corporate Governance by M/s.Lakshmi Electrical Control Systems Limited for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges for the year ended 31st March, 2015.

On the basis of the records maintained by the Stakeholders Relationship Committee of the Company, we state that no investor grievance is pending for a period exceeding one month.

We further state that our examination of 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 N.R.DORAISWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN

Partner

Membership No.207893

Place : Coimbatore

Date : 22.05.2015

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CERTIFICATION

To
The Board of Directors
Lakshmi Electrical Control Systems Limited

As required by Clause 49 (ix) of the Listing Agreement entered into with the Stock Exchanges,

We hereby certify that:

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

R. VENKATESH PRASAD
Executive Director & Chief Financial Officer

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 22.05.2015

INDEPENDENT AUDITORS' REPORT

To the Members of Lakshmi Electrical Control Systems Limited

Report on the Financial Statements

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

Managements' Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Report on Other Legal and Regulatory Requirements

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

Place : Coimbatore
Date : 22.05.2015

For N.R.DORAISWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S
SUGUNA RAVICHANDRAN
Partner
Membership No.207893

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Independent Auditors' report to the members of Lakshmi Electrical Control Systems Limited ('the Company') on the financial statements for the year ended 31st March 2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii) a. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. The Company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the Company and whether reasonable steps for recovery/repayment of overdue amounts of such loans are taken does not arise.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.
- v) The Company has not accepted any deposits from the public covered under section 74 to 76 of the Companies Act 2013.
- vi) The Company is not covered under maintenance of cost records pursuant to section 148 (1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.
- vii) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty/Cess and other statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty/Cess were outstanding, as at 31st March, 2015 for a period of more than six months from the date they became payable, except the dispute as under :

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Name of Statute	Nature of Dues	Amount ₹ in Lakhs	Period to which the amount relates
The Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003.	Electricity Tax	11.85	2007-2008
		7.20	2009-2010
		6.63	2010-2011
		6.22	2011-2012
		1.36	2012-2013
	Total	33.26	

- c) According to the records of the Company, there are no dues to Sales Tax, Income Tax, Value Added Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty/Cess which have not been deposited on account of any dispute.
- d) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- viii) The Company did not have any accumulated losses at the end of the financial year, nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.
- ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not availed any loans from financial institutions or issued any debentures and has not defaulted in repayment of dues to banks during the year.
- x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xi) In our opinion, and according to the information and explanations given to us, the Company has not raised any term loans during the year.
- xii) During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the course of our audit nor have been informed of any such instance by the management.

For N.R.DORAISWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Place : Coimbatore
Date : 22.05.2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	1	2,45,80,000	2,45,80,000
b) Reserves and Surplus	2	82,49,71,708	76,43,57,005
		84,95,51,708	78,89,37,005
(2) Non-Current Liabilities			
a) Long term borrowings	3	-	-
b) Deferred tax liabilities (Net)	4	1,46,77,478	69,01,591
c) Other Long Term Liabilities	5	-	13,49,929
d) Long term provisions	6	33,27,080	33,27,080
		1,80,04,558	1,15,78,600
(3) Current Liabilities			
a) Short-Term Borrowings	7	93,52,416	3,23,09,866
b) Trade payables	8	30,74,64,448	31,87,21,290
c) Other current liabilities	9	1,84,12,502	1,17,75,600
d) Short-term provisions	10	3,11,11,301	2,00,80,153
		36,63,40,667	38,28,86,909
TOTAL		1,23,38,96,933	1,18,34,02,514
II. ASSETS			
(1) Non-current assets			
a) Fixed assets			
i) Tangible assets	11	22,63,45,649	13,74,17,772
ii) Capital work-in-progress		2,69,57,823	61,89,047
b) Non-current investments	12	10,69,60,398	10,69,60,398
c) Long term loans and advances	13	17,30,084	12,99,533
		36,19,93,954	25,18,66,750
(2) Current assets			
a) Current investments	14	-	-
b) Inventories	15	20,89,56,386	15,47,91,541
c) Trade receivables	16	32,46,90,247	25,35,37,254
d) Cash and cash equivalents	17	22,96,32,347	44,63,32,327
e) Short-term loans and advances	18	4,85,404	4,71,689
f) Other current assets	19	10,81,38,595	7,64,02,953
		87,19,02,979	93,15,35,764
TOTAL		1,23,38,96,933	1,18,34,02,514

 See accompanying notes to the financial statements
 As per our report of even date.

 For N.R.DORAISWAMI & CO.,
 Chartered Accountants
 Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN

 Partner
 Membership No.207893

Place : Coimbatore

Date : 22.05.2015

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

R. VENKATESH PRASAD

Executive Director & CFO

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No	31.03.2015	31.03.2014
I Revenue from operations	20	1,82,09,26,162	1,60,19,06,270
II Other Income	21	3,88,96,535	4,60,76,072
III Total Revenue (I +II)		1,85,98,22,697	1,64,79,82,342
IV <u>Expenses:</u>			
Cost of materials consumed	22	1,50,68,36,556	1,35,91,42,113
Purchase of Stock-in-Trade	-	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(37,61,152)	(1,40,42,907)
Employee benefit expense	24	12,28,16,735	10,70,51,003
Financial costs	25	31,70,391	6,29,185
Depreciation and amortization expense	11	1,17,25,103	2,30,49,757
Other expenses	26	9,67,87,803	7,77,30,414
Total Expenses		1,73,75,75,436	1,55,35,59,565
V Profit before exceptional and extraordinary items and tax	(III - IV)	12,22,47,261	9,44,22,777
VI Exceptional Items [Profit / (Loss) on sale of Asset]	27	8,22,020	(10,27,106)
VII Profit before extraordinary items and tax	(V - VI)	12,30,69,281	9,33,95,671
VIII Extraordinary Items - Prior period expenses		-	-
Prior period Income		-	-
IX Profit before tax	(VII - VIII)	12,30,69,281	9,33,95,671
X Tax expenses:			
(1) Current tax		3,18,43,528	3,11,00,509
(2) Deferred tax		83,02,962	(14,09,422)
(3) Excess Tax Provision Reversed		-	-
(4) Income Tax for Earlier Years		5,64,456	51,565
XI Profit/(Loss) for the year from continuing operations	(IX-X)	8,23,58,335	6,36,53,019
XII Profit/(Loss) for the period		8,23,58,335	6,36,53,019
XIII Earning per equity share of Rs.10/- each (Basic/Diluted)		33.51	25.90

See accompanying notes to the financial statements
As per our report of even date.

