



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

BOARD OF DIRECTORS

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

Sri. B. SATISH KRISHNAN	:	Company Secretary
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Auditors

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

Registrars and Share Transfer Agents

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

Registered Office

34-A, Kamaraj Road
Coimbatore 641 018

Admn. Office and Works

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

Bankers

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

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LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Second Annual General Meeting of the share holders of Lakshmi Electrical Control Systems Limited will be held on Friday, the 9th August 2013 at 02.30 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 Statement of Profit and Loss of the Company for the financial year ended 31st March 2013 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. Sanjay Jayavarthanelu who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri. D.Senthilkumar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

“RESOLVED THAT Sri. A.Palaniappan who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28th January 2013 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company and he is liable to retire by rotation”.

7. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

“RESOLVED THAT Sri. Arun Selvaraj who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28th January 2013 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company and he is liable to retire by rotation”.

Place : Coimbatore
Date : May 24, 2013

By order of the Board
B. SATISH KRISHNAN
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 Thursday, the 1st August 2013 to Friday, the 9th August 2013 (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 9th August 2013, 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 31st July 2013.
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 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are requested to write 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 for claiming the dividend.
8. In respect of Unclaimed Dividend for the year 2005-2006, members are requested to make their claim on or before 21st July 2013 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 need 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 2012-13 should be lodged with M/s. SKDC Consultants Limited on or before 27.07.2013.
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.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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. 6

Sri.A.Palaniappan was appointed as an Additional Director of the Company with effect from 28.01.2013 pursuant to Section 260 of the Companies Act, 1956 and Article 35 of Articles of Association of the Company. He is an Independent and Non-Executive Director in terms of Clause 49 of the Listing Agreement. He holds office only up to the date of the 32nd Annual General Meeting of the Company.

In terms of Section 257 of the Companies Act, 1956, the Company has received from a member, notice of his intention to propose at the ensuing Annual General Meeting, the appointment of Sri.A.Palaniappan as a Director of the Company along with the prescribed deposit.

None of the Directors except Sri.A.Palaniappan is concerned or interested in this resolution.

Item No. 7

Sri. Arun Selvaraj was appointed as an Additional Director of the Company with effect from 28.01.2013 pursuant to Section 260 of the Companies Act, 1956 and Article 35 of Articles of Association of the Company. He is an Independent and Non-Executive Director in terms of Clause 49 of the Listing Agreement. He holds office only up to the date of the 32nd Annual General Meeting of the Company.

In terms of Section 257 of the Companies Act, 1956, the Company has received from a member, notice of his intention to propose at the ensuing Annual General Meeting, the appointment of Sri.Arun Selvaraj as a Director of the Company along with the prescribed deposit.

None of the Directors except Sri.Arun Selvaraj is concerned or interested in this resolution.

By order of the Board

Place : Coimbatore

B. SATISH KRISHNAN

Date : May 24, 2013

Company Secretary

Annexure to Notice of Annual General Meeting

Profile of Directors seeking election / re-appointment :

(Pursuant to Clause 49 of Listing Agreement)

1. Profile of Sri.Sanjay Jayavarthanelu

Sri.Sanjay Jayavarthanelu is a Post Graduate in Business Administration from Philadelphia University, U.S.A with specialization in Management and Finance. He was the past Chairman of the Textile Machinery Manufacturers Association of India, past Chairman of Tamil Nadu State Council of CII, present member of Southern Regional Council of CII, past Chairman of the India ITME Society, Member of the Development Council for Textile Machinery as well as Machine Tools set up by the Government of India. He is also Managing Trustee / Trustee of a couple of leading trusts contributing to the promotion of health and education.

Experience: He has more than 20 years of experience in Finance, Administration and in the fields of Textile, Textile Engineering, Machine Tools, Foundry and Logistics.

He holds Directorships in the following companies:

1. Carborandum Universal Limited
2. Fortis Malar Hospital Limited
3. Lakshmi Cargo Company Limited
4. Lakshmi Machine Works Limited
5. Lakshmi Ring Travellers (Coimbatore) Limited
6. Lakshmi Technology and Engineering Industries Limited

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Directors' inter-se relationship:

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

Name	Relationship
Smt. Nethra J S Kumar	Wife
Sri. Sanjay Jayavarthanavelu	Brother-in-law

3. Profile of Sri. A.Palaniappan

Sri A.Palaniappan is a Science Graduate from University of Maryland at Towson (Baltimore), USA. Sri. A.Palaniappan had founded Chess Management Services (P) Ltd. New Delhi, a consultancy firm providing Legal Compliance Management Services and Halidon Marketing Ltd., Chennai, a Logistics and Marketing Company.

Experience : Since 2005, he is the Managing Director of M/s Sree Karpagambal Mills Limited. Sri. A.Palaniappan was working with HCL and Hewlett Packard, New Delhi, in software development for about 5 years. Sri. A.Palaniappan has also worked with US Army's Chemical Research Development and Engineering Centre at Edgewood Arsenal, Maryland, USA, as a System Analyst and Developer between 1987 and 1991.

He holds Directorships in the following companies:

1. Kaimabetta Estates Private Limited
2. Karthikeya Estate Private Limited
3. Kwaliteit Floritech Private Limited
4. Chess Management Services Private Limited
5. Halidon Marketing Limited
6. Chess Healthcare Solution Private Limited
7. Sree Karpagambal Mills Limited
8. Halidon Logistics Limited
9. SIMA Textile Processing Centre Limited

Membership in Committees:

Lakshmi Electrical Control Systems Limited - Audit Committee

Directors' inter-se relationship:

None of the Directors of the Company is related to Sri. A.Palaniappan.

4. Profile of Sri Arun Selvaraj

Sri Arun Selvaraj is a Textile Marketing and Management Graduate from Philadelphia University, USA.

