



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

31st Annual Report 2011-2012



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

BOARD OF DIRECTORS

Sri. R. VENKATRANGAPPAN	:	Chairman
Sri. V.J. JAYARAMAN	:	Director
Sri. G. RANGASWAMY	:	Director
Sri. N. SURYAKUMAR	:	Director
Sri. SANJAY JAYAVARTHANA VELU	:	Director
Sri. D. SENTHIL KUMAR	:	Director
Sri. RAMESH RUDRAPPAN	:	Director
Smt. NETHRA J.S. KUMAR	:	Managing Director

Sri. R. SIVASUBRAMANIAN : Company Secretary

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.

CONTENTS

PAGE No.

Notice to Shareholders	2
Directors' Report	7
Management Discussion and Analysis Report	10
Corporate Governance Report	12
Auditors' Report	21
Accounts	24

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty First Annual General Meeting of the share holders of Lakshmi Electrical Control Systems Limited will be held on Thursday, the 23rd August 2012 at 03.15 P.M at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Profit and Loss Account of the Company for the financial year ended 31st March 2012 and the Balance Sheet as at 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. G.Rangaswamy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri. N.Suryakumar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Sri. R.Venkatrangappan who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

7. 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 198,309,310,349 and 350 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 or statutory modification or amendment or re-enactment thereof and subject to such other approvals as may be necessary Smt. Nethra J S Kumar, is reappointed as Managing Director of the Company for a period of 5 years from 01.07.2012 to 30.06.2017 on the terms and conditions set herein.

REMUNERATION:

- i) Salary : ₹5,00,000/- p.m
- ii) Commission : 4% of the net profits payable annually
- iii) Perquisites :

In addition to the salary and commission, the 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 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 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 month's salary for each completed year of service

The 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 on 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 Managing Director.

"RESOLVED FURTHER that in accordance with Schedule XIII of the Companies Act, 1956, the remuneration payable to Smt. Nethra J S Kumar, Managing Director shall be for a period of three years from 01.07.2012 to 30.06.2015".

"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 XIII of the Companies Act, 1956."

Place : Coimbatore
Date : May 25, 2012

By order of the Board
R. Sivasubramanian
Company Secretary

NOTE:

1. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**
3. Brief resume and details of shareholding of Non-Executive Directors who retire by rotation and seeking re-election as required under Clause 49 of the listing agreement, are provided under the Corporate Governance Report.
4. The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 10th August 2012 to Thursday, the 23rd August 2012 (both days inclusive).
5. Members holding shares in physical form are requested to communicate their change of address and their Bank Account details such as Bank Name, Branch with address and Account Number for incorporating the same in the Dividend Warrants, quoting their folio numbers to our Registrar and Share Transfer Agents, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore – 641 006. Members holding shares in dematerialized form shall intimate the above particulars to their Depository Participant with whom they have demat account.
6. The dividend as recommended by the Board, if sanctioned at the meeting, will be paid to those members or their mandatees whose name appear on the Register of Members on 23rd August 2012, for those holding shares in physical form. In respect of the shares held in dematerialised form the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose at the end of the business hours on 09th August 2012.
7. Pursuant to Section 205-C of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999 all unclaimed dividends shall be transferred to the "Investors Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 are requested to write to our Registrar and Share Transfer

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Agents, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 for claiming the dividend.

8. In respect of Unclaimed Dividend for the year 2004-2005, members are requested to make their claim on or before 29th July 2012 and the amount will be transferred to the Investors Education and Protection Fund of the Central Government immediately after that date and no claim can be made by the Shareholders thereafter.
9. Members who needs any clarification on the annual accounts of the Company are requested to send their queries to the registered office at least 7 days before the meeting so that the information required will be made available at the meeting.
10. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
11. With respect to payment of dividend, the Company provides the facility of Electronic Clearing Service (ECS) to those shareholders who have provided their Bank Account Numbers to their respective Depository Participant and those who have provided such Bank Account Numbers, the name of the Bank and address of the branch to the Registrar.
12. Shareholders holding shares in the physical form, who wish to avail ECS facility, may authorise the Company with their ECS mandate in the prescribed form (enclosed) or can be obtained from the Registrar and Share Transfer Agents, M/s. SKDC Consultants Limited, on request. Requests for payment of dividend through ECS for the year 2011-12 should be lodged with M/s. SKDC Consultants Limited on or before 07.08.2012.
13. The Ministry of Corporate Affairs (“MCA”), Government of India, has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by serving the documents viz. Notices for General Meetings, Financial Statements, Annual Reports etc. through electronic mode, for which the Company has to obtain email addresses of its members. To take part in the above Green Initiative, we propose to send the above documents in electronic form to the email addresses of the members.

In order to serve the documents in electronic mode, Members holding shares in physical mode are requested to communicate their e-mail address quoting their folio numbers to our Registrars and Share Transfer Agents. Similarly members holding shares in Demat form, shall intimate their e-mail address to their respective Depository Participants at the earliest.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 7

Smt.Nethra J S Kumar was reappointed as Wholetime Director of the Company for a period of five years from 01.07.2007 to 30.06.2012 in conformity with Schedule XIII of the Companies Act, 1956 and the remuneration payable was fixed for a period of three years from 01.07.2007 to 30.06.2010 and the same was approved by the Shareholders in the 25th Annual General Meeting held on 22.07.2006.

She was re-designated as Managing Director and the remuneration payable was revised with effect from 01.07.2010 to 30.06.2012 and was approved by the shareholders at the 29th Annual General Meeting held on 29th July 2010. Her period of office expires on 30.06.2012.

Board of Directors at their meeting held on 25.01.2012 had re-appointed her as Managing Director and requested the Remuneration Committee of Board of Directors to fix her remuneration. The Remuneration Committee at its meeting held on 12.05.2012 had fixed the remuneration as set out in the resolution. In accordance with Section II, Part B of Schedule XIII of the Companies Act, 1956 the Remuneration is fixed for a period of three years from 01.07.2012 to 30.06.2015 though the appointment is for a period of five years from 01.07.2012 to 30.06.2017.



Smt.Nethra J S Kumar is a Wholetime 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:

No Director other than Sri.Sanjay Jayavarthanavelu, Director, Sri. D.Senthilkumar, Director and Smt. Nethra J S Kumar, Managing Director are concerned or interested in the resolution.

STATEMENT OF DISCLOSURES PURSUANT TO SCHEDULE XIII TO COMPANIES ACT, 1956 IN RELATION TO ITEM NO.7 OF THE NOTICE.

I. General Information

1. Nature of the Industry : The Company has three divisions viz. Electricals, Plastics and Wind Power Generation.
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.

	(₹ in lacs)				
Financial Performance	2011	2010	2009	2008	2007
Turnover – Total Income	14771.10	9983.16	10315.11	11984.95	7020.88
Profit / (Loss) as per P&L	1367.45	1139.35	843.91	1797.38	1171.13
Dividend Paid	110.61	73.74	61.45	147.48	122.90
Rate of Dividend (in %)	45	30	25	60	50

5. Export Performance and net foreign exchange earning

Year	2011	2010	2009	2008	2007
Amt. (₹ in lacs)	Nil	Nil	Nil	Nil	Nil

6. Foreign Investments or Collaborations, 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	2007-08	2008-09	2009-10	2010-11
Salary	33,00,000	36,00,000	36,00,000	40,50,000
Perquisites	18,00,000	8,76,277	18,00,000	20,25,000
Commission	37,91,451	–	6,51,543	11,58,522

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

3. Recognition or Awards : Nil
4. Job Profile and Suitability : Smt. Nethra J S Kumar was a Wholetime Director since 01.07.2002 and she was redesignated 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.7 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 and also an abstract of the terms of remuneration is sent as per Section 302 of the Companies Act, 1956.
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 : Nil
- 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 25, 2012

By order of the Board
R. Sivasubramanian
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Thirty First Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2012.

Financial Results	Current Year Ended 31.03.2012 (Amount in ₹)	Previous Year Ended 31.03.2011 (Amount in ₹)
Sales and Other Income	1,68,08,49,533	1,47,71,10,389
Gross Profit	18,78,09,320	18,89,83,059
Less : Depreciation	3,77,48,799	5,22,37,390
Net Profit/Loss	15,00,60,521	13,67,45,669
Prior year Income	-	-
Excess Provision for I.T for earlier years reversed	44,804	1,463
Less : Prior Year Expenses/Extraordinary Items	-	-
Provision for Taxation	5,63,38,420	4,12,81,134
Provision for Deferred Tax	(-)1,21,30,971	39,14,591
Income Tax for Earlier Years	22,53,925	14,03,198
Add : Surplus Brought Forward	23,27,74,313	16,44,96,475
AVAILABLE FOR APPROPRIATION	33,64,18,264	25,46,44,684
Appropriations:		
Proposed Dividend	1,22,90,000	1,10,61,000
Provision for Corporate Tax on Dividend	19,93,745	17,94,371
Transfer to General Reserve	21,04,00,000	90,15,000
Balance Carried Forward	11,17,34,519	23,27,74,313
TOTAL	33,64,18,264	25,46,44,684

Dividend

Your Directors have pleasure in recommending a dividend of ₹5 /- per Equity Share of ₹10.00 each. The above dividend, if approved by the shareholders at the forthcoming Annual General Meeting will absorb ₹1,22,90,000/- and will be paid to those members or their mandatees whose name appear on the Register of Members as on 23rd August 2012 for those holding shares in physical form. In respect of the shares held in dematerialised form the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose at the end of the business hours on 9th August 2012.