For N.R.DORAISWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN

Partner
Membership No.207893

Place : Coimbatore

Date : 22.05.2015

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

R. VENKATESH PRASAD

Executive Director & CFO

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Note No	Particulars	As at 31.03.2015	As at 31.03.2014
1	SHARE CAPITAL		
a	AUTHORISED		
	20,000 - 13.5% Cumulative Redeemable Preference Shares of Rs.100/- each	20,00,000	20,00,000
	50,00,000 - Equity shares of Rs.10/-each	5,00,00,000	5,00,00,000
		5,20,00,000	5,20,00,000
b	ISSUED, SUBSCRIBED, CALLED AND PAID UP		
	24,58,000 - Equity Shares of Rs.10/- each fully paid	2,45,80,000	2,45,80,000
c	The total number of Shares as on 31/03/2015 and 31/03/2014 are same		
d	Number of shares held by share holders holding more than 5% of total shares		
	Smt.Nethra J.S.Kumar	4,97,337	4,97,337
	Lakshmi Electrical Drives Limited	1,31,206	1,31,206
2	RESERVES AND SURPLUS		
a	Capital Reserve		
	Opening balance	35,00,000	35,00,000
	Add: Addition / (reduction)	-	-
	Closing balance	35,00,000	35,00,000
b	Security Premium Reserve		
	Opening balance	5,03,20,000	5,03,20,000
	Add: Addition / (reduction)	-	-
	Closing balance	5,03,20,000	5,03,20,000
c	General Reserve		
	Opening balance	53,72,34,158	52,72,34,158
	Add: transfer from profit & loss account	1,00,00,000	1,00,00,000
	Closing balance	54,72,34,158	53,72,34,158
d	Surplus from Profit & Loss account		
	Opening balance	17,33,02,847	13,40,28,514
	Less: WDV of assets transferred as per Schedule II	16,24,519	-
	Add: Deferred tax on WDV of assets transferred as per Schedule II	5,27,075	-
	Add: Current year surplus	8,23,58,335	6,36,53,019
	Less: Transfer to general reserve	1,00,00,000	1,00,00,000
	Less: Proposed dividend	1,72,06,000	1,22,90,000
	Less: Dividend tax provision	34,40,188	20,88,686
	Closing balance	22,39,17,550	17,33,02,847
		82,49,71,708	76,43,57,005

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Note No	Particulars	As at 31.03.2015	As at 31.03.2014
3	Long term borrowings		
	Term loan-secured		
	From Bank :	-	-
	Indian Bank-Limit Rs.6.77 Crores		
	Security - Secured by Equitable Mortgage by way of deposit of the title deeds of the properties of the Company situated at SF No.147 an extent of 3.35 acres of land, SF No.145/2 an extent of 1.37 acres of land & SF No.145/2B2 an extent of 1.33 acres of land		
	Interest Rate - 11.50 % p.a.		
	Period of default : Nil		
4	Deferred tax liability		
	Opening balance	69,01,591	83,11,013
	Add/Less: Provided /(Reversed) during the year	83,02,962	(14,09,422)
	Less: Deferred tax on WDV of assets transferred as per schedule II	5,27,075	-
	Closing balance	<u>1,46,77,478</u>	<u>69,01,591</u>
5	Other long term liabilities		
	Trade payables	-	13,49,929
6	Long term provisions		
	Provision for electricity tax	<u>33,27,080</u>	<u>33,27,080</u>
7	Short term borrowings		
	Loans repayable on demand-secured		
	From Banks :		
	a Indian Bank-Limit Rs.10 Crores	-	1,73,69,926
	Security - Paripassu First charge on entire Current Assets of the Company with Bank of Baroda and HDFC Bank Ltd . Second charge by way of Equitable Mortgage by way of deposit of the title deeds of the properties of the Company situated at SF No.147 an extent of 3.35 acres of land, SF No.145/2 an extent of 1.37 acres of land & SF No.145/2B2 an extent of 1.33 acres of land		
	Interest Rate - 10.75 % p.a.		
	Period of default : Nil		

b Bank of Baroda-Limit Rs.2.5 Crores

93,52,416

1,49,39,940

Security - Paripassu First charge on the entire
Current Assets of the Company with
Indian Bank and HDFC Bank Ltd.

Interest Rate - 12.50 % p.a.

Period of default : Nil

c HDFC Bank Limited-Limit Rs.5 Crores

-

-

Security - Paripassu First charge on the entire
Current Assets of the Company with
Indian Bank and Bank of Baroda

Interest Rate - 10.75 % p.a.