Experience: He has more than 10 years experience in administration in the fields of Textile and Aerospace Industries.

He holds Directorships in the following companies:

1. Ravilla Aerospace Industries Private Limited
2. Iris Engineering Industries Private Limited
3. Lakshmi Vignesh Corporate Services Private Limited

Directors' inter-se relationship:

None of the Directors of the Company is related to Sri. Arun Selvaraj.

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Thirty Second Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2013.

Financial Results	Current Year Ended 31.03.2013 (Amount in ₹)	Previous Year Ended 31.03.2012 (Amount in ₹)
Sales and Other Income	1,34,96,99,491	1,68,08,49,533
Gross Profit	8,20,41,153	18,78,09,320
Less : Depreciation	2,78,56,591	3,77,48,799
Net Profit/Loss	5,41,84,562	15,00,60,521
Prior year Income	-	-
Excess provision for I.T for earlier years reversed	-	44,804
Less : Prior year Expenses / Extraordinary Items	-	-
Provision for Taxation	2,45,74,040	5,63,38,420
Provision for Deferred Tax	(-)84,55,847	(-)1,21,30,971
Income Tax for earlier years	20,900	22,53,925
Add : Surplus brought Forward	11,17,34,519	23,27,74,313
Available for Appropriation	14,97,79,988	33,64,18,264
Appropriations:		
Proposed Dividend	49,16,000	1,22,90,000
Provision for Corporate Tax on Dividend	8,35,474	19,93,745
Transfer to General Reserve	1,00,00,000	21,04,00,000
Balance Carried Forward	13,40,28,514	11,17,34,519
TOTAL	14,97,79,988	33,64,18,264

Dividend

Your Directors have pleasure in recommending a dividend of ₹ 2/- per Equity Share of ₹ 10.00 each. The above dividend, if approved by the shareholders at the forthcoming Annual General Meeting will absorb ₹ 49,16,000/- and will be paid to those members or their mandatees whose name appear on the Register of Members as on 9th August 2013 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 31st July 2013.

Business and Operations

Your Directors inform you that the Turnover including other income for the year under review is ₹ 13,496.99 Lakhs as against ₹ 16,808.50 Lakhs for the preceding year.

The profit before depreciation and tax for the year under review is ₹ 820.41 Lakhs as against ₹ 1,878.09 Lakhs for the preceding year. The profit before tax is ₹ 541.85 Lakhs as against ₹ 1,500.61 Lakhs.

The decline in turnover has been due to lower off take from our customers and also due to absence of turnover from the Switchgear Division. This in turn has affected our net margins. The downward pressure on net margins has also been accentuated with a sharp rise in our input material cost. Necessary efforts are being taken to sustain our existing profit margins.

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 by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Sri. Sanjay Jayavarthanavelu

Sri. D.Senthilkumar

Sri A.Palaniappan and Sri Arun Selvaraj were appointed as Additional Directors with effect from 28th January 2013 and they will hold office upto the ensuing Annual General Meeting. Nominations with necessary deposit have been received from members of the Company proposing their candidature for appointment as Directors of the Company.

Sri.R.Venkatrangappan relinquished the Chairmanship and the directorship of the Company on 26th October 2012.

Sri.V.J.Jayaraman relinquished the directorship of the Company on 23rd November 2012.

Sri. G.Rangaswamy relinquished the directorship of the Company on 24th May 2013.

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 to Bombay Stock Exchange Limited and upto Financial Year 2013-2014 to Madras Stock Exchange Limited.

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 Statutory 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.

Cost Auditors

M/s. S. Mahadevan & Co., Cost Accountants have been appointed as Cost Auditors of Company. 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, 2013 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.

Place : Coimbatore
Date : May 24, 2013

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

Annexure I

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

A) CONSERVATION OF ENERGY

- In spite of not being power intensive, your Company enforces strict discipline in reducing power consumption even for its auxiliary services.
- 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) Initiatives have been taken to focus on the R & D activities in the Textile field. |
| | b) Manufacturing process improvements and testing methods & devices. |
| 2. Benefits derived as a result of the above R & D | a) Improvement in productivity and reduction in energy consumption. |
| | b) Reduction in cost through identification of alternative material/substitution of components. |
| 3. Future plans of action | a) Developing products in the field of Textile. |
| | b) Developing special purpose machines to facilitate automation in the existing production process. |
| 4. Expenditure on R & D | a) Capital : NIL b) Recurring : ₹ 0.50 Lakhs c) Total : ₹ 0.50 Lakhs |
| | d) Total R&D expenditure as a percentage of total turnover 0.004% |

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 | ₹ 20,39,836.00 |

Place : Coimbatore
Date : May 24, 2013

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Electrical Equipment industry has witnessed a negative growth in the year 2012-13 in comparison to 2011-12. Our company's performance has been a reflection of this trend.

Since our fortunes are tied to the performance of the Textile Machinery Manufacturing Industry and the subdued sentiments in that sector has further added to our woes. Power crisis in the southern states have played a crucial role in the overall industrial performance.

All the above said factors have played a role in our Company posting a negative growth in the year under review.

OPPORTUNITIES AND THREATS

The need to broadbase our customer range for our existing product lines has been an ongoing effort. There has also been attempts to diversify our product profile. But conversion to business has remained elusive. It is a challenge to convert our innate potential to actual growth. We continue to be steadfast in our attempt to scan the horizon for new products, technical tieups and other areas of potential interest.

SEGMENTWISE PERFORMANCE

Control Panel Production continues to be our major activity and we have endeavoured to keep ourself abreast of all latest tools and techniques. The excellent infrastructure we have built in this segment will enable us to scale up as the market heads for the revival. The growth in this segment is constrained by the logistics cost of distribution.