Business and Operations

Your Directors inform you that the Turnover including other income for the year under review is ₹16,808.50 Lakhs as against ₹14,771.10 Lakhs for the preceding year.

The profit before depreciation and tax for the year under review is ₹1,878.09Lakhs as against ₹1,889.83 Lakhs for the preceding year. The profit before tax is ₹1,500.61 Lakhs as against ₹1,367.45 Lakhs.

Your Directors inform you that the Company was manufacturing and supplying Switch Gear Products and due to low margins and pressure on profits because of low quantities the Company has suspended the production of Switch Gear Products.

Industrial Relations

Your Directors are pleased to inform that the industrial relations has remained cordial and harmonious throughout the year.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Fixed Deposits

The Company has not accepted any fixed deposits.

Directors

The following Directors are due to retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

1. Sri.G.Rangaswamy
2. Sri N.Suryakumar
3. Sri.R.Venkatrangappan

Corporate Governance

In line with the requirements of Listing Agreement entered into with the Stock Exchanges, a separate report on Corporate Governance is enclosed as a part of this Annual Report.

Listing

Your Company's shares are listed in Bombay Stock Exchange Limited, Mumbai and Madras Stock Exchange Limited, Chennai and the listing fees have been paid up to the financial year 2012-2013.

Auditors

M/s. N. R. Doraiswami & Co., Chartered Accountants retire at the ensuing Annual General Meeting. They are eligible for re-appointment and have consented to act as Auditors of the Company, if appointed and the necessary certificate pursuant to Section 224(1B) of the Companies Act, 1956 has been received from them.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is furnished in the Annexure I forming part of this Report.

Directors' Responsibility Statement

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm that:

- all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure;
- such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the 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 fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Acknowledgements

Your Directors wish to convey their thanks to all the customers, Company's bankers, associates, vendors and other business partners for their continuing support to the Company.

Your Directors express their appreciation for the support given and contribution made by the employees at all levels to the successful operations of the Company during the year under review.

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 25, 2012

R. Venkatrangappan
Chairman



Annexure I

INFORMATION PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

A) CONSERVATION OF ENERGY :

1. In spite of not being power intensive, your Company enforces strict discipline in reducing power consumption even for its auxiliary services.
2. Idle running of machinery consuming high power is restricted to the loading and unloading cycles of the respective machines.

B) FORM B (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

a. Research and Development :

1. Specific areas in which R & D carried out by the Company
 - a) Manufacturing process improvements and testing methods & devices.
 - b) Further development in Electronic Motor Protection Relay for various applications.
2. Benefits derived as a result of the above R & D
 - a) To conform to the latest relevant IS 13947/ IEC 947 standards and UL approvals.
Reduction in cost through identification of alternative material / substitution of components.
 - b) Additional products are developed for commercial production to add to the mix - Capacitor Duty Contactor, Electronic Timer, Thermister Protection Relays and Voltage Monitoring Relays.
3. Future plans of action
 - a) Improvement in the existing products and development of new products.
4. Expenditure on R & D
 - a) Capital : NIL
 - b) Recurring : ₹ 2.50 Lakhs
 - c) Total : ₹ 2.50 Lakhs
 - d) Total R&D expenditure as a percentage of total turnover 0.02%

b. Technology Absorption, Adaptation & Innovation :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
No technology or know-how is bought from external bodies or imported.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.
In-house developmental and operational research is a continual process. Innovations in process and tool designs have contributed to cost savings in the operations.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) Foreign Exchange Earnings during the year : Nil
- b) Foreign Exchange used : 1,03,43,627

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 25, 2012

R. Venkatragappan
Chairman

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Our economy suffered many jolts due to happenings both internal and external. There was a slippage in many economic indices. The rise in inflation was unrelenting with mounting cost pressures.

Power crisis was disruptive and hurting production. Their impact was even more seriously felt in the latter half of the year. The Company has coped with such situation reasonably well and finally turned in a near decent result.

OPPORTUNITIES AND THREATS

In both electricals and plastics, our orientation is substantially to serve the Textile Engineering Industry. With all its own woes, it has also been crawling. Our confidence is that it is “too-big-to-fail”. With its mammoth size, diversity and stature, we remain trusting that it would continue to sustain us in the long term.

However, in the context of our Company’s growth and to hedge its safety, we have to diversify and establish an enlarged customer base. This was earnestly recognized for a long time, but has not been easy to realise. Access to modern technologies is getting difficult and the market space remains crowded for the ordinary products.

Nevertheless, the Company is scanning for interesting products and tie-ups for technology and OEM interests.

SEGMENTWISE PERFORMANCE

In the area of **Low Voltage Switchgear** products, the Company has had a well entrenched niche market; but that was for a narrow range. It had mastered their manufacture and were acclaimed as amongst the best in the market.

But, Intrinsic to the very nature of this line of business is the ability to offer in a brand a broad range and mix of Switchgear that constitute “LV Basket” and make them available everywhere across the counters. That is a critical imperative to meet the customer convenience and expectation. Our efforts have not succeeded in securing or developing the required technology to cover the range and variety that is so complex. It is also a hotly contested market by the dominant players who have the advantage of a global technology base and a vast national marketing network with direct reach. Escalating cost pressures, particularly on silver and copper, virtually obliterated the viability for us in the limited scale and range of manufacture.

In such a scenario, the company had to make a painful decision to suspend the manufacture of LV Switchgear.

In the segment of building **Control Panels**, which constitutes our major activity, we remain well positioned. Facilities have been extended even further with all the contemporary tools and organization. Intensified scouting is on to identify new opportunities and areas.

Similarly in **Plastics** an excellent infrastructure and equipment is in place. Abundant space is also earmarked for expanding the activity, beyond industrial components.

Search is on for new segments and product lines.

OUTLOOK

Despite the hick-ups the growth momentum in the country is anticipated to continue, though may be a tad slower.



So, we remain prepared, as we anticipate to find our share of opportunities in the area of our competencies.

RISK AND CONCERNS

Threats of inflation, rapid shifts in technology, chronic declines in the availability of power, fuels and water remain to be of serious concern at the macro level.

At the micro level we cannot escape but remain grappling with all the ground realities in business.

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 Lacs)

Particulars	2011-12	2010-11
Net Sales	16,130.80	14,516.97
Profit before Interest, Depreciation & Tax	1,880.48	1988.75
Interest	2.39	98.92
Depreciation	377.49	522.37
Provision for Taxation (Current & Deferred)	464.16	465.97
Profit after tax	1036.44	901.49
Earnings per share (in ₹)	42.17	36.68

HUMAN RESOURCES

The Company's HR objective is to achieve Company's growth through developing a skilled, motivated and committed work force.

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 25, 2012

R. Venkatragappan
Chairman

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.

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

Engages 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.

(a) Composition

The Board of Directors of LECS is headed by Chairman and ably supported by One Managing Director and 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.

Director	Position	Other Directorships	Chairman/ Member in Committees
Sri.R.Venkatrangappan	Non-executive – Chairman	4	3 / 6
Sri.N.Suryakumar	Non-executive – Independent	2	1
Sri.V.J.Jayaraman	Non-executive – Independent	5	1 / 3
Sri.G.Rangaswamy	Non-executive – Independent	2	-
Sri.Sanjay Jayavarthanavelu	Non-executive Director	10	4
Sri.D.Senthilkumar	Non-executive Director	15	3
Sri.Ramesh Rudrappan	Non-executive – Independent	2	-
Smt.Nethra J S Kumar	Executive – Managing Director	13	3

(b) Board Meetings and Attendance

During the period from 1st April, 2011 to 31st March, 2012 four Board meetings were held on 23.05.2011, 12.08.2011, 02.11.2011 and 25.01.2012.

Details of attendance of each Director at the meetings of the Board during the financial year ended 31st March, 2012 are as follows.