Period of default : Nil

93,52,416
3,23,09,866
8 Trade payables
30,74,64,448
31,87,21,290
9 Other current liabilities

Unpaid dividends

17,58,063

16,72,102

Salary and benefits

1,30,22,706

93,36,551

Statutory dues payable

36,31,733
7,66,947
1,84,12,502
1,17,75,600
10 Short term provisions

a Provisions for employee benefits

Leave encashment

53,17,972

46,82,880

b Others

Provision for income tax

18,82,207

-

Provision for dividend

1,72,06,000

1,22,90,000

Provision for dividend tax

34,40,188

20,88,686

Provision for expenses & ED on finished goods

32,64,934
10,18,587
3,11,11,301
2,00,80,153

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2015

11 TANGIBLE ASSETS

(Amount in ₹)

Tangible Asset	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	For the Year		As at 31.03.2015	As at 01.04.2014	For the Year		As at 31.03.2015	31.03.2015	31.03.2014
		Additions	Deletions			Additions	Withdrawals			
a Land	98,15,972	-	-	98,15,972	-	-	-	-	98,15,972	98,15,972
b Building	7,01,79,141	95,96,833	-	7,97,75,974	4,26,83,190	18,71,117	-	4,45,54,307	3,52,21,667	2,74,95,951
c Plant & Equipments	36,87,25,679	8,90,80,427	1,36,70,045	44,41,36,061	27,67,25,334	98,96,244	1,24,46,296	27,41,75,282	16,99,60,779	9,20,00,345
d Furniture & Fixtures	1,32,98,472	9,04,347	3,29,239	1,38,73,580	94,40,338	8,55,967	3,23,414	99,72,891	39,00,689	38,58,135
e Vehicles	98,60,949	42,27,381	20,11,239	1,20,77,091	56,13,580	7,26,294	17,09,325	46,30,549	74,46,542	42,47,369
Total	47,18,80,213	10,38,08,988	1,60,10,523	55,96,78,678	33,44,62,442	1,33,49,622	1,44,79,035	33,33,33,029	22,63,45,649	13,74,17,772
Capital Work in Progress	61,89,047	12,45,77,766	10,38,08,990	2,69,57,823	-	-	-	-	2,69,57,823	61,89,047
Figures as on 31.03.2014	46,15,63,589	4,53,98,455	3,50,81,831	47,18,80,213	34,44,79,384	2,30,49,757	3,30,66,699	33,44,62,442	-	13,74,17,772

Additional Disclosure

Profit/(loss) on disposal of fixed asset during the year ended March 31, 2015 is ₹ 8,22,020/- (₹ 10,27,106/-) for year ended March 31, 2014.

(Amount in ₹)

Note No	Particulars	As at 31.03.2015	As at 31.03.2014
12 NON-CURRENT INVESTMENTS			
	Investment in equity instruments-Quoted		
	Lakshmi Machine Works Limited		
	88,800 Equity Shares of Rs.10/- each fully paid	63,85,499	63,85,499
	Indian Bank		
	6,289 Equity Shares of Rs.10/- each fully paid	5,72,299	5,72,299
	Investment in equity instruments-Unquoted		
	Harshni Textiles Limited-Associate		
	1,00,00,000 Equity Shares of Rs.10/-each fully paid	10,00,02,600	10,00,02,600
		10,69,60,398	10,69,60,398
	Aggregate value of Quoted Investment		
	Cost	69,57,798	69,57,798
	Market Value	34,08,85,323	27,14,89,013
	Aggregate value of Unquoted Investment-Associate		
	Cost	10,00,02,600	10,00,02,600
13 LONG TERM LOANS & ADVANCES			
	(Unsecured Considered good)		
	a Security deposits	17,30,084	12,99,533
	b Loans and advances to related parties	-	-
	c Other loans and advances	-	-
		17,30,084	12,99,533

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Note No	Particulars	As at 31.03.2015	As at 31.03.2014
14	CURRENT INVESTMENTS	-	-
15	INVENTORIES		
	a Raw materials and Components valued at cost (Weighted average price)	14,86,37,351	9,87,01,651
	b Work in progress at estimated cost	3,24,25,625	3,51,46,297
	c Finished goods at cost or net realisable value whichever is lower. The Finished goods value includes Excise Duty	1,57,46,362	92,64,537
	d Stock in trade valued at cost	2,46,429	3,10,467
	e Stores & Spares valued at cost	81,57,188	83,63,639
	f Others - Scrap at net realisable value	1,04,378	86,482
	Consumables valued at cost	32,33,208	25,99,067
	Packing materials valued at cost	4,05,845	3,19,401
		20,89,56,386	15,47,91,541
16	TRADE RECEIVABLES -(UNSECURED AND CONSIDERED GOOD)		
	Outstanding for More than 6 Months	45,02,854	12,05,015
	Others	32,01,87,393	25,23,32,239
		32,46,90,247	25,35,37,254
17	CASH AND CASH EQUIVALENTS		
	a Unpaid dividend	17,58,063	16,72,102
	b Balance with Bank in Current Account	2,45,06,533	6,31,001
	c Cash in hand	84,190	2,44,852
	d Others		
	Margin Money	7,83,561	12,84,372
	Short Term Deposits	20,25,00,000	44,25,00,000
		22,96,32,347	44,63,32,327
18	SHORT TERM LOANS AND ADVANCES		
	Others-(Unsecured and considered good)		
	Loans & Advances to Employees	4,85,404	4,71,689
		4,85,404	4,71,689

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Note No	Particulars	As at 31.03.2015	As at 31.03.2014
19	OTHER CURRENT ASSETS		
	Advance for Purchase	52,01,302	24,75,692
	Vat & Cenvat tax input credit	7,84,06,294	4,57,36,948
	Prepaid expenses	17,48,359	20,19,866
	Service Tax credit	81,18,681	41,82,164
	Interest accrued but not due	1,32,20,792	1,91,06,321
	Advance Tax & refund receivable	14,43,167	28,81,962
		10,81,38,595	7,64,02,953

See accompanying notes to the financial statements
As per our report of even date.