In Plastics, we have made some initial forays in extending beyond the current products and existing customers. We are on the lookout for new products and projects.

OUTLOOK

Inspite of the current state of affairs, we retain our optimism in the long term growth potential of our country, industry and sector. It is our earnest intent to make LECS a part of the growth story.

RISK AND CONCERNS

Our immediate concern is escalating cost of Raw Material, Labour and acute shortage of power. We need to broadbase our customer and product profiles.

INTERNAL CONTROL SYSTEM AND ADEQUACY

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

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

The Audit Committee reviews all financial statements and ensures adequacy of internal control systems.

FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	2012-13	2011-12
Net Sales	12811.85	16130.80
Profit before Interest, Depreciation & Tax	824.57	1,880.48
Interest	4.16	2.39
Depreciation	278.57	377.49
Provision for Income tax (Current & Deferred)	161.39	464.16
Profit after tax	380.45	1036.44
Earnings per share (in ₹)	15.48	42.17

HUMAN RESOURCES

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

Place : Coimbatore

Date : May 24, 2013

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

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.

Composition

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

Position of Board of Directors

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

Director	Position	Other Directorships	Membership in Committees	
			Chairman	Member
Smt.Nethra J S Kumar	Executive – Chairperson and Managing Director	16	-	3
Sri.N.Suryakumar	Non-executive – Independent	2	1	2
Sri.Sanjay Jayavarthanavelu	Non-executive Director	11	-	5
Sri.D.Senthilkumar	Non-executive Director	17	-	3
Sri.Ramesh Rudrappan	Non-executive – Independent	2	1	2
Sri. A. Palaniappan	Non-executive – Independent	9	-	1
Sri. Arun Selvaraj	Non-executive – Independent	3	-	-

Board Meetings and Attendance

During the period from 1st April, 2012 to 31st March, 2013 five Board Meetings were held on 25.05.2012, 09.08.2012, 26.10.2012, 23.11.2012 and 28.01.2013.

Details of attendance of each Director at the meetings of the Board during the Financial Year ended 31st March, 2013 are as follows. .

Directors	25.05.2012	09.08.2012	26.10.2012	23.11.2012	28.01.2013	AGM 23.08.2012
Sri.R.Venkatrangappan (Upto 26.10.2012)	✓	✓	✓	-	-	✓
Sri.N.Suryakumar	✓	✓	✓	✓	✓	x
Sri.V.J.Jayaraman (Upto 23.11.2012)	✓	✓	✓	✓	-	x
Sri.G.Rangaswamy (Upto 24.05.2013)	x	x	x	x	x	x
Sri.Sanjay Jayavarthanavelu	✓	✓	✓	✓	✓	✓
Sri.D.Senthilkumar	x	✓	✓	✓	✓	✓
Sri.Ramesh Rudrappan	✓	✓	✓	✓	✓	✓
Smt.Nethra J S Kumar	✓	✓	✓	✓	✓	✓
Sri A. Palaniappan (Joined the Board on 28.01.2013)	-	-	-	-	✓	-
Sri Arun Selvaraj (Joined the Board on 28.01.2013)	-	-	-	-	✓	-

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Remuneration of Directors

Remuneration and sitting fee paid to the Directors during the year ended 31st March, 2013:

Name	Salary	Other Perquisites	Sitting fee	Commission	Total
Sri.R.Venkatrangappan			40,000		40,000
Sri.N.Suryakumar			50,000		50,000
Sri.V.J.Jayaraman			40,000		40,000
Sri.G.Rangaswamy			-		-
Sri.Sanjay Jayavarthanavelu			25,000		25,000
Sri.D.Senthilkumar			35,000		35,000
Sri.Ramesh Rudrappan			35,000		35,000
Sri A. Palaniappan			5,000		5,000
Sri Arun Selvaraj			5,000		5,000
Smt.Nethra J S Kumar	42,00,000	-	-	-	42,00,000 #

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. N.Suryakumar	103
2.	Sri. Sanjay Jayavarthanavelu	Nil
3.	Sri. D.Senthilkumar	14750
4.	Sri. Ramesh Rudrappan	Nil
5.	Sri. A.Palaniappan	Nil
6.	Sri. Arun Selvaraj	Nil

Committee of Directors

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

(i) Audit Committee:

The Committee has been reconstituted consequent to the resignation/ cessation of directorship by some of the Directors and presently consists of the following Directors:

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

Company Secretary of the Company is the Secretary of the Committee. The 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 2013.

Particulars of Audit Committee Meeting and attendance of members

Name / Date of Meetings	25.05.2012	09.08.2012	26.10.2012	28.01.2013
Sri.R.Venkatragappan (Upto 26.10.2012)	✓	✓	✓	-
Sri. V.J.Jayaraman (Upto 23.11.2012)	✓	✓	✓	-
Sri. N.Suryakumar	✓	✓	✓	✓
Sri. D.Senthilkumar (From 23.11.2012 to 22.05.2013)	-	-	-	✓
Sri. Ramesh Rudrappan (From 23.11.2012)	-	-	-	✓

(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 was reconstituted consequent to the resignation/ cessation of directorship by some of the Directors and presently consists of the following Directors as its members:

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

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

During the year letters / complaints received from the investors were replied / resolved to the satisfaction of the investors. The outstanding letters / complaints as on 31.03.2013 was NIL. The Committee had met two times during the Financial Year ended 31st March, 2013, on 9th August 2012 and on 28th January, 2013.

Particulars of Shareholders / Investors Grievance Committee meeting and attendance of members

Name / Date of Meetings	09.08.2012	28.01.2013
Sri.R.Venkatragappan (Upto 26.10.2012)	✓	-
Sri. D.Senthilkumar	✓	✓
Smt. Nethra J S Kumar	✓	✓
Sri. Ramesh Rudrappan (From 23.11.2012)	-	✓

(iii) Share Transfer Committee:

Share Transfer Committee consists of the members of the Board, Company Secretary 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 eighteen times during the Financial Year ended 31st March, 2013.