Directors	23.05.2011	12.08.2011	02.11.2011	25.01.2012	AGM 12.08.2011
Sri. R. Venkatrangappan	✓	✓	✓	✓	✓
Sri. N. Suryakumar	✓	✓	✓	✓	✓
Sri. V.J. Jayaraman	✓	✓	✓	✓	x
Sri. G. Rangaswamy	x	✓	✓	✓	x
Sri. Sanjay Jayavarthanavelu	✓	✓	✓	✓	✓
Sri. D. Senthilkumar	✓	✓	✓	✓	✓
Sri. Ramesh Rudrappan	✓	✓	✓	✓	✓
Smt. Nethra J S Kumar	✓	✓	✓	✓	✓

(c) Profile of Directors retiring by rotation, eligible for re-appointment and seek re appointment:

1. Sri G.Rangaswamy

Sri G.Rangaswamy is a Commerce Graduate and holds Master Degree in Business Administration.

Experience: He is having experience in the field of Textiles, Automobile and administrating Educational Institutions. He is the Chairman / Managing Director of Chandra group concerns. He is Managing Trustee of GRG Educational Institutions and Secretary of Coimbatore Zoological Park Society.

He holds Directorships in the following companies:

1. Chandra Textiles (P) Limited
2. Chandra Automobile India (P) Limited

Membership in Committees: – Nil

Shareholding: NIL.

2. Sri N.Suryakumar

Sri.N.Suryakumar is a Science Graduate and holds a Degree in Textile Engineering (Philadelphia, USA) and has submitted two thesis on Textile Technology to SITRA.

Experience: He was former Managing Director of M/s. Vijayalakshmi Mills Ltd and former Chairman of VLB Trust.

He holds Directorships in the following companies:

1. Sri Venkatram Fabricators Private Limited
2. Sova Private Limited

Membership in Committees:

Lakshmi Electrical Control Systems Limited - Audit Committee

Lakshmi Electrical Control Systems Limited - Remuneration Committee

Shareholding: 103 equity shares of ₹10/- constituting 0.004% of the Paid-up capital.

3. Sri R.Venkatrangappan

Sri R. Venkatrangappan is a graduate in Commerce and Science and served in various capacities in The Oriental Insurance Company Limited in India and Abroad. He is associated with Lakshmi Machine Works Limited since 1994 and currently is the Chairman of the Board of Directors. He is the past Chairman and present Member of the Executive Committee of Textile Machinery Manufacturers' Association (India). He is a member of the Steering Committee of India – International Textile Machinery Exhibition Society.

Experience: He is having more than five decades of rich experience in the areas of Textiles, Textile Engineering, Financial Management, International Trade and Administration.

He holds Directorships in the following companies:

1. Lakshmi Machine Works Limited : Chairman
2. Super Sales India Limited : Chairman
3. Annur Satya Textile Limited : Chairman
4. Jaitri Consultant Private Limited : Director

Membership in Committees:

1. Lakshmi Machine Works Limited : Share Transfer Committee

2. Super Sales India Limited : Share Transfer Committee

3. Annur Satya Textile Limited : Share Transfer Committee

4. Lakshmi Electrical Control Systems Limited : Audit Committee

5. Lakshmi Electrical Control Systems Limited : Remuneration Committee

6. Lakshmi Electrical Control Systems Limited : Shareholders and Investors Grievance Committee

Shareholding: 300 equity shares of ₹10/- constituting 0.012% of the Paid-up Capital.

Interse Relationship: Sri. R. Venkatrangappan, Chairman is not related to any Directors of the Company.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

3. REMUNERATION OF DIRECTORS

Remuneration and sitting fee paid to the Directors during the year ended 31st March, 2012:

Name	Salary	Other Perquisites	Sitting fee	Commission	Total
Sri.R.Venkatrangappan			50,000		50,000
Sri.N.Suryakumar			40,000		40,000
Sri.V.J.Jayaraman			40,000		40,000
Sri.G.Rangaswamy			15,000		15,000
Sri.Sanjay Jayavarthanavelu			20,000		20,000
Sri.D.Senthilkumar			30,000		30,000
Sri.Ramesh Rudrappan			20,000		20,000
Smt.Nethra J S Kumar	42,00,000	21,00,000	-	5,90,132	68,90,132 #

This excludes contribution to provident fund, gratuity and leave encashment.

The remuneration of Non-Executive Directors is decided by the Board of Directors. At present, the Company pays only sitting fees of ₹5,000/- per Meeting to all the Non-Executive Directors for attending each meeting of the board and / or committee thereof.

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.R.Venkatrangappan	300
2.	Sri.N.Suryakumar	103
3.	Sri.V.J.Jayaraman	100
4.	Sri.G.Rangaswamy	Nil
5.	Sri. Sanjay Jayavarthanavelu	Nil
6.	Sri.D.Senthilkumar	14750
7.	Sri.Ramesh Rudrappan	Nil

4. COMMITTEE OF DIRECTORS

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

(i) Audit Committee:

Audit Committee consists of the following independent Directors:

1. Sri. R.Venkatrangappan - Chairman
2. Sri. V.J.Jayaraman - Member
3. Sri. N.Suryakumar - Member

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

The Committee met four times during the financial year ended 31st March 2012.

Particulars of Audit Committee meeting and attendance of members

Name / Date of Meetings	23.05.2011	12.08.2011	02.11.2011	25.01.2012
Sri. R.Venkatrangappan	✓	✓	✓	✓
Sri. V.J.Jayaraman	✓	✓	✓	✓
Sri. N.Suryakumar	✓	✓	✓	✓

(ii) Shareholders / Investors Grievance Committee:

The committee has been formed to specifically look into shareholders / investors complaints, if any, on transfer of shares, non-receipt of annual report, non receipt of declared dividends etc., and also the action taken by the Company on the above matters.

The committee consists of the following Directors as its members:

1. Sri.R.Venkatrangappan - Chairman
2. Sri. D.Senthilkumar - Member
3. Smt. Nethra J S Kumar - Member

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

During the year one letter / complaint was received from the investor which was replied/ resolved to the satisfaction of the investor. The outstanding letters / complaints as on 31.03.2012 was NIL.

(iii) Share Transfer Committee:

Share Transfer Committee consists of the members of the Board and Share Transfer Agents. At present there are 6 members in the Committee. The committee reviews and approves transfers and transmission of equity shares. The committee had met twenty times during the financial year ended 31st March, 2012.

(iv) Remuneration Committee:

This Committee was formed for determining remuneration payable to Managing Director and it consists of the following independent Directors:

1. Sri.R.Venkatrangappan - Chairman
2. Sri. V.J. Jayaraman - Member
3. Sri N. Suryakumar - Member

5. GENERAL BODY MEETINGS

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

Location	Time	Day	Date
Nani Kalai Arangam, Mani Higher Sec. School Coimbatore - 641 037	02.30 p.m	Friday	12.08.2011
-do-	11.00 a.m	Thursday	29.07.2010
-do-	12.05 p.m	Friday	31.07.2009

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

1. At the AGM held on 12.08.2011
Approval for amendment in the Articles of Association of the Company
2. At the AGM held on 29.07.2010:
Approval to redesignate Smt.Nethra J.S.Kumar, Wholetime Director as Managing Director and her remuneration under Section 198,309,349 and 350 of the Companies Act, 1956.
3. At the AGM held on 31.07.2009:
Approval for voluntary delisting of equity shares from Madras Stock Exchange Limited, Chennai.
4. During the year, a resolution was passed through Postal Ballot to obtain the approval of the Shareholders by Special Resolution to amend the Memorandum of Association and the result of the same was announced on 12.08.2011.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

6. DISCLOSURES

There are no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given elsewhere in the Annual Report.

No penalty imposed or strictures passed on the Company by any regulatory authority for non-compliance of any law and no person has been denied access to Audit Committee. No non-mandatory requirement is complied with except the constitution of Remuneration Committee. No whistle blower policy is adopted by the Company. 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 of the Stock Exchanges in India forms part of this report.

7. 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.

8. SHAREHOLDERS INFORMATION:

i. Annual General Meeting

Day & Date : Thursday, 23rd August 2012
Time : 03.15 P.M
Venue : Nani Kalai Arangam
Mani High Secondary School, Pappanaickenpalayam,
Coimbatore - 641 037.

ii. Financial Calendar

Financial year : 1st April to 31st March
Annual Results 2011-12 announced : 25th May 2012
Posting of Annual reports (2011-12) : On or before 26.07.2012
Last date of receipt of Proxy forms : 21.08.2012
Announcement of Quarterly Results : On or before 14th August 2012, 14th November 2012,
for the financial year 2012 - 2013 14th February 2013 and 30th May 2013
iii. Date of Book Closure : Friday the 10th August 2012 to Thursday
23rd August 2012 (both days inclusive)
iv. Dividend Payment Date : On or before 21st September 2012.

v. 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 up to the financial year 2012-2013.