For N.R.DORAISWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN

Partner
Membership No.207893

Place : Coimbatore

Date : 22.05.2015

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

R. VENKATESH PRASAD

Executive Director & CFO

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

Note No	Particulars	31.03.2015	31.03.2014
20	REVENUE FROM OPERATIONS		
a	Sale of Products		
	Domestic Sales	1,99,05,82,036	1,76,57,14,928
b	Sale of Services	2,38,06,068	2,42,54,050
c	Other operating revenues	22,70,636	21,21,417
		2,01,66,58,740	1,79,20,90,395
	Less: Excise Duty paid	19,57,32,578	19,01,84,125
		1,82,09,26,162	1,60,19,06,270
21	OTHER INCOME		
	Interest Income (TDS ₹ 36,14,861/-)	3,61,61,129	4,33,01,444
	Dividend Income	26,74,691	20,10,214
	Duty Drawback	-	6,38,428
	Net Gain from Foreign Exchange	60,715	1,25,986
		3,88,96,535	4,60,76,072
22	COST OF MATERIALS CONSUMED		
	Opening Stock of Raw Materials and Components	11,03,80,708	8,14,76,146
	Purchases of Raw Materials and Components	1,55,72,40,248	1,38,80,46,675
		1,66,76,20,956	1,46,95,22,821
	Less: Closing stock of raw Materials and Components	(16,07,84,400)	(11,03,80,708)
		1,50,68,36,556	1,35,91,42,113
23	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Opening Stock of WIP	3,51,46,297	2,46,69,202
	Closing Stock of WIP	3,24,25,624	3,51,46,297
		27,20,673	(1,04,77,095)
	Opening Stock of FG	92,64,537	56,98,725
	Closing Stock of FG	1,57,46,362	92,64,537
		(64,81,825)	(35,65,812)
	Change in Inventory	(37,61,152)	(1,40,42,907)
24	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Wages	9,43,04,031	8,22,36,908
	Bonus	89,14,088	72,38,962
	Gratuity	8,80,892	23,50,644
	Provident fund	63,76,873	50,51,498
	Welfare expenses	1,23,40,851	1,01,72,991
		12,28,16,735	10,70,51,003
25	FINANCIAL COST		
	Interest Expenses	26,34,684	2,33,079
	Bank charges	5,35,707	3,96,106
		31,70,391	6,29,185

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015 (Amount in ₹)

Note No	Particulars	31.03.2015	31.03.2014
26	OTHER EXPENSES		
	Consumption of stores and spare parts	1,08,93,826	79,10,520
	Power and fuel	1,76,71,139	1,39,42,568
	Repairs & Maintenance		
	Repairs to machinery	83,83,375	98,04,041
	Repairs to vehicles	11,72,632	9,73,656
	Repairs to buildings	1,16,27,234	81,75,492
	Repairs - others	66,23,061	23,35,633
		<u>2,78,06,302</u>	<u>2,12,88,822</u>
	Machining charges paid	1,11,98,999	1,25,00,046
	Insurance	4,31,215	4,95,147
	Rates and taxes, excluding taxes on income	33,44,188	18,63,238
	Audit fees		
	a) Statutory Audit	1,60,000	1,60,000
	b) For reimbursement of expenses	614	2,038
	c) For taxation matters	60,000	-
	d) For other services	81,500	89,497
	Communication expenses	8,21,775	8,14,536
	Postage, Printing & Stationery	13,39,257	10,73,376
	Sitting fees	3,75,000	1,80,000
	Legal & professional charges	46,67,253	54,94,468
	Travelling & conveyance expenses	64,06,621	63,32,194
	CSR expenses	19,00,000	-
	Miscellaneous expenses	96,30,114	55,83,964
		<u>9,67,87,803</u>	<u>7,77,30,414</u>
27	EXCEPTIONAL ITEMS		
	Profit on Sale of Fixed Asset	8,22,020	1,42,864
	Less: Loss on Sale of Fixed Asset	-	11,69,970
		<u>8,22,020</u>	<u>(10,27,106)</u>

See accompanying notes to the financial statements
As per our report of even date.

For N.R.DORAI SWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 22.05.2015

R. VENKATESH PRASAD
Executive Director & CFO

ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31ST MARCH 2015

I. SIGNIFICANT ACCOUNTING POLICIES :

1. Method of Accounting :

The financial statements are prepared on the historical cost convention basis on accrual concept and in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply with the mandatory accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 (as amended) and the guidelines issued by the Securities and Exchange Board of India (SEBI) and the relevant provisions of the Companies Act, 2013 to the extent applicable.

2. Fixed Assets:

Fixed Assets include all expenditure of capital nature and are stated at aggregate cost of acquisition, installation and commissioning less Cenvat Credit, VAT credit wherever applicable. Fixed assets values are stated at historical cost. Interest, if any, on borrowing attributable to acquisition of assets are capitalised and included in the cost of asset, as appropriate.

3. Depreciation :

- a) Depreciation on Fixed Assets has been provided on the basis of useful lives of the Fixed Assets in accordance with Schedule II of the Companies Act, 2013.
- b) For additions during the year, Prorata depreciation has been provided from the date of addition.
- c) For all the assets costing below Rs.5,000/- each, depreciation is provided @ 100% retaining Re.1/- as residual value in the year of addition, irrespective of date of addition.

4. Investments:

Investments being long term are stated at cost inclusive of all expenses incidental to acquisition. Provision for diminution in their market value is made only if such decline is other than temporary.

5.a) The Gratuity liability is covered by contributions to Life Insurance Corporation of India's Employees (Cash Accumulation) Assurance Scheme and the contribution paid relating to the year is charged to the Statement of Profit & Loss of the year.

- b) Provision is made in the accounts for Unpaid Leave Encashment based on actuarial certificate obtained in terms of AS 15 (Revised 2005).

6. Taxation :

Provision for taxation is made as per estimated total income after considering various reliefs admissible under the provisions of the Income Tax Act, 1961.

In terms of Accounting Standard 22, the deferred tax liability for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been enacted on the Balance Sheet date.

7. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

8. Foreign Currency Transactions :

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expense in the Statement of Profit and Loss. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and the difference is adjusted as income or expense in the Statement of profit and loss.

The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2015 (Contd....)

over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

9. Recognition of Income and Expenditure :

Income and expenditure are recognised and accounted on accrual basis. Revenue from sale transaction is recognised as and when the goods are sold to the buyer for a definite consideration and the legal title is passed on to the buyer. Revenue from service transaction and other sources is recognised on the completion of the contract.