(iv) Remuneration Committee:

Remuneration Committee had been formed for determining remuneration payable to the Chairperson and Managing Director.

Remuneration Committee consisted of the following members.

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

Consequent upon 2 of the members of the committee ceasing to be Director of the Company, the committee needs to be constituted. This is being attended to.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

3. GENERAL BODY MEETINGS

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

Location	Time	Day	Date
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	03.15 p.m	Thursday	23.08.2012
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	02.30 p.m	Friday	12.08.2011
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	11.00 a.m	Thursday	29.07.2010

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

1. At the AGM held on 23.08.2012
Approval for reappointment of Smt. Nethra J.S.Kumar as Managing Director for a period of 5 Years and her remuneration under Section 198,309,349 and 350 of the Companies Act, 1956.
2. At the AGM held on 12.08.2011
Approval for amendment in the Articles of Association of the Company
3. At the AGM held on 29.07.2010
Approval to redesignate Smt.Nethra J.S.Kumar, Wholetime Director as Managing Director and remuneration under Section 198,309,349 and 350 of the Companies Act, 1956.

4. 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.

5. MEANS OF COMMUNICATION

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

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

6. SHAREHOLDERS INFORMATION

Annual General Meeting

Day & Date : Friday, 9th August 2013

Time : 02.30 P.M

Venue : Nani Kalai Arangam, Mani High Secondary School, Pappanaickenpalayam, Coimbatore – 37.

Financial Calendar

Financial Year : 1st April to 31st March

Annual Results 2012-13 announced : 24th May 2013

Posting of Annual Reports (2012-13) : On or before 12.07.2013

Last date of receipt of Proxy forms : 07.08.2013

Announcement of Quarterly Results for the Financial Year 2013 – 2014 : On or before 14th August 2013, 14th November 2013, 14th February 2014 and 30th May 2014

Date of Book Closure : Thursday, the 1st August 2013 to Friday, the 9th August 2013 (both days inclusive)

Dividend Payment Date : On or before 8th September 2013.

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 to Bombay Stock Exchange Limited and upto Financial Year 2013-2014 to Madras Stock Exchange Limited.

Stock Codes & ISIN Number :

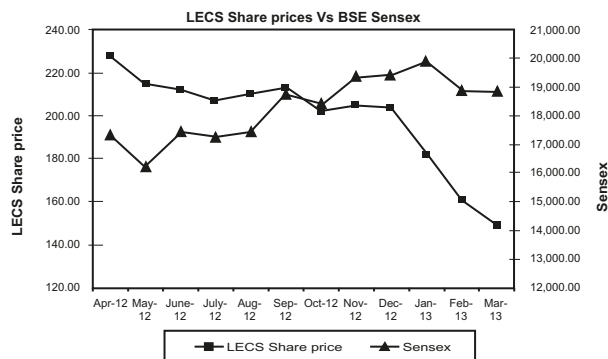
Stock Exchange	Scrip Code	ISIN No.
Bombay Stock Exchange Limited	504258	INE284C01018
Madras Stock Exchange Limited	-	INE284C01018

Market Price Data:

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

Month	Share Price (₹)	
	High	Low
Apr-12	248.65	218.55
May-12	235.50	211.10
Jun-12	222.00	201.20
Jul-12	219.50	205.50
Aug-12	222.00	200.30
Sep-12	216.50	202.00
Oct-12	222.00	200.00
Nov-12	206.70	195.15
Dec-12	219.00	197.25
Jan-13	211.90	180.10
Feb-13	192.95	151.10
Mar-13	173.90	140.00

Share Price Performance in Comparison with BSE Index



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.

Share Transfer System:

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Distribution of Share Holding as on 31.03.2013

Range	No. of shares	% Held	No. of Shareholders	%
Upto 500	8,03,801	32.70	10,042	96.20
501 - 1000	1,73,734	7.07	225	2.15
1001 - 2000	1,40,022	5.70	97	0.93
2001 - 3000	70,405	2.86	28	0.27
3001 - 4000	32,856	1.34	9	0.09
4001 - 5000	28,339	1.15	6	0.06
5001 - 10000	68,846	2.80	11	0.11
10001 and above	11,39,997	46.38	20	0.19
Total	24,58,000	100.00	10,438	100.00

Share Holding Pattern as on 31.03.2013

S.No.	Category	No. of Shares	Percentage of holding
1.	Promoters and Promoters Group	6,43,393	26.18
2.	Financial Institutions, Banks and Mutual Fund	250	0.01
3.	Bodies Corporate	3,37,347	13.72
4.	Indian Public	13,79,154	56.11
5.	Directors and Relatives	103	0.00
6.	NRI	23,230	0.95
7.	Foreign Nationals	100	0.00
8.	Overseas Corporate Bodies	1,150	0.05
9.	HUF and Others	73,273	2.98
	Total	24,58,000	100.00

Dematerialisation of Shares:

As on 31.03.2013, a total of 22,63,645 shares constituting 92.09% of the total paid up capital of the Company have been dematerialised.

Outstanding ADR / GDR – The Company has not issued any ADR / GDR.

Plant Locations :

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

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

Address for Correspondence :

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

Place : Coimbatore

Date : May 24, 2013

For and on behalf of the Board of Directors

NETHRA J.S. KUMAR

Chairperson and Managing Director

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

The Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct during the year 2012-2013.

Place : Coimbatore

Date : May 24, 2013

For and on behalf of the Board of Directors

NETHRA J.S. KUMAR

Chairperson and 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, 2013 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
Chairperson and Managing Director

Place : Coimbatore
Date : 24.05.2013

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 2013, 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, 2013.