STOCK CODES & ISIN NUMBER:

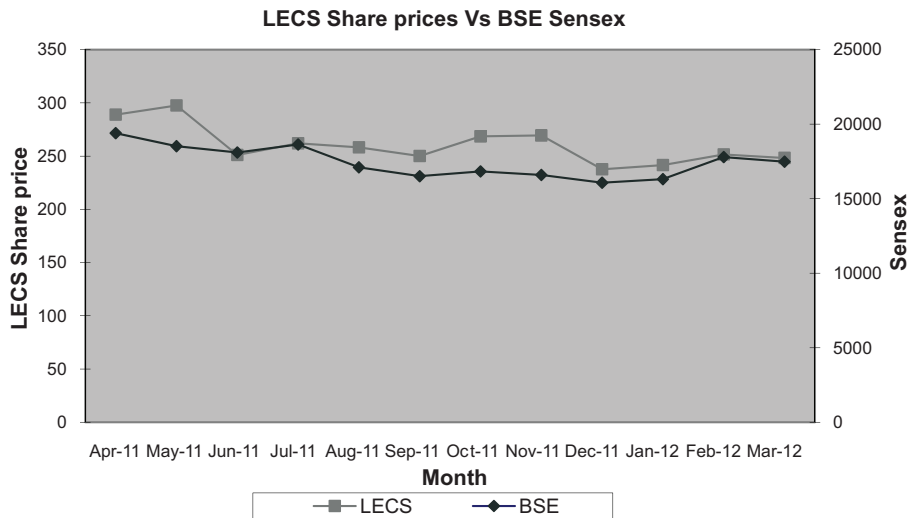
Stock Exchange	Code No.	ISIN No.
Bombay Stock Exchange Limited	504258	INE284C01018
Madras Stock Exchange Limited	-	INE284C01018

vi. MARKET PRICE DATA:

The High & Low during each month in last financial year in BSE is given below:

Month	Share Price (₹)	
	High	Low
Apr-11	324.35	253.50
May-11	342.00	253.00
Jun-11	268.00	234.00
Jul-11	287.70	236.20
Aug-11	281.30	235.00
Sep-11	260.00	240.05
Oct-11	294.95	242.00
Nov-11	298.70	240.00
Dec-11	255.00	220.20
Jan-12	269.00	214.00
Feb-12	268.00	235.00
Mar-12	288.95	207.55

vii.



viii. REGISTRAR & SHARE TRANSFER / DEMAT AGENTS:

Share Transfer work of the company both physical as well as demat segment are done by the share transfer agents M/s. SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. They are the connectivity providers for Demat Segment.

ix. 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

x. DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2012

Range	No. of shares	% Held	No. of Shareholders	%
Upto 500	847400	34.48	10601	96.46
501 - 1000	174610	7.10	226	2.06
1001 - 2000	134014	5.45	92	0.84
2001 - 3000	67766	2.76	27	0.25
3001 - 4000	37324	1.52	10	0.09
4001 - 5000	27597	1.12	6	0.05
5001 - 10000	66292	2.70	10	0.09
10001 and above	1102997	44.87	18	0.16
Total	2458000	100.00	10990	100.00

xi. SHARE HOLDING PATTERN AS ON 31.03.2012

S.No.	Category	No. of Shares	Percentage of holding
1.	Promoters and Promoters Group	643393	26.18
2.	Financial Institutions, Banks and Mutual Fund	250	0.01
3.	Bodies Corporate	353426	14.38
4.	Indian Public	1372512	55.83
5.	Directors and Relatives	503	0.02
6.	NRI	20064	0.82
7.	Overseas Corporate Bodies	1150	0.05
8.	HUF and Others	66702	2.71
	Total	24,58,000	100

xii. DEMATERIALISATION OF SHARES:

As on 31.03.2012, 22,56,591 Shares constituting 91.80 % of the total paid up capital of the Company have been dematerialized.

xiii. Outstanding ADR / GDR - The Company has not issued any ADR / GDR.

xiv. PLANT LOCATIONS:

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

Factory : Arasur, Coimbatore - 641 407

Wind Mill Division : Palladam (TK), Tirupur District

xv. ADDRESS FOR CORRESPONDENCE:

All correspondence should be addressed to:

Company Secretary, Lakshmi Electrical Control Systems Limited
Arasur, Coimbatore - 641 407. E-mail: investorscell@lecsindia.com

Place : Coimbatore

Date : 25.05.2012

For and on behalf of the Board

Nethra J.S. Kumar

Managing Director

xvi. 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 2011-2012.

Place : Coimbatore

Date : 25.05.2012

Nethra J.S. Kumar

Managing Director



CERTIFICATION

To
The Board of Directors
Lakshmi Electrical Control Systems Limited

As required by Clause 49 (V) 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, 2012 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 over financial reporting and we have evaluated the effectiveness of internal control systems of the company over financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
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.

B.K.Ravikumar
G.M - Finance & Accounts

Nethra J.S. Kumar
Managing Director

Place: Coimbatore
Date : 25.05.2012

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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 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, 2012, 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 examination 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, 2012.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

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

Place : Coimbatore
Date : 25.05.2012

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

AUDITORS' REPORT

To

The Members of Lakshmi Electrical Control Systems Limited

1. We have audited the attached Balance Sheet of **M/s. Lakshmi Electrical Control Systems Limited**, as at 31st March, 2012 and also the Profit and Loss Statement and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books;
 - iii. The Balance Sheet and Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet and Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956;
 - v. On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India read with the significant accounting policies and other notes thereon,
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - b) in the case of Profit and Loss Statement, of the Profit for the year ended on that date.
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

SUGUNA RAVICHANDRAN

Partner

Membership No. 207893

Place : Coimbatore

Date : 25.05.2012

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
c) No substantial part of fixed assets of the company has been disposed off during the year.
2. a) The inventories of the company have been physically verified by the management during the year.
b) In our opinion, 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.
3. The company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (b), (c), (d), (f) and (g) of the clause (iii) of paragraph 4 of companies (Auditors Report) Amendment order, 2004 are not applicable to the company.
4. 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 audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In respect of contracts and arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;
a) To the best of our knowledge and belief and according to the information and explanations given to us, contracts and arrangements that needed to be entered into the register have been so entered.
b) In our opinion, the aforesaid transactions exceeding the value of ₹ 5.00 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. Based on our scrutiny of the Company's records and according to the information and explanations provided by the management, the company has not accepted any deposits from the public and hence the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
7. In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
8. The Company's (Cost Accounting Record) Rules 2011 is applicable and the company is required to file the Compliance Report in the prescribed form duly certified by a Cost Accountant in respect of the financial year commencing from 01.04.2011, within 180 days from the end of the financial year. We have been informed that the company is in the process of obtaining the same.
9. According to the information and explanations given to us in respect of statutory and other dues:
a) the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess.

- b) according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- c) at the end of the financial year there were no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except as follows:-

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Forum where dispute is pending
Tamilnadu General Sales Tax Act, 1955	Sales Tax penalty	1.34	Sales Tax Appellate Tribunal

10. 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.
11. 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 defaulted in the repayment of dues to financial institutions and banks.
12. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and as such reporting under clause (xiii) of the Order is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause (xiv) of the Order is not applicable to the Company.
15. 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 and financial institutions.
16. According to the records of the Company, the Company has not obtained any term loans. Hence, the question of commenting on the utilization of such term loans does not arise.
17. On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for long term investment during the year.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have been informed by the management of any such instance being noticed or reported during the year.