10. Excise Duty and Customs Duty :

Excise duty in respect of goods manufactured by the Company is accounted at the time of removal of goods from the factory for sale or captive consumption. Cenvat credit in respect of capital goods is deducted in the respective capital goods and in respect of revenue items deducted from respective revenue items and consumption arrived at on that basis. Excise duty on closing stock of inventory of finished goods is included in the inventory value in terms of the relevant Accounting Standard AS2.

11. Research & Development :

Research & Development costs are charged to revenue in the period in which they are incurred.

12. Impairment of Assets:

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognized as an impairment loss. The impairment loss, if any, recognized in prior accounting period is reversed if there is a change in estimate of recoverable amount.

II. NOTES FORMING PART OF ACCOUNTS :

1. Consumption of Raw Materials & Components :

	Amount in ₹	% to total consumption	Amount in ₹	% to total consumption
	2014-15		2013-14	
i) Raw Materials–Imported	96,30,938	0.64	2,91,86,974	2.15
ii) Components–Imported	3,80,28,603	2.52	62,31,833	0.46
iii) Raw Materials–Indigenous	15,04,06,186	9.98	8,06,24,559	5.93
iv) Components – Indigenous	1,30,87,70,829	86.86	1,24,30,98,747	91.46
Total	1,50,68,36,556	100.00	1,35,91,42,113	100.00

2. As defined under Micro, Small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2015 has been made in the financial statements based on information received and available with the company.

	As at 31.03.2015	As at 31.03.2014
a) The Principal amount and the Interest due there on remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2015 (Contd...)

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

	<u>2014 - 15</u> Amount in ₹	<u>2013 - 14</u> Amount in ₹
3. Value of Imports on CIF Basis:		
a) Raw Materials	11,90,445	31,45,422
b) Components & Spare parts	4,08,37,901	1,53,55,336
c) Capital Goods	1,67,06,953	1,96,24,495
4. Expenditure in Foreign currency (Others):	-	15,62,475
5. Earnings in Foreign Exchange:	Nil	Nil
6. Contingent Liabilities and claims against the company not acknowledged as debts:		
A] (i) Estimated amount of contracts to be Executed on capital account and not provided for	1,63,10,158	28,57,954
(ii) Guarantees and Counter Guarantees executed by the Company	42,44,300	63,44,038
(iii) Letters of Credit	10,29,984	1,24,67,103
7. Sales tax assessments have been completed up to Financial Year 2005 - 2006 and Financial Year 2009 - 2010 & 2011-2012.		
8. Income Tax assessments have been completed up to A.Y. 2012 -13.		

9. Deferred Tax :

The break-up of the Deferred Tax Assets / Liabilities is as under :

Deferred Tax Liability	Opening Balance	Additions during the year	Reversals during the year	Closing Balance
On account of Depreciation	1,14,09,230	64,58,036	-	1,78,67,266
Total (A)	1,14,09,230	64,58,036	-	1,78,67,266

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2015 (Contd...)

Deferred Tax Assets	Opening Balance	Additions during the year	Reversals during the year	Closing Balance
On account of 43B Disallowance	15,19,360	-	(1,39,981)	13,79,379
VRS	27,97,726	1,88,856	(13,62,303)	16,24,279
Software Charges	7,372	-	(4,423)	2,949
Carried Forward Losses	1,83,181	-	-	1,83,181
Total (B)	45,07,639	1,88,856	(15,06,707)	31,89,788
Deferred Tax Liability (Net) (A-B)	69,01,591	62,69,180	(15,06,707)	1,46,77,478

10. Details of Turnover :

(Amount in ₹)

Description	2014 - 15	2013 - 14
a) Control Panels	1,52,06,86,917	1,40,22,76,627
b) Plastic Components	24,53,84,333	14,47,66,977
c) Spares & Accessories	2,06,85,702	1,95,44,945
d) Sale of Power	80,92,506	89,42,254
e) Labour charges Receipts	2,38,06,069	2,42,54,050
f) Sale of Scrap	22,70,635	21,21,417
Total	1,82,09,26,162	1,60,19,06,270

11. Calculation of Earnings per share (Face value ₹10/- per share) :

1) Net Profit after tax before Extraordinary items : (A)	₹ 8,23,58,335	₹ 6,36,53,019
No. of Shares : (B)	24,58,000	24,58,000
Basic and diluted EPS : (A)/(B)	₹ 33.51	₹ 25.90
2) Net Profit after tax & after Extraordinary items : (A)	₹ 8,23,58,335	₹ 6,36,53,019
No. of Shares : (B)	24,58,000	24,58,000
Basic and diluted EPS : (A) / (B)	₹ 33.51	₹ 25.90

12. Employee Benefits :

(Amount in ₹)

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
A. Expense recognised during year ended 31.03.2015				
1 Current Service Cost	13,71,833	13,04,336	5,76,240	5,23,142
2 Interest cost	17,33,599	16,40,822	3,47,172	2,63,728
3 Expected return on plan assets	(21,75,389)	(19,41,431)	-	-
4 Actuarial Losses / (Gains) during the year	12,46,390	(9,62,910)	11,54,217	6,28,560
5 Total Expense	21,76,433	40,817	20,77,629	14,15,430
B. Actual return on Plan assets				
1 Expected return on plan assets	21,75,389	19,41,431	-	-
2 Actuarial (Loss) / Gain on Plan assets	-	-	-	-
3 Actual return on Plan assets	21,75,389	19,41,431	-	-
C. Net Asset/(Liability) recognised in the Balance Sheet				
1 Present value of the obligation as on 31.03.2015	2,44,14,320	2,16,69,984	53,17,972	43,06,875
2 Fair value of plan assets as on 31.03.2015	2,58,04,388	2,46,51,810	-	-
3 Funded status (Surplus/Deficit)	13,90,068	29,81,826	(53,17,972)	(43,06,875)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2015 (Contd...)