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.

Place : Coimbatore
Date : 24.05.2013

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



AUDITORS' REPORT TO THE MEMBERS OF M/s. LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Lakshmi Electrical Control Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Place : Coimbatore
Date : 24.05.2013

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report on other Legal and Regulatory Requirements)

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 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 clauses (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. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records.
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, 2013 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	Penalty for financial year 1997-98	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
SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Place : Coimbatore
Date : 24.05.2013

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	24,580,000	24,580,000
(b) Reserves and Surplus	2	715,082,672	682,788,677
		739,662,672	707,368,677
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	8,311,013	16,766,860
(b) Other Long Term Liabilities	4	2,319,740	303,182
(c) Long term provisions	5	3,327,080	3,190,128
		13,957,833	20,260,170
(3) Current Liabilities			
(a) Trade payables	6	261,697,868	245,261,468
(b) Other current liabilities	7	13,549,962	13,317,596
(c) Short-term provisions	8	13,970,162	24,006,904
		289,217,992	282,585,968
TOTAL		1,042,838,497	1,010,214,815
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	117,084,205	137,813,448
(ii) Capital work-in-progress		620,827	1,186,107
(b) Non-current investments	10	106,960,398	106,960,398
(c) Long term loans and advances	11	1,418,876	1,659,154
		226,084,306	247,619,107
(2) Current assets			
(a) Current investments	12	5,470,000	10,055,000
(b) Inventories	13	111,844,072	105,231,615
(c) Trade receivables	14	210,086,681	270,365,443
(d) Cash and cash equivalents	15	445,262,658	353,303,008
(e) Short-term loans and advances	16	906,572	1,105,153
(f) Other current assets	17	43,184,208	22,535,489
		816,754,191	762,595,708
TOTAL		1,042,838,497	1,010,214,815

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

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

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Place : Coimbatore
Date : 24.05.2013

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

B. SATISH KRISHNAN
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

Particulars	Note No	31.03.2013	31.03.2012
I Revenue from operations	18	1,304,436,961	1,639,821,065
II Other Income	19	40,471,082	21,084,788
III Total Revenue (I +II)		<u>1,344,908,043</u>	<u>1,660,905,853</u>
IV <u>Expenses:</u>			
Cost of materials consumed	20	1,093,555,927	1,309,341,383
Purchase of Stock-in-Trade	-	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	445,895	2,311,539
Employee benefit expense	22	105,969,205	102,435,444
Financial costs	23	415,692	239,142
Depreciation and amortization expense	9	27,856,591	37,748,799
Other expenses	24	67,271,619	78,712,705
Total Expenses		<u>1,295,514,929</u>	<u>1,530,789,012</u>
V Profit before exceptional and extraordinary items and tax	(III - IV)	49,393,114	130,116,841
VI Exceptional Items (Profit on sale of Asset)	25	4,791,448	19,943,680
VII Profit before extraordinary items and tax	(V - VI)	54,184,562	150,060,521
VIII Extraordinary Items - Prior period expenses		-	-
Prior period Income		-	-
IX Profit before tax	(VII - VIII)	<u>54,184,562</u>	<u>150,060,521</u>
X Tax expenses:			
(1) Current tax		24,574,040	56,338,420
(2) Deferred tax		(8,455,847)	(12,130,971)
(3) Excess Tax Provision Reversed		-	(44,804)
(4) Income Tax for Earlier Years		20,900	2,253,925
XI Profit/(Loss) for the year from continuing operations	(IX-X)	38,045,469	103,643,951
XII Profit/(Loss) for the period		<u>38,045,469</u>	<u>103,643,951</u>
XIII Earning per equity share of Rs.10/- each (Basic/Diluted)		15.48	42.17

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

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

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Place : Coimbatore
Date : 24.05.2013

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

B. SATISH KRISHNAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Note No	Particulars	As at 31.03.2013	As at 31.03.2012
1	SHARE CAPITAL		
a	AUTHORISED		
	20,000 - 13.5% Cumulative Redeemable Preference Shares of Rs.100/- each	2,000,000	2,000,000
	50,00,000 - Equity shares of Rs.10/-each	50,000,000	50,000,000
		52,000,000	52,000,000
b	ISSUED, SUBSCRIBED, CALLED AND PAID UP		
	24,58,000 - Equity Shares of Rs.10/- each fully paid	24,580,000	24,580,000
c	The total number of Shares as on 31/03/2013 and 31/03/2012 are same		
d	Number of shares held by share holders holding more than 5% of total shares		
	Smt.Nethra J.S.Kumar	4,97,337	4,97,337
	Lakshmi Electrical Drives Limited	1,31,206	1,31,206
2	RESERVES AND SURPLUS		
a	Capital Reserve		
	Opening balance	3,500,000	3,500,000
	Add: Addition / (reduction)	-	-
	Closing balance	3,500,000	3,500,000
b	Security Premium Reserve		
	Opening balance	50,320,000	50,320,000
	Add: Addition / (reduction)	-	-
	Closing balance	50,320,000	50,320,000
c	General Reserve		
	Opening balance	517,234,158	306,834,158
	Add: transfer from profit & loss account	10,000,000	210,400,000
	Closing balance	527,234,158	517,234,158
d	Surplus from Profit & Loss account		
	Opening balance	111,734,519	232,774,313
	Add: Current year surplus	38,045,469	103,643,951
	Less: Transfer to general reserve	10,000,000	210,400,000
	Less: Proposed dividend	4,916,000	12,290,000
	Less: Dividend tax provision	835,474	1,993,745
	Closing balance	134,028,514	111,734,519
		715,082,672	682,788,677
3	DEFERRED TAX LIABILITY		
	Opening Balance	16,766,860	28,897,831
	Add/Less: Provided /(Reversed) during the year	(8,455,847)	(12,130,971)
	Closing Balance	8,311,013	16,766,860
4	OTHER LONG TERM LIABILITIES		
	Trade payables	2,319,740	303,182
5	LONG TERM PROVISIONS		
	Provision for Electricity Tax	3,327,080	3,190,128