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

Place : Coimbatore
Date : 25.05.2012

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No	As at 31.03.2012 (Amount in ₹)	As at 31.03.2011 (Amount in ₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	24,580,000	24,580,000
(b) Reserves and Surplus	2	682,788,677	593,428,471
		<u>707,368,677</u>	<u>618,008,471</u>
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	16,766,860	28,897,831
(b) Other Long Term Liabilities	4	303,182	33,707
(c) Long term provisions	5	3,190,128	2,567,868
		<u>20,260,170</u>	<u>31,499,406</u>
(3) Current Liabilities			
(a) Trade payables	6	245,261,468	260,799,887
(b) Other current liabilities	7	13,317,596	14,897,323
(c) Short-term provisions	8	24,006,904	15,168,359
		<u>282,585,968</u>	<u>290,865,569</u>
TOTAL		<u>1,010,214,815</u>	<u>940,373,446</u>
II. Assets			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	9	137,813,448	167,586,979
(ii) Capital work-in-progress		1,186,107	3,664,377
(b) Non-current investments	10	106,960,398	106,960,398
(c) Long term loans and advances	11	1,659,154	26,488,949
		<u>247,619,107</u>	<u>304,700,703</u>
(2) Current Assets			
(a) Current investments	12	10,055,000	-
(b) Inventories	13	105,231,615	136,353,046
(c) Trade receivables	14	270,365,443	328,924,806
(d) Cash and cash equivalents	15	353,303,008	154,349,649
(e) Short-term loans and advances	16	4,247,805	9,994,032
(f) Other current assets	17	19,392,837	6,051,210
		<u>762,595,708</u>	<u>635,672,743</u>
TOTAL		<u>1,010,214,815</u>	<u>940,373,446</u>

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

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 25, 2012

R. SIVASUBRAMANIAN
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No	As at	As at
		31.03.2012 (Amount in ₹)	31.03.2011 (Amount in ₹)
I. Revenue from operations	18	1,639,821,065	1,466,710,556
II. Other Income	19	21,084,788	9,543,194
III. TOTAL REVENUE (I +II)		<u>1,660,905,853</u>	<u>1,476,253,750</u>
IV. Expenses:			
Cost of materials consumed	20	1,309,341,383	1,119,104,775
Purchase of Stock-in-Trade		—	—
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	2,311,539	-6,941,306
Employee benefit expense	22	102,435,444	96,807,997
Financial costs	23	239,142	9,892,350
Depreciation and amortization expense	9	37,748,799	52,237,390
Other expenses	24	78,712,705	69,251,835
TOTAL EXPENSES		<u>1,530,789,012</u>	<u>1,340,353,041</u>
V Profit before exceptional and extraordinary items and tax	(III — IV)	130,116,841	135,900,709
VI Exceptional Items (Profit on sale of Asset)	25	(19,943,680)	(844,960)
VII Profit before extraordinary items and tax	(V — VI)	150,060,521	136,745,669
VIII. Extraordinary Items (prior period expenses)		—	—
IX. Profit before tax	(VII—VIII)	<u>150,060,521</u>	<u>136,745,669</u>
X. Tax expenses:			
(1) Current tax		56,338,420	41,281,134
(2) Deferred tax		(12,130,971)	3,914,591
(3) Excess Tax Provision Reversed		(44,804)	(1,463)
(4) Income Tax for Earlier Years		2,253,925	1,403,198
XI. Profit/(Loss) for the year from continuing operations	(IX—X)	<u>103,643,951</u>	<u>90,148,209</u>
XII. Profit/(Loss) for the period		<u>103,643,951</u>	<u>90,148,209</u>
XIII. Earning per equity share of ₹10/- each (Basic/Diluted)		42.17	36.68

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

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 25, 2012

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note No	Particulars	As at 31.03.2012 (Amount in ₹)	As at 31.03.2011 (Amount in ₹)
1	SHARE CAPITAL		
	a. AUTHORISED		
	20,000 - 13.5% Cumulative Redeemable Preference Shares of ₹100/- each	2,000,000	2,000,000
	50,00,000 - Equity shares of ₹10/-each	50,00,000	50,00,000
		<u>52,00,000</u>	<u>52,00,000</u>
	b. ISSUED, SUBSCRIBED, CALLED AND PAID UP		
	24,58,000 - Equity Shares of ₹10/- each fully paid	<u>24,58,000</u>	<u>24,58,000</u>
	c. The total number of Shares as on 31/03/2012 and 31/03/2011 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	54,701
2	RESERVES AND SURPLUS		
	a Capital Reserve		
	Opening balance	3,500,000	3,500,000
	Add: Addition / (reduction)	<u>—</u>	<u>—</u>
	Closing balance	3,500,000	3,500,000
	b Security Premium Reserve		
	Opening balance	50,320,000	50,320,000
	Add: Addition / (reduction)	<u>—</u>	<u>—</u>
	Closing balance	50,320,000	50,320,000
	c. General Reserve		
	Opening balance	306,834,158	297,819,158
	Add: transfer from profit & loss account	<u>210,400,000</u>	<u>9,015,000</u>
	Closing balance	517,234,158	306,834,158
	d. Surplus from Profit & Loss Account		
	Opening balance	232,774,313	164,496,475
	Add: Current year surplus	103,643,951	90,148,209
	Less: Transfer to general reserve	210,400,000	9,015,000
	Less: Proposed dividend	12,290,000	11,061,000
	Less: Dividend tax provision	<u>1,993,745</u>	<u>1,794,371</u>
	Closing balance	<u>111,734,519</u>	<u>232,774,313</u>
		<u>682,788,677</u>	<u>593,428,471</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note No	Particulars	As at 31.03.2012 (Amount in ₹)	As at 31.03.2011 (Amount in ₹)
3	DEFERRED TAX LIABILITY		
	Opening Balance	28,897,831	24,983,240
	Add/Less: Provided /(Reversed) during the year	(12,130,971)	3,914,591
	Closing Balance	16,766,860	28,897,831
4	OTHER LONG TERM LIABILITIES		
	Trade payables	303,182	33,707
5	LONG TERM PROVISIONS		
	Provision for Electricity Tax	3,190,128	2,567,868
6	TRADE PAYABLES	245,261,468	260,799,887
7	OTHER CURRENT LIABILITIES		
	Unpaid dividends	1,646,322	1,511,764
	Salary and benefits	10,021,806	10,034,129
	TDS and other Tax payables	1,649,468	3,351,430
		13,317,596	14,897,323
8	SHORT TERM PROVISIONS		
a.	Provisions for employee benefits		
	Gratuity	1,434,329	-
	Leave Encashment	4,993,433	3,963,651
b.	Others		
	Provision for income tax	1,610,848	(2,872,434)
	Provision for dividend	12,290,000	11,061,000
	Provision for dividend tax	1,993,745	1,794,371
	Provision for Expenses & ED on Finished Goods	1,684,549	1,221,771
		24,006,904	15,168,359

9 Tangible Assets

Tangible asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deletions	As at 31.03.2012	Upto 31.03.2011	For the Year		Upto 31.03.2012	31-Mar-12	31-Mar-11
						Additions	With- drawals			
	(Amount in ₹)									
a. Land	10,822,418	-	146,196	10,676,222	-	-	-	-	10,676,222	10,822,418
b. Building	49,745,490	21,160,350	6,923,580	63,982,260	40,914,953	1,492,752	5,796,363	36,611,342	27,370,918	8,830,537
c. Plant & Equipments	515,046,338	8,170,274	105,147,086	418,069,526	373,612,802	34,562,038	82,356,019	325,818,821	92,250,705	141,433,536
d. Furniture & Fixtures	11,977,164	2,725,454	234,602	14,468,016	10,379,464	382,019	218,272	10,543,211	3,924,805	1,597,700
e. Vehicles	10,045,022	-	-	10,045,022	5,142,234	1,311,990	-	6,454,224	3,590,798	4,902,788
Total	597,636,432	32,056,078	112,451,464	517,241,046	430,049,453	37,748,799	88,370,654	379,427,598	137,813,448	167,586,979
Capital Work in Progress	-	-	-	1,186,107	-	-	-	-	1,186,107	3,664,377
Figures for the previous year	551,742,209	53,300,427	7,406,204	597,636,432	384,113,751	52,237,390	6,301,688	430,049,453	-	167,586,979

Additional Disclosure:

Profit/(loss) on disposal of fixed asset during the year ended March 31, 2012 is ₹19,943,680/- (₹844,960/- for year ended March 31, 2011)

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note No	Particulars	As at 31.03.2012 (Amount in ₹)	As at 31.03.2011 (Amount in ₹)
10	NON-CURRENT INVESTMENTS		
	Investment in equity instruments-Quoted		
	Lakshmi Machine Works Limited-Associate		
	88,800 Equity Shares of ₹10/- each fully paid	6,385,499	6,385,499
	Indian Bank		
	6,289 Equity Shares of ₹10/- each fully paid	572,299	572,299
	Investment in equity instruments-Unquoted		
	Harshni Textiles Limited-Associate		
	1,00,00,000 Equity Shares of ₹10/-each fully paid	100,002,600	100,002,600
		<u>106,960,398</u>	<u>106,960,398</u>
	Aggregate value of Quoted Investment		
	Cost	6,957,798	6,957,798
	Market Value	142,508,553	199,749,725
	Aggregate value of Unquoted Investment		
	Cost	100,002,600	100,002,600
11	LONG TERM LOANS & ADVANCES		
	(Unsecured Considered good)		
	a. Security deposits	1,409,154	1,238,949
	b. Loans and advances to related parties	-	25,000,000
	c. Other loans and advances		
	Rent Advance	250,000	250,000
		<u>1,659,154</u>	<u>26,488,949</u>
12	CURRENT INVESTMENTS		
	Investment in HDFC Mutual Fund(Cash management fund- Treasury Advantage Plan)	10,055,000	-
	No of Units 1002342.621		
13	INVENTORIES		
	a. Raw materials and Components valued at cost (Weighted average price)	63,812,875	91,349,191
	b. Work in progress at estimated cost	19,541,096	27,532,497
	c. Finished goods cost or net realisable value whichever is lower.The Finished goods value includes Excise Duty	11,275,256	5,592,864
	d. Stock in trade valued at cost	140,937	203,086
	e. Stores & Spares valued at cost	7,942,078	7,765,015
	f. Others – Scrap at net realisable value	336,954	486,869
	Consumables valued at cost	1,941,677	3,022,828
	Packing materials valued at cost	240,742	400,696
		<u>105,231,615</u>	<u>136,353,046</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2012