(Amount in ₹)

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
4 Unrecognised past service cost	-	-	-	-
5 Net Asset/(Liability) recognised in the Balance Sheet	13,90,068	29,81,826	(53,17,972)	(43,06,875)
D. Change in present value of the Obligation during the year ended March 31, 2015				
1 Present value of the obligation as at April 1, 2014	2,16,69,984	2,05,10,272	43,06,875	35,40,949
2 Current Service Cost	13,71,833	13,04,336	5,76,240	5,23,142
3 Interest cost	17,33,599	16,40,822	3,47,172	2,63,728
4 Benefits paid	(16,07,486)	(8,22,536)	(10,66,532)	(6,49,504)
5 Actuarial (gain) / loss on obligation	12,46,390	(9,62,910)	11,54,217	6,28,560
6 Present value of obligation as at March 31,2015	2,44,14,320	2,16,69,984	53,17,972	43,06,875
E. Change in Assets during the year ended March 31, 2015				
1 Fair value of plan assets as at April 1, 2014	2,46,51,810	2,11,47,735	-	-
2 Expected return on plan assets	21,75,389	19,41,431	-	-
3 Contributions made	5,84,675	23,85,180	10,66,532	6,49,504
4 Benefits paid	(16,07,486)	(8,22,536)	(10,66,532)	(6,49,504)
5 Actuarial gain / (loss) on plan assets	-	-	-	-
6 Fair value of plan assets as at March 31, 2015	2,58,04,388	2,46,51,810	-	-
F. Major categories of plan assets as a percentage of total plan				
1 Qualifying insurance policies	2,58,04,388	2,46,51,810	-	-
2 Own plan assets	-	-	-	-
Total	2,58,04,388	2,46,51,810	-	-
G. Actuarial Assumptions				
1 Discount rate	8.00%	8.00%	7.80%	9.20%
2 Salary escalation	7.00%	7.00%	7.00%	7.00%
3 Expected rate of return on plan assets	8.75%	9.25%	-	-
4 Attrition rate	1.50%	1.50%	3.00%	3.00%
5 Mortality rate				

Note: The salary escalation considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Gratuity is applicable to all permanent and full time employees of the Company. "Gratuity payment is based on last drawn basic salary and dearness allowance at the time of termination or retirement. The Scheme takes into account each completed year of service or part thereof in excess of six months. The entire contribution is borne by the Company".

Leave encashment benefits are provided as per the Rules of the Company.

13. Some of the Debtors / Creditors accounts whose balances show a variance as compared to the Books of Accounts of the Company are in the process of reconciliation. This however will not have any material impact on the profits for the year.

14. Figures have been rounded off to the nearest rupee.

15. The previous year's figures have been regrouped and reclassified wherever necessary to suit this year's presentation.

As per our report of even date.

For N.R.DORAISWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893
Place : Coimbatore
Date : 22.05.2015

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

R. VENKATESH PRASAD
Executive Director & CFO

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

III CASH FLOW STATEMENT

31.03.2014 (₹ in Lakhs)	PARTICULARS	31.03.2015 (₹ in Lakhs)
	A. CASH FLOW FROM OPERATING ACTIVITIES :	
933.96	Net profit before tax and extraordinary items	1,230.69
	<u>Adjustments for :</u>	
230.50	Depreciation	117.25
-	Deferred Revenue Expenditure	-
2.33	Interest paid	26.35
-	Foreign Exchange	-
10.27	Profit/Loss on sales of assets(net)	(8.22)
(460.76)	Interest / Dividend	(388.97)
716.30	Operating Profit before working capital changes	977.10
	<u>Adjustments for :</u>	
(748.34)	Trade and other receivables	(1,047.72)
(429.48)	Inventories	(541.65)
545.95	Trade payables	(30.88)
84.43	Cash generated from operations	(643.15)
(352.67)	Direct taxes paid	(290.87)
(268.24)	Cash flow before extraordinary items	(934.02)
	Extraordinary items :	
-	Prior year expenses	-
-	Prior year Income and Excess provision reversed	-
(268.24)	Net cash from operating activities	(934.02)
	B. CASH FLOW FROM INVESTING ACTIVITIES :	
(509.67)	Purchase of fixed assets	(1,245.78)
9.88	Sale of fixed assets	23.54
-	Purchase of Investments	-
54.70	Sale of investment	0.00
460.76	Interest/Dividend received	388.97
-	Intercompany loan	-
15.67	Net cash used in investing activities	(833.27)
	C. CASH FLOW FROM FINANCING ACTIVITIES :	
-	Proceeds from long term borrowings	-
-	Repayment of long term borrowings	-
30.91	Working capital borrowings	(229.57)
-	Fixed Deposits	-
(2.33)	Interest paid	(26.35)
(49.16)	Dividend paid	(122.90)
(8.35)	Corporate tax on dividend	(20.89)
(28.93)	Net cash used in financing activities	(399.71)
(281.50)	Net increase in cash and cash equivalents	(2,167.00)
4,744.82	Cash and cash equivalents (Opening balance)	4,463.32
4,463.32	Cash and cash equivalents (Closing balance)	2,296.32
	Note: Cash and Cash equivalents include the following balances not available for use:	
16.72	Unpaid dividend warrant account	17.58

See accompanying notes to the financial statements

As per our report of even date.