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Note No	Particulars	As at 31.03.2013	As at 31.03.2012
6	TRADE PAYABLES	261,697,868	245,261,468
7	OTHER CURRENT LIABILITIES		
	Unpaid dividends	1,755,674	1,646,322
	Salary and benefits	10,891,006	10,021,806
	Statutory Dues Payable	903,282	1,649,468
		13,549,962	13,317,596
8	SHORT TERM PROVISIONS		
a	Provisions for employee benefits		
	Gratuity	637,463	1,434,329
	Leave Encashment	3,540,949	4,993,433
b	Others		
	Provision for income tax	2,832,592	1,610,848
	Provision for dividend	4,916,000	12,290,000
	Provision for dividend tax	835,474	1,993,745
	Provision for Expenses & ED on Finished Goods	1,207,684	1,684,549
		13,970,162	24,006,904

9 TANGIBLE ASSETS

(Amount in ₹)

Tangible Asset	Gross Block				Depreciation				Net Block	
	As at 01.04.2012	For the Year		As at 31.03.2013	As at 31.03.2012	For the Year		Upto 31.03.2013	31.03.2013	31.03.2012
		Additions	Deletions			Additions	Withdrawals			
a Land	10,676,222	-	1,000,000	9,676,222	-	-	-	-	9,676,222	10,676,222
b Building	63,982,260	6,142,212	-	70,124,471	36,611,342	3,051,069	-	39,662,411	30,462,060	27,370,918
c Plant & Equipments	418,069,526	4,294,204	65,585,606	356,778,124	325,818,821	22,766,531	60,444,306	288,141,046	68,637,078	92,250,705
d Furniture & Fixtures	14,468,016	1,424,381	2,452,860	13,439,537	10,543,211	865,811	2,360,499	9,048,523	4,391,014	3,924,805
e Vehicles	10,045,022	1,500,212	-	11,545,234	6,454,224	1,173,179	-	7,627,403	3,917,831	3,590,798
Total	517,241,046	13,361,008	69,038,466	461,563,589	379,427,598	27,856,591	62,804,805	344,479,384	117,084,205	137,813,448
Capital Work in Progress	1,186,107	12,974,875	13,540,154	620,827	-	-	-	-	620,827	1,186,107
Figures for the previous year	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

Additional Disclosure

Profit/(loss) on disposal of fixed asset during the year ended March 31, 2013 is Rs.47,91,448/- (Rs.1,99,43,680/- for year ended March 31, 2012)

(Amount in ₹)

Note No	Particulars	As at 31.03.2013	As at 31.03.2012
10	NON-CURRENT INVESTMENTS		
	Investment in equity instruments-Quoted		
	Lakshmi Machine Works Limited-Associate		
	88,800 Equity Shares of Rs.10/- each fully paid	6,385,499	6,385,499

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Note No	Particulars	As at 31.03.2013	As at 31.03.2012
	Indian Bank		
	6,289 Equity Shares of Rs.10/- each fully paid	572,299	572,299
	Investment in equity instruments-Unquoted		
	Harshni Textiles Limited-Associate		
	1,00,00,000 Equity Shares of Rs.10/-each fully paid	100,002,600	100,002,600
		106,960,398	106,960,398
	Aggregate value of Quoted Investment		
	Cost	6,957,798	6,957,798
	Market Value	165,721,273	142,508,553
	Aggregate value of Unquoted Investment		
	Cost	100,002,600	100,002,600
11	LONG TERM LOANS & ADVANCES		
	(Unsecured Considered good)		
	a Security deposits	1,418,876	1,409,154
	b Loans and advances to related parties	-	-
	c Other loans and advances		
	Rent Advance	-	250,000
		1,418,876	1,659,154
12	CURRENT INVESTMENTS		
	Investment in HDFC Mutual Fund(Cash management fund-Treasury Advantage Plan)	5,470,000	10,055,000
	No of Units as at 31.03.2013 -545687.167		
13	INVENTORIES		
	a Raw materials and Components valued at cost (Weighted average price)	71,063,608	63,812,875
	b Work in progress at estimated cost	24,669,202	19,541,096
	c Finished goods at cost or net realisable value whichever is lower. The Finished goods value includes Excise Duty	5,698,725	11,275,256
	d Stock in trade valued at cost	100,204	140,937
	e Stores & Spares valued at cost	7,545,988	7,942,078
	f Others - Scrap at net realisable value	21,638	336,954
	Consumables valued at cost	2,306,728	1,941,677
	Packing materials valued at cost	437,979	240,742
		111,844,072	105,231,615
14	TRADE RECEIVABLES -(UNSECURED AND CONSIDER GOOD)		
	Outstanding for More than 6 Months	3,290,087	1,401,005
	Others	206,796,594	268,964,438
		210,086,681	270,365,443

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Note No	Particulars	As at 31.03.2013	As at 31.03.2012
15	CASH AND CASH EQUIVALENTS		
	a Unpaid dividend	1,755,674	1,646,322
	b Balance with Bank	(28,365,995)	(9,994,927)
	c Cash in hand	48,960	402,494
	d Others		
	Margin Money	569,879	391,119
	Short Term Deposits	471,254,140	360,858,000
		445,262,658	353,303,008
16	SHORT TERM LOANS AND ADVANCES		
	Others-(Unsecured and consider good)		
	Loans & Advances to Employees	906,572	1,105,153
	Other Advances	-	-
		906,572	1,105,153
17	OTHER CURRENT ASSETS		
	Advance for Purchase	5,621,986	3,142,652
	Vat & Cenvat tax input credit	11,539,540	870,351
	Prepaid expenses	2,145,322	1,978,632
	Service Tax credit	919,870	401,896
	Interest accrued but not due	21,357,851	14,577,785
	Advance Tax & refund receivable	1,599,639	1,564,173
		43,184,208	22,535,489