Note No	Particulars	As at 31.03.2012 (Amount in ₹)	As at 31.03.2011 (Amount in ₹)
14	TRADE RECEIVABLES -		
	(Unsecured and Considered Good)		
	Outstanding for More than 6 Months	1,401,005	61,683,427
	Others	268,964,438	267,241,379
		<u>270,365,443</u>	<u>328,924,806</u>
15	CASH AND CASH EQUIVALENTS		
	a. Unpaid dividend	1,646,322	1,511,764
	b. Balance with Bank	(9,994,927)	17,344,871
	c. Cash in hand	402,494	137,314
	d. Others		
	Margin Money	391,119	355,700
	Short Term Deposits	360,858,000	135,000,000
		<u>353,303,008</u>	<u>154,349,649</u>
16	SHORT TERM LOANS AND ADVANCES		
	Others - (Unsecured and considered good)		
	Loans & Advances to Employees	1,105,153	1,917,794
	Advance for Purchase	3,142,652	8,076,238
		<u>4,247,805</u>	<u>9,994,032</u>
17	OTHER CURRENT ASSETS		
	VAT & Cenvat tax input credit	870,351	1,727,801
	Prepaid expenses	1,978,632	2,093,366
	Service Tax credit	401,896	1,222,458
	Interest accrued but not due	14,577,785	464,109
	Advance Tax & refund receivable	1,564,173	543,476
		<u>19,392,837</u>	<u>6,051,210</u>

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

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 25, 2012

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No	Particulars	As at 31.03.2012 (Amount in ₹)	As at 31.03.2011 (Amount in ₹)
18	REVENUE FROM OPERATIONS		
a.	Sale of Products		
	Domestic Sales	1,781,537,184	1,608,178,357
b.	Sale of Services	24,187,278	13,407,013
c.	Other operating revenues	2,553,310	1,607,004
		<u>1,808,277,772</u>	<u>1,623,192,374</u>
	<i>Less:</i>		
d.	Excise Duty paid	168,456,707	156,481,818
		<u>1,639,821,065</u>	<u>1,466,710,556</u>
19	OTHER INCOME		
	Interest Income	17,347,149	8,162,627
	Dividend Income	3,737,639	1,370,567
	Rent Receipt-Lease Rent	-	10,000
		<u>21,084,788</u>	<u>9,543,194</u>
20	COST OF MATERIALS CONSUMED		
	Opening Stock of Raw Materials and Components	91,952,972	67,690,605
	Purchases of Raw Materials and Components	1,291,803,675	1,143,367,142
		<u>1,383,756,647</u>	<u>1,211,057,747</u>
	Less: Closing stock of raw Materials and Components	(74,415,264)	(91,952,972)
		<u>1,309,341,383</u>	<u>1,119,104,775</u>
21	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK- IN-PROGRESS AND STOCK-IN-TRADE		
	Closing Stock of WIP	19,538,566	27,532,497
	Closing Stock of FG	11,275,256	5,592,864
		<u>30,813,822</u>	<u>33,125,361</u>
	Opening Stock of WIP	27,532,497	17,779,637
	Opening Stock of FG	5,592,864	8,404,418
		<u>33,125,361</u>	<u>26,184,055</u>
	Change in Inventory	(2,311,539)	6,941,306
22	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Wages	77,903,470	76,305,583
	Bonus	6,029,235	5,510,871
	Gratuity	2,711,386	1,294,981
	Provident fund	4,770,973	4,538,363
	Welfare expenses	11,020,380	9,158,199
		<u>102,435,444</u>	<u>96,807,997</u>
23	FINANCIAL COST		
	Interest Expenses	47,428	9,609,300
	Bank charges	191,714	283,050
		<u>239,142</u>	<u>9,892,350</u>



**NOTES TO STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2012**

Note No	Particulars	As at 31.03.2012 (Amount in ₹)	As at 31.03.2011 (Amount in ₹)
24	OTHER EXPENSES		
	Consumption of stores and spare parts	5,389,329	4,395,141
	Power and fuel	12,972,730	12,185,405
	Repairs & Maintenance		
	Repairs to machinery	9,394,553	10,205,277
	Repairs to Vehicles	961,362	950,923
	Repairs to buildings	11,226,879	7,245,615
	Repairs others	<u>2,530,423</u>	<u>1,343,141</u>
		24,113,217	19,744,956
	Machining charges paid	21,556,076	20,516,215
	Rent	-	110,400
	Insurance	562,896	654,158
	Rates and taxes, excluding, taxes on income	2,411,070	1,452,241
	Audit fees		
	a) Statutory Audit	130,000	130,000
	b) Reimbursement of Expenses	11,502	10,000
	Communication expenses	627,172	502,175
	Postage, Printing & Stationery	1,173,961	1,314,901
	Sitting fees	215,000	195,000
	Legal & professional charges	2,387,038	2,099,301
	Travelling & conveyance expenses	2,640,302	2,616,271
	Miscellaneous expenses	<u>4,522,412</u>	<u>3,325,671</u>
		<u>78,712,705</u>	<u>69,251,835</u>
25	EXCEPTIONAL ITEMS		
	Profit on Sale of Fixed Asset	19,943,680	856,639
	Less: Loss on Sale of Fixed Asset	-	11,679
		<u>19,943,680</u>	<u>844,960</u>

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

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 25, 2012

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH 2012

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 applicable Accounting Standards referred to in Sub Section 3C of Section 211 of the Companies Act, 1956 and normally accepted accounting principles. The accounting is on the basis of going concern concept.

2. Fixed Assets :

Fixed Assets include all expenditure of capital nature and are stated at aggregate of 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 Written Down Value Method in accordance with Schedule XIV of the Companies Act, 1956, except for Moulds and Dies added after 1st April 1994 for which depreciation is provided @ 33.33% on straight line method.
- b) For additions during the year, Prorata depreciation has been provided from the date of addition.
- c) For all the assets costing below ₹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 Profit & Loss Account 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.

**NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2012
(Contd..)**

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 profit and loss account. 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 profit and loss account.

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

Working Capital loans from Indian Bank and Bank of Baroda have been secured by the hypothecation of Raw Materials, Components, Work-in-progress, Finished Goods, Book Debts and all other movable current assets of the Company.

2. Consumption of Raw Materials & Components

	2011-12		2010-11	
	Amount in ₹	% to total consumption	Amount in ₹	% to total consumption
i) Raw Materials-Imported	7,267,862	0.55	12,142,266	1.08
ii) Components-Imported	6,787,792	0.52	6,438,834	0.57
iii) Raw Materials-Indigenous	107,092,099	8.18	182,233,027	16.27
iv) Components - Indigenous	1,188,193,630	90.75	919,489,351	82.08
Total	1,309,341,383	100.00	1,120,303,478	100.00

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2012

(Contd..)

3.	As defined under Micro, Small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2012 has been made in the financial statements based on information received and available with the company.	31.03.2012	31.03.2011 (₹ in lakhs)
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
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
4.	Value of Imports on CIF Basis	2011-2012 (Amount in ₹)	2010-2011 (Amount in ₹)
a)	Raw Materials	5,576,346	12,644,801
b)	Components & Spare parts	4,191,606	7,029,880
c)	Capital Goods	-	-
5.	Expenditure in Foreign Currency (Others)	575,675	460,161
6.	Earnings in Foreign Exchange	Nil	Nil
7.	Contingent Liabilities and claims against the company not acknowledged as debts.	2011-12 (Amount in ₹)	2010-11 (Amount in ₹)
A]	(i) Estimated amount of contracts to be Executed on capital account and not provided for	1,067,008	1,820,325
	(ii) Guarantees and Counter Guarantees executed by the Company	3,071,450	2,796,450
	(iii) Letters of Credit	-	721,000
B]	(i) Sales Tax Assessments have been completed upto financial year 2004 - 2005.		
	(ii) The Company's appeal against demand for Sales Tax penalty of ₹ 1.34 Lakhs for the financial year 1997-98 has been decided against the Company. However no provision is made as on 31.03.2012 in view of the waiver of penalty under the Tamilnadu Sales Tax (Settlement of Arrear) Scheme 2008.		
C]	Income Tax Assessments have been completed upto A.Y. 2009-2010.		
8.	2 Nos. of Engel make injection moulding machines were imported under EPCG Scheme during the financial year 2007-2008. The entire export obligation has been fulfilled during the year 31.03.2012 and the formalities of redemption before JDGFT is in process.		