For N.R.DORAISWAMI & CO.,

Chartered Accountants

Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN

Partner

Membership No.207893

Place : Coimbatore

Date : 22.05.2015

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

R. VENKATESH PRASAD

Executive Director & CFO

IV SEGMENT REPORTING FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

PRIMARY- BUSINESS SEGMENT	Electricals		Plastics		Wind Power Generation		TOTAL	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Revenue								
Sales	1,55,58,95,060	1,42,48,21,856	23,08,61,892	14,17,66,693	80,92,506	89,42,254	1,79,48,49,458	1,57,55,30,803
Inter Unit Transfers	-	-	-	-	-	-	-	-
Allocable other income	33,72,164	23,21,024	2,35,26,560	2,41,97,307	-	-	2,68,98,724	2,65,18,331
Total revenue	1,55,92,67,224	1,42,71,42,880	25,43,88,452	16,59,64,000	80,92,506	89,42,254	1,82,17,48,182	1,60,20,49,134
Less: inter Unit Transfers							-	-
Add: Unallocable Other Income							3,88,96,535	4,60,76,072
Enterprise revenue							1,86,06,44,717	1,64,81,25,206
Result								
Segment Results	7,92,52,495	4,93,53,771	33,17,350	11,79,714	47,73,292	(25,84,701)	8,73,43,137	4,79,48,784
Unallocable Expenses							-	-
Operating profit							8,73,43,137	4,79,48,784
Less: Interest Expenses							31,70,391	6,29,185
IncomeTax Expenses							4,07,10,946	2,97,42,652
Add: Unallocable Income								
Interest receipts							3,61,61,129	4,33,01,444
Dividend receipts							26,74,691	20,10,214
Duty drawback							-	6,38,428
Net gain from foreign exchange							60,715	1,25,986
Net Profit after tax							8,23,58,335	6,36,53,019
Other Information								
Segment assets	84,33,17,003	80,68,97,146	24,11,34,109	20,71,39,692	3,31,33,008	3,00,95,412	1,11,75,84,120	1,04,41,32,250
Add: Unallocated corporate assets							10,69,60,398	10,69,60,397
Enterprise assets							1,22,45,44,518	1,15,10,92,647
Segment liabilities	29,54,25,865	31,37,18,550	3,04,51,086	1,81,28,269	33,27,080	33,27,080	32,92,04,031	33,51,73,899
Add: Unallocated corporate liabilities							89,53,40,487	81,59,18,748
Enterprise liabilities							1,22,45,44,518	1,15,10,92,647
Capital expenditure	5,97,79,695	1,98,90,788	4,40,29,293	2,55,07,667	-	-	10,38,08,988	4,53,98,455
Depreciation	50,61,325	65,99,812	54,17,199	58,55,675	12,46,579	1,05,94,270	1,17,25,103	2,30,49,757

Notes: 1) The company is organised into three main Business Segments viz., Electricals, Plastics & Wind Power Generation

2) All customers are located within India. There are no reportable segments in Secondary Geographical segments

3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

See accompanying notes to the financial statements

As per our report of even date.

For N.R.DORAISWAMI & CO.,

Chartered Accountants

Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN

Partner

Membership No.207893

Place : Coimbatore

Date : 22.05.2015

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

R. VENKATESH PRASAD

Executive Director & CFO

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

V RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31ST MARCH 2015

1) Relationships

Description of relationship

Other related parties

Names of related parties

Eshann Enterprises Ltd
GKD ITR Tooling Center
Harshni Textiles Ltd
Integrated Electrical Controls India Ltd
Lakshmi Precision Tools Ltd
Lakshmi Electrical Drives Ltd
Lakshmi Ring Travellers (cbe) Ltd
Lakshmi Cargo Company Ltd
Lakshmi Technology & Engineering Industries Ltd
Lakshmi Life Sciences Ltd
LCC Cargo Holding Ltd
Lakshmi Machine Works Ltd
Mahalaxmi Engineering Holding Ltd
Quattro Engineering India Ltd
Starline Travels Ltd
Sun Spintex Ltd
Titan HMG Paints India Ltd
Venkata Varadhaa Agencies Ltd
Supreme Diary Products India Ltd

Key Management Personnel

Smt.Nethra J.S.Kumar
Chairperson and Managing Director

2) Transactions

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Purchase of goods	1,04,72,53,139 (1,17,23,60,987)	
Sale of goods	1,92,64,95,104 (1,75,21,16,527)	
Sale of Fixed Assets	12,78,181 (1,76,425)	
Rendering of services	2,76,08,610 (2,55,56,886)	
Receiving of services	80,27,064 (48,79,128)	
Managerial Remuneration	-	86,12,565 (59,09,919)
Loans given	-	
Investment in Equity	-	
Sale of equity	-	

Amount due to / from related parties

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Accounts Receivable	28,29,12,145 (23,75,31,795)	-
Accounts Payable	14,17,19,514 (25,25,80,689)	3,88,817 (5,71,330)

Note : Figures in brackets relate to previous year.

Disclosure in respect of Material Related Party Transactions during the year:

1. Purchase of Goods includes Lakshmi Machine Works Limited ₹ 85,50,14,984 (Previous Year ₹ 1,00,14,95,908), and Lakshmi Precision Tools Limited ₹ 19,15,05,632 (Previous Year ₹ 16,89,17,427), Others - Other Related Parties - Associates ₹ 7,32,523 (Previous Year 19,47,652).
 2. Sale of Goods includes Lakshmi Machine Works Limited ₹ 1,91,36,36,186 (Previous Year ₹ 1,72,66,37,914) and Others - Other Related Parties - Associates ₹ 1,28,58,918 (Previous Year ₹ 2,54,78,613).
 3. Sale of Fixed Assets includes Lakshmi Precision Tools Limited ₹ 12,78,181 (Previous Year ₹ 1,76,425) and Others - Other Related Parties - Associates Nil (Previous Year Nil).
 4. Rendering of Services includes Lakshmi Machine Works Limited ₹ 2,09,46,950 (Previous Year ₹ 2,01,00,355), Quattro Engineering India Limited ₹ 23,65,464 (Previous Year ₹ 37,39,415), Lakshmi Precision Tools Limited ₹ 33,28,834 (Previous Year ₹ 16,64,616) and Others - Other Related Parties - Associates ₹ 9,67,362 (Previous Year ₹ 52,500).
 5. Receiving of Services includes Lakshmi Cargo Company Limited ₹ 38,55,529 (Previous Year ₹ 22,79,654), Starline Travels Limited ₹ 37,91,633 (Previous Year ₹ 22,98,076), and Others - Others Related Parties - Associates ₹ 3,79,902 (Previous Year ₹ 3,01,398).
 6. Managerial Remuneration includes amount paid to Smt. Nethra J.S. Kumar ₹ 86,12,565 (Previous Year ₹ 59,09,919)
 7. Dividends paid to includes Smt. Nethra J.S. Kumar ₹ 24,86,685 (Previous Year ₹ 9,94,674), Lakshmi Electrical Drives Limited ₹ 6,56,030 (Previous Year ₹ 2,62,412) Others Related Parties - Associates ₹ 74,250 (Previous Year ₹ 29,700).
 8. Outstanding Receivables includes Lakshmi Machine Works Limited ₹ 28,09,30,562 (Previous Year ₹ 23,01,54,003) and Others - Others Related Parties - Associates ₹ 19,81,583 (Previous Year ₹ 73,77,792).
 9. Outstanding Payables includes Lakshmi Machine Works Limited ₹ 13,09,77,986 (Previous Year ₹ 25,11,92,181) and Others - Others Related Parties - Associates ₹ 1,07,41,528 (Previous Year ₹ 13,88,508).
- 3) The undernoted companies constitute the " Group" in terms of regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares Takeovers) Regulations,1997 as amended with effect from 09-09-2002.
- 1) Eshann Enterprises Ltd, 2) GKD ITR Tooling Center 3) Harshni Textiles Ltd, 4) Integrated Electrical Controls India Ltd, 5) Lakshmi Precision Tools Ltd, 6) Lakshmi Electrical Drives Ltd, 7) Lakshmi Ring Travellers (CBE) Ltd, 8) Lakshmi Cargo Company Ltd, 9) Lakshmi Technology & Engineering Industries Ltd, 10) Lakshmi Life Sciences Ltd, 11) LCC Cargo Holding Ltd, 12) Lakshmi Machine Works Ltd, 13) Mahalaxmi Engineering Holding Ltd, 14) Quattro Engineering India Ltd, 15) Starline Travels Ltd, 16) Sun Spintex Ltd 17) Titan HMG Paints India Ltd, 18) Venkata Varadhaa Agencies Ltd, 19) Supreme Dairy Products India Ltd.

See accompanying notes to the financial statements
As per our report of even date.

For N.R.DORAISWAMI & CO.,
Chartered Accountants
Firm Regn. No. 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Place : Coimbatore
Date : 22.05.2015

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

R. VENKATESH PRASAD
Executive Director & CFO

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED



To

M/s. S.K.D.C. Consultants Ltd.
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore - 641 006.

Unit : LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

1. Particulars of the shareholder

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

2. Particulars of the Bank

- a) Name of your Bank : _____
- b) Address of the Branch : _____
- c) Account no. (as appearing in the Cheque book) : _____
- d) Ledger Folio No. (if any) of the bank account : _____

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

Please Tick relevant box

SAVINGS	CURRENT	CASH CREDIT
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- f) Nine Digit code number of the bank and branch appearing on the MICR cheque issued by the bank

(Please attach a photocopy of a cheque for verifying the accuracy of the code number)

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DECLARATION

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

(Signature of the first Regd.holder)
as per specimen signature with the Company

Place : Name : _____

Date : Address : _____

_____ Pin code _____

- Note :
1. Please send the form to the address mentioned above.
 2. ECS mode of payment is valid only for payments upto ₹5,00,000/-
 3. In case the scheme does not meet with the desired response or due to any other operational reasons it is found to be unviable, the Company reserves the right to pay dividend by issue of Warrants.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Arasur - 641 407, Coimbatore Dist, India.

Phone : +91 422 3093500. Fax: +91 422 3093555

Email: lecs@vsnl.com. Website: www.lecsindia.com

CIN: L31200TZ1981PLC001124



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN: L31200TZ1981PLC001124

Registered Office:34-A, Kamaraj Road, Coimbatore -641 018

Phone : 0422 3093500 Fax:0422 3093555 Email : secretary@lecsindia.com Website : www.lecsindia.com

FORM NO. MGT - 11
PROXY FORM

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

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

I/We being the member(s) holding shares of the above named Company, hereby appoint:

1) Name :
Addres :
Email ID :
Signature

or failing him/her

2) Name :
Addres :
Email ID :
Signature

or failing him/her

3) Name :
Addres :
Email ID :
Signature

Cut here ----- PT.O.

Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the Notice before exercising

EVSN (Electronic Voting Sequence Number)	* Defaut Pan /Sequence No
XXXXXXXXXXXXXXXXXX	

* Those who have not registered their PAN may use Default Pan

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LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN: L31200TZ1981PLC001124

Registered Office:34-A, Kamaraj Road, Coimbatore -641 018

Phone : 0422 3093500 Fax:0422 3093555 Email : secretary@lecsindia.com Website : www.lecsindia.com

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF Nani Kalai Arangam, Mani Higher Secondary School,P.N. Palayam, Coimbatore – 37

ATTENDANCE SLIP

Name and address of the Shareholder
Folio No. / Demat ID :
No. of Shares held :

I hereby record my presence at the ANNUAL GENERAL MEETING at 'Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 on Thursday the 13th August, 2015 at 03.05 PM

* Strike out whichever is not applicable

Signature of Member / Proxy*

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the company, to be held on Thursday the 13th August, 2015 at 03.05 PM at “Nani Kalai Arangam”, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037 and at any adjournment thereof in respect of such resolutions as are indicated below :

S. No.	Subject	
1	Adoption of Annual Financial Statements.	
2	Declaration of Dividend.	
3	Reappoint of Sri. D.Senthilkumar (holding DIN 00006172), Director retiring by rotation.	
4	Appointment of Auditors and to fix their remuneration	
5	Approval of related party transactions pursuant to listing agreement	
6	Approval of remuneration payable to Smt. Nethra J.S. Kumar, Chairperson and Managing Director.	



Signed this day of 2015

Signature of shareholder :

Signature of Proxy holder (s) :

Note :

This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.