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

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 24.05.2013

B. SATISH KRISHNAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013 (Amount in ₹)

Note No	Particulars	31.03.2013	31.03.2012
18	REVENUE FROM OPERATIONS		
a	Sale of Products		
	Domestic Sales	1,438,340,331	1781,537,184
b	Sale of Services	20,521,832	24,187,278
c	Other operating revenues	2,729,668	2,553,310
		1461,591,831	1808,277,772
	Less: Excise Duty paid	157,154,870	168,456,707
		1304,436,961	1639,821,065
19	OTHER INCOME		
	Interest Income	34,985,785	17,347,149
	Dividend Income	5,069,076	3,737,639
	Duty Drawback	416221	-
		40,471,082	21,084,788
20	COST OF MATERIALS CONSUMED		
	Opening Stock of Raw Materials and Components	74,415,264	91,952,972
	Purchases of Raw Materials and Components	1100,616,809	1291,803,675
		1175,032,073	1383,756,647
	Less: Closing stock of raw Materials and Components	(81,476,146)	(74,415,264)
		1093,555,927	1309,341,383
21	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Opening Stock of WIP	19,538,566	27,532,497
	Closing Stock of WIP	24,669,202	19,538,566
		(5,130,636)	7,993,931
	Opening Stock of FG	11,275,256	5,592,864
	Closing Stock of FG	5,698,725	11,275,256
		5,576,531	(5,682,392)
	Change in Inventory	445,895	2,311,539
22	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Wages	79,314,936	77,903,470
	Bonus	6,823,120	6,029,235
	Gratuity	4,928,196	2,711,386
	Provident fund	5,027,980	4,770,973
	Welfare expenses	9,874,973	11,020,380
		105,969,205	102,435,444
23	FINANCIAL COST		
	Interest Expenses	235,951	47,428
	Bank charges	179,741	191,714
		415,692	239,142

**NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013** (Amount in ₹)

Note No	Particulars	31.03.2013	31.03.2012
24	OTHER EXPENSES		
	Consumption of stores and spare parts	3,406,060	5,389,329
	Power and fuel	13,818,769	12,972,730
	Repairs & Maintenance		
	Repairs to machinery	7,772,549	9,394,553
	Repairs to vehicles	1,121,900	961,362
	Repairs to buildings	9,514,664	11,226,879
	Repairs others	1,906,543	2,530,423
		<u>20,315,656</u>	<u>24,113,218</u>
	Transportation charges	-	-
	Machining charges paid	13,150,180	21,556,076
	Rent	-	-
	Insurance	471,022	562,896
	Rates and taxes, excluding taxes on income	1,307,080	2,411,070
	Audit fees		
	a) Statutory Audit	160,000	130,000
	b) For reimbursement of expenses	7,499	11,502
	c) For taxation matters	30,000	70,000
	d) For other services	49,000	44,500
	Communication expenses	694,881	627,172
	Postage, Printing & Stationery	861,427	1,173,961
	Sitting fees	235,000	215,000
	Legal & professional charges	2,757,456	2,272,538
	Travelling & conveyance expenses	4,856,769	2,640,302
	Bad debts written off	-	-
	Miscellaneous expenses	5,150,820	4,522,412
		<u>67,271,619</u>	<u>78,712,705</u>
25	EXCEPTIONAL ITEMS		
	Profit on Sale of Fixed Asset	5,128,311	19,943,680
	Less: Loss on Sale of Fixed Asset	336,863	-
		<u>4,791,448</u>	<u>19,943,680</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

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 24.05.2013

B. SATISH KRISHNAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31ST MARCH 2013

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 ₹1/- as residual value in the year of addition, irrespective of date of addition.

4. Investments:

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

- 5.a) The Gratuity liability is covered by contributions to Life Insurance Corporation of India's Employees (Cash Accumulation) Assurance Scheme and the contribution paid relating to the year is charged to the Statement of Profit & Loss of the year.
- b) Provision is made in the accounts for Unpaid Leave Encashment based on actuarial certificate obtained in terms of AS 15 (Revised 2005).

6. Taxation :

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

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

7. Provisions, Contingent Liabilities and Contingent Assets:

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

8. Foreign Currency Transactions :

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

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

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2013

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 :

	2012-13		2011-12	
	Amount in ₹	% to total consumption	Amount in ₹	% to total consumption
i) Raw Materials–Imported	691,031	0.06	7,267,862	0.55
ii) Components–Imported	81,138	0.01	6,787,792	0.52
iii) Raw Materials–Indigenous	52,882,661	4.84	107,092,099	8.18
iv) Components – Indigenous	1,039,901,097	95.09	1,188,193,630	90.75
Total	1,093,555,927	100.00	1,309,341,383	100.00

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 31.03.2013 has been made in the financial statements based on information received and available with the company.

	As at 31.03.2013	As at 31.03.2012
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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2013 (Contd...)