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	31,706,617	–	11,390,701	20,315,916
Total (A)	31,706,617	–	(11,390,701)	20,315,916

Deferred Tax Asset

On account of 43B Disallowance	–	1,183,362	–	1,183,362
VRS	2,690,859	–	371,239	2,319,620
Software Charges	117,927	–	71,853	46,074
Total (B)	2,808,786	1,183,362	(443,092)	3,549,056

Deferred Tax Liability (Net) (A-B)	28,897,831	(1,183,362)	(10,947,609)	16,766,860
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10. Details of Turnover

Description	2011-2012 Amount in ₹	2010-2011 Amount in ₹
a) Switchgear of all types	118,325,167	142,665,438
b) Control Panels	1,318,416,989	1,130,830,401
c) Plastic Components	135,997,585	135,035,899
d) Spares & Accessories	11,660,920	12,621,568
e) Sale of Power	28,678,149	30,543,233

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

	2011-2012	2010-2011
1) Net Profit after tax before Extraordinary items	(A) ₹ 103,643,951	₹ 90,148,210
No. of Shares	(B) 2,458,000	2,458,000
Basic and Diluted EPS (A)/(B)	₹ 42.17	₹ 36.68
2) Net Profit after tax & after Extraordinary items	(A) ₹ 103,643,951	₹ 90,148,210
No. of Shares	(B) 2,458,000	2,458,000
Basic and Diluted EPS (A)/(B)	₹ 42.17	₹ 36.68

12. Employee Benefits

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
A. Expense recognised during year ended 31.03.2012	(Amount in ₹)			
1. Current Service Cost	1140313	1113705	416230	338680
2. Interest cost	1353151	1352113	315186	241313
3. Expected return on plan assets	(1556387)	(1631407)	–	–
4. Actuarial Losses / (Gains) during the year	4154774	(1982674)	721232	868503
5. Total Expense	5091851	(1148263)	1452648	1448496
B. Actual return on Plan assets				
1. Expected return on plan assets	1556387	1631407	–	–
2. Actuarial (Loss) / Gain on Plan assets	0	0	–	–
3. Actual return on Plan assets	1556387	1631407	–	–
C. Net Asset/(Liability) recognised in the Balance Sheet				
1. Present value of the obligation as on 31.03.2012	20461845	16914393	4993432	3963651
2. Fair value of plan assets as on 31.03.2012	19027516	19505452	–	–

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
3. Funded status (Surplus/Deficit)	(1434329)	2591059	(4993432)	(3963651)
4. Unrecognised past service cost	0	0	0	0
5. Net Asset/(Liability) recognised in the Balance Sheet	(1434329)	2591059	(4993432)	(3963651)
D. Change in present value of the Obligation during the year ended March 31,2012				
1. Present value of the obligation as at April 1, 2011	16914393	16901407	3963651	3162798
2. Current Service Cost	1140313	1113705	416230	338680
3. Interest cost	1353151	1352113	315186	241313
4. Benefits paid	(3100786)	(470158)	(422867)	(647643)
5. Actuarial (gain) / loss on obligation	4154774	(1982674)	721232	868503
6. Present value of obligation as at March 31,2012	20461845	16914393	4993432	3963651
E. Change in Assets during the year ended March 31, 2012				
1. Fair value of plan assets as at April 1, 2011	19505452	16977549	-	-
2. Expected return on plan assets	1556387	1631407	-	-
3. Contributions made	1066463	1366654	442867	647643
4. Benefits paid	(3100786)	(470158)	(442867)	(647643)
5. Actuarial gain / (loss) on plan assets	0	0	-	-
6. Fair value of plan assets as at March 31, 2012	19027516	19505452	0	0
F. Major categories of plan assets as a percentage of total plan				
1. Qualifying insurance policies	19027516	19505452	0	0
2. Own plan assets	0	0	0	0
Total	19027516	19505452	0	0
G. Actuarial Assumptions				
1. Discount rate	8%	8%	8.70%	8.40%
2. Salary escalation	7%	7%	6.00%	6.00%
3. Expected rate of return on plan assets	9.25%	9.25%	-	-
4. Attrition rate	1.50%	1.50%	2.50%	2.50%
5. Mortality rate	LIC(1994-96)ultimate			

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

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 25, 2012

R. SIVASUBRAMANIAN
Company Secretary

CASH FLOW STATEMENT

31.03.2011 (₹ in Lakhs)	A. CASHFLOW FROM OPERATING ACTIVITIES :	31.03.2012 (₹ in Lakhs)
1,367.46	Net profit before tax and extraordinary items	1,500.61 1,500.61
	Adjustments for :	
522.37	Depreciation	377.49
-	- Deferred Revenue Expenditure	-
98.92	Interest paid	0.47
-	- Foreign Exchange	-
-8.45	Profit/Loss on sales of assets(net)	-199.44
-95.33	Interest / Dividend	-210.85 -32.33
1,884.97	Operating Profit before Working capital changes	1,468.27
	Adjustments for :	
-1,027.38	Trade and other receivables	518.12
-305.83	Inventories	311.18
1,264.54	Trade payables	-133.01 696.29
1,816.31	Cash generated from operations	2,164.57
-514.50	Direct Taxes paid	-550.73 -550.73
1,301.81	Cash flow before extraordinary items	1,613.84
	Extraordinary items :	
-	- Prior year expenses	-
0.01	Prior year Income and Excess provision reversed	-
1,301.83	Net cash from operating activities	1,613.83
	B. CASH FLOW FROM INVESTING ACTIVITIES :	
-113.65	Purchase of Fixed Assets	-45.80
12.48	Sale of Fixed Assets	440.22
-	- Purchase of Investments	-100.55
-	- Sale of investment	-
95.33	Interest/Dividend received	210.85
1,107.31	Intercompany loan	-
1,101.47	Net cash used in investing activities	504.72

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

31.03.2011 (₹ in Lakhs)	C. CASH FLOW FROM FINANCING ACTIVITIES :	31.03.2012 (₹ in Lakhs)
0.00	Proceeds from long term borrowings	-
-1,100.00	Repayment of long term borrowings	-
0.00	Working Capital Borrowings	-
-	- Fixed Deposits	-
-98.92	Interest paid	-0.47
-73.74	Dividend paid	-110.61
-12.25	Corporate Tax on Dividend	-17.94
-1,284.91	Net cash used in financing activities	-129.03
1,118.39	Net increase in cash and cash equivalents	1,989.53
425.10	Cash and Cash equivalents (Opening Balance)	1,543.50
1,543.49	Cash and Cash equivalents (Closing Balance)	3,533.03

Note: Cash and Cash equivalents include the following balances not available for use:

15.12	Unpaid dividend warrant account	16.46
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As per our report of even date
For N.R. DORAISWAMI & CO.,
Chartered Accountants
Firm Regn No.000771S

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 25, 2012

R. SIVASUBRAMANIAN
Company Secretary



SEGMENT REPORT FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PRIMARY- BUSINESS SEGMENT	Electricals		Plastics		Wind Power Generation		TOTAL	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Revenue								
Sales	1,448,411,613	1,286,131,867	135,990,713	135,021,439	28,678,149	30,543,233	1,613,080,475	1,451,696,539
Inter Unit Transfers	-	-	-	-	-	-	-	-
Allocable other Income	5,621,231	2,061,877	24,634,222	13,818,779	16,428,817	-	46,684,270	15,880,656
Total Revenue	1,454,032,844	1,288,193,744	160,624,935	148,840,218	45,106,966	30,543,233	1,659,764,745	1,467,577,195
Less : inter Unit Transfers							-	-
Add : Unallocable Other Income							21,084,788	9,533,194
Enterprise revenue							1,680,849,533	1,477,110,389
Result								
Segment Results	98,004,946	138,907,617	15,722,565	11,313,901	15,487,364	-13,116,694	129,214,875	137,104,824
Unallocable Expenses								
Operating profit							129,214,875	137,104,824
Less : Interest Expenses							239,142	9,892,350
IncomeTax Expenses							46,416,570	46,597,460
Add : Unallocable Income								
Interest receipts							17,347,149	8,162,627
Dividend receipts							3,737,639	1,370,567
Rent received							-	-
Net Profit after Tax							103,643,951	90,148,208
Other Information								
Segment assets	721,671,869	597,615,073	101,301,896	64,472,876	70,225,652	170,671,277	893,199,417	832,759,226
Add: Unallocated corporate assets							171,742,970	223,586,492
Enterprise assets							1,064,942,387	1,056,345,718
Segment Liabilities	254,471,326	274,712,422	4,410,920	7,261,437	-	1,400,000	258,882,246	283,373,859
Add: Unallocated corporate liabilities							806,060,141	772,971,859
Enterprise Liabilities							1,064,942,387	1,056,345,718
Capital Expenditure	30,155,827	15,115,766	3,086,357	580,000	0	50,519,632	33,242,184	66,215,398
Depreciation	5,396,493	6,146,745	5,738,560	5,634,546	26,613,746	40,456,100	37,748,799	52,237,391

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

As per our report of even date
For N.R. DORAISWAMI & CO.,
Chartered Accountants
Firm Regn No.000771S

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 25, 2012

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31st MARCH, 2012

1) Relationships

Description of relationship	Names of Related Parties
Other related parties	Eshann Enterprises Ltd 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 Titan HMG Paints India Ltd Venkata Varadhaa Agencies Ltd
Key Management Personnel	Smt. Nethra J.S. Kumar Managing Director

2) Transactions

(Amount in ₹)

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Purchase of goods	894,425,468 (756,779,963)	
Sale of goods	1,626,076,576 (1,440,273,446)	
Sale of Fixed Assets	41,308,090 (485,497)	
Rendering of services	22,818,422 (20,866,861)	
Receiving of services	3,452,075 (3,333,282)	
Managerial Remuneration	-	7,470,797 (8,574,723)
Loans given	-	
Investment in Equity	-	
Sale of equity	-	

Amount due to / from related parties

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Accounts Receivable	214,523,075 (294,443,268)	-
Accounts Payable	188,327,220 (199,329,303)	414,905 (823,711)

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 ₹89,37,39,181 (Previous Year ₹75,64,71,978), and Others – Other Related Parties – Associates ₹6,86,287 (Previous Year ₹3,07,985).
 2. Sale of Goods includes Lakshmi Machine Works Limited ₹1,60,43,95,330 (Previous Year ₹1,41,48,07,570), and Others – Other Related Parties – Associates ₹2,16,81,246 (Previous Year ₹2,54,65,876).
 3. Sale of Fixed Assets includes SunSpintex (Merged with LEDL) ₹4,12,85,000 (Previous Year ₹Nil)Harshni Textiles Limited ₹Nil (Previous Year ₹3,50,542), Lakshmi Precision Tools Limited (Previous Year ₹1,06,829), and Others – Other Related Parties – Associates ₹23,090 (Previous Year ₹28,126).
 4. Rendering of Services includes Lakshmi Machine Works Limited ₹2,07,68,094 (Previous Year ₹1,25,57,935),and Others – Other Related Parties – Associates ₹20,50,328 (Previous Year ₹83,08,927).
 5. Receiving of Services includes Lakshmi Cargo Company Limited ₹21,59,315 (Pervious Year ₹24,63,013), Starline Travels ₹5,95,381(Previous Year ₹3,95,317), and Others – Others Related Parties – Associates ₹6,97,379 (Previous Year ₹4,74,952).
 6. Managerial Remuneration includes amount paid to Smt. Nethra J.S. Kumar ₹74,70,797 (Previous Year ₹85,74,723)
 7. Dividends paid to includes Smt. Nethra J.S. Kumar ₹22,38,017 (Previous Year ₹3,78,558), Dr. D. Jayavarthanavelu ₹Nil (Previous Year ₹11,30,739), Lakshmi Electrical Drives Limited ₹3,04,241 (Previous Year ₹99,420) Others Related Parties – Associates ₹66,375 (Previous Year ₹300).
 8. Investment in Shares includes Lakshmi Machine Works Limited ₹63,85,499 (Previous Year ₹63,85,499) and Harshini Textiles Limited ₹10,00,02,600 (Previous Year ₹10,00,02,600)
 9. Loan received back includes Harshini Textiles Limited ₹Nil (Previous Year ₹11,07,30,912)
 10. Outstanding Receivables includes Harshni Textiles Limited ₹2,31,315(Previous Year ₹8,66,66,609), Lakshmi Machine Works Limited ₹21,28,32,866 (Previous Year ₹20,68,74,927), and Others – Others Related Parties – Associates ₹14,58,894 (Previous Year ₹9,01,732).
 11. Outstanding Payables includes Lakshmi Machine Works Limited ₹18,81,18,597 (Previous Year ₹19,90,05,991), and Others – Others Related Parties – Associates ₹2,08,623 (Previous Year ₹3,23,312).
- 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 and Takeovers) Regulations,1997 as amended with effect from 09-09-2002.
1. Eshann Enterprises Ltd 2. Harshni Textiles Ltd 3. Integrated Electrical Controls India Limited 4. Lakshmi Precision Tools Ltd. 5. Lakshmi Electrical Drives Limited 6. Lakshmi Ring Travellers(CBE) Ltd 7. Lakshmi Cargo Company Ltd 8. Lakshmi Technology & Engineering Industries Ltd 9. Lakshmi Life Sciences Limited 10. LCC Cargo Holding Ltd 11. Lakshmi Machine Works Ltd 12. Mahalaxmi Engineering Holding Ltd 13. Quattro Engineering India Ltd 14. Starline Travels Limited 15. Titan HMG Paints India Ltd 16. VenkataVaradhaa Agencies Limited

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 : May 25, 2012

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

R. SIVASUBRAMANIAN
Company Secretary

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 Please Tick relevant box
(Savings Account,
Current Account or Cash Credit) :

SAVINGS	CURRENT	CASH CREDIT
---------	---------	-------------

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

Regd. Office: 34-A, Kamaraj Road, Coimbatore - 641 018

ATTENDANCE SLIP – 31st ANNUAL GENERAL MEETING

DATE & TIME
Thursday, 23rd August 2012 at 03.15 PM.
VENUE
Nani Kalai Arangam Mani Higher Secondary School, P.N. Palayam, Coimbatore – 37

I hereby record my presence at the Thirty First Annual General Meeting of the Company.

Signature of the Attending Member

Signature of Proxy (Name in Capital)

- Note: (1) Members are requested to tender the attendance slip, duly signed with their specimen signatures registered with the Company, for admission to the meeting hall.
 (2) Members are requested to bring their copy of Annual Report.



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Regd. Office: 34-A, Kamaraj Road, Coimbatore - 641 018

PROXY FORM

Regd. Folio /

Client ID :

I/We

of.....being

a Member / Members of Lakshmi Electrical Control Systems Limited, hereby appoint

.....

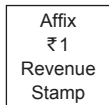
of.....

or failing him / her.....

of.....

as my/our Proxy to attend and vote for me/on our behalf at the Thirty First Annual General Meeting of the Company to be held on Thursday, the 23rd day of August, 2012, at 03.15 pm and at any adjournment thereof.

Signed this.....day of.....2012



Note: The proxy must be deposited at the Registered Office of the Company, 34-A, Kamaraj Road, Coimbatore - 641 018 not later than forty eight hours before the time for holding the aforesaid meeting.



LECS

PRODUCTS

“Sprecher + Schuh”

Low Voltage Switchgear products

- Contactors, Control Relays
- Thermal Overload Relays
- Pneumatic Timers
- And Their Accessories

LECS Motor Protection & Control Devices

- Auto Switches
- Phase Protection Relays
- Electronic Motor Protection Relays
- Voltage Monitoring Relays
- Thermister Protection Relays

LECS Motor Control Solutions

- DOL & Star Delta Starters and Motor Control Panels
- For all Industrial drivers, Customised executions
 - For all Submersible pumps and Agricultural pumps
 - For all Construction & Domestic applications

LECS Automatic Power Management Systems

- APFC Panels (Automatic Power Factor Correction Panels)

LECS Custom Built Control Panels for Industrial Machinery

- For centralised control of all actuating & operating elements and motorised drives - simple contactor logic to intelligent system with PLC's
- CNC interface Panels

LECS Automation Devices & Elements

- ROBOTS for Plastics Processing Machinery & Machine Tools
- “NeumaFeed” - Automatic Hopper Loaders & Auto Mixers
- Electronic Timers - On Delay / Cyclic
- Limit Switches

Engineering Plastic Components

- Plastic components ranging from 1 gm to 1000 gms for all engineering and electrical machinery & control systems

Manufactured by

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Arasur, Coimbatore 641 407. Ph: +91 422 - 3093500

Fax : +91 422 - 2360 307 E-mail : lecs@vsnl.com Website : www.lecsindia.com

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Arasur - 641 407, Coimbatore Dist, India.

Phone : +91 422 3093500. Fax: +91 422 2360307

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