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
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

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
4. Value of Imports on CIF Basis:		
a) Raw Materials	926,916	5,576,346
b) Components & Spare parts	424,746	4,191,606
c) Capital Goods	-	-
5. Expenditure in Foreign currency (Others):	688,174	575,675
6. Earnings in Foreign Exchange:	Nil	Nil
7. Contingent Liabilities and claims against the company not acknowledged as debts:		
A] (i) Estimated amount of contracts to be Executed on capital account and not provided for	2,484,388	1,067,008
(ii) Guarantees and Counter Guarantees executed by the Company	5,698,238	3,071,450
(iii) Letters of Credit	3,127,472	-

B] (i) Sales Tax Assessments have been completed up to Financial Year 2004 – 2005

(ii) The Company's appeal against demand for Sales Tax penalty of Rs.1.34 Lakhs for the financial year 1997-98 has been decided against the Company. However no provision is made as on 31.03.2013 in view of the waiver of penalty under the Tamil Nadu Sales Tax (Settlement of Arrear) Scheme 2008.

C] Income Tax Assessments have been completed up to A.Y. 2010 -11.

8. 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	20,315,919	-	(7,085,693)	13,230,226
Total (A)	20,315,919	-	(7,085,693)	13,230,226

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2013 (Contd...)

Deferred Tax Assets	Opening Balance	Additions during the year	Reversals during the year	Closing Balance
On account of 43B Disallowance	1,183,362	-	(34,501)	1,148,861
VRS	2,319,620	2,024,305	(744,172)	3,599,753
Software Charges	46,074	-	(27,644)	18,430
Carried Forward Losses	-	152,169	-	152,169
Total (B)	3,549,056	2,176,472	(806,317)	4,919,211
Deferred Tax Liability (Net) (A-B)	16,766,863	(2,176,474)	(6,279,376)	8,311,013

9. Details of Turnover :

(Amount in ₹)

Description	As at 31.03.2013	As at 31.03.2012
a) Switchgear of all types	-	118,325,167
b) Control Panels	1,141,339,537	1,318,416,989
c) Plastic Components	107,063,586	135,997,585
d) Spares & Accessories	16,403,076	11,662,587
e) Sale of Power	16,379,262	28,678,149
f) Labour charges Receipts	20,521,832	24,187,278
g) Sale of Scrap	2,729,668	2,553,310
Total	1,304,436,961	1,639,821,065

10. Calculation of Earnings per share (Face value ₹10/- per share) : As at 31.03.2013 As at 31.03.2012

1) Net Profit after tax before Extraordinary items : (A)	₹ 38,045,469	₹ 103,643,951
No. of Shares : (B)	2,458,000	2,458,000
Basic and diluted EPS : (A)/(B)	₹ 15.48	₹ 42.17
2) Net Profit after tax & after Extraordinary items : (A)	₹ 38,045,469	₹ 103,643,951
No. of Shares : (B)	2,458,000	2,458,000
Basic and diluted EPS : (A)/(B)	₹ 15.48	₹ 42.17

11. Employee Benefits :

(Amount in ₹)

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A. Expense recognised during year ended 31.03.2013				
1 Current Service Cost	1247619	1140313	505064	416230
2 Interest cost	1636948	1353151	318909	315186
3 Expected return on plan assets	(1886194)	(1556387)	-	-
4 Actuarial Losses / (Gains) during the year	1584540	4154774	379167	721232
5 Total Expense	2582913	5091851	1203140	1452648
B. Actual return on Plan assets				
1 Expected return on plan assets	1886194	1556387	-	-
2 Actuarial (Loss) / Gain on Plan assets	-	-	-	-
3 Actual return on Plan assets	1886194	1556387	-	-
C. Net Asset/(Liability) recognised in the Balance Sheet				
1 Present value of the obligation as on 31.03.2013	20510272	20461845	3540949	4993432
2 Fair value of plan assets as on 31.03.2013	21147735	19027516	-	-
3 Funded status (Surplus/Deficit)	637463	(1434329)	(3540949)	(4993432)

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2013 (Contd...)

(Amount in ₹)

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
4 Unrecognised past service cost	-	-	-	-
5 Net Asset/(Liability) recognised in the Balance Sheet	637463	(1434329)	(3540949)	(4993432)
D. Change in present value of the Obligation during the year ended March 31, 2013				
1 Present value of the obligation as at April 1, 2012	20461845	16914393	4993432	3963651
2 Current Service Cost	1247619	1140313	505064	416230
3 Interest cost	1636948	1353151	318909	315186
4 Benefits paid	(4420680)	(3100786)	(2655623)	(422867)
5 Actuarial (gain) / loss on obligation	1584540	4154774	379167	721232
6 Present value of obligation as at March 31,2013	20510272	20461845	3540949	4993432
E. Change in Assets during the year ended March 31, 2013				
1 Fair value of plan assets as at April 1, 2012	19027516	19505452	-	-
2 Expected return on plan assets	1886194	1556387	-	-
3 Contributions made	4654705	1066463	2655623	422867
4 Benefits paid	(4420680)	(3100786)	(2655623)	(422867)
5 Actuarial gain / (loss) on plan assets	-	-	-	-
6 Fair value of plan assets as at March 31, 2013	21147735	19027516	-	-
F. Major categories of plan assets as a percentage of total plan				
1 Qualifying insurance policies	21147735	19027516	-	-
2 Own plan assets	-	-	-	-
Total	21147735	19027516	-	-
G. Actuarial Assumptions				
1 Discount rate	8.00%	8.00%	8.70%	8.70%
2 Salary escalation	7.00%	7.00%	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.

12. 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.

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

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

See accompanying notes to the financial statements

As per our report of even date.

For N.R.DORAISWAMI & CO.,

Chartered Accountants

Firm Regn. NO. 000771S

SUGUNA RAVICHANDRAN

Partner

Membership No.207893

Place : Coimbatore

Date : 24.05.2013

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

B. SATISH KRISHNAN

Company Secretary

31.03.2012
(₹ in Lakhs)

CASH FLOW STATEMENT

31.03.2013
(₹ in Lakhs)

A. CASH FLOW FROM OPERATING ACTIVITIES :			
1500.61	Net profit before tax and extraordinary items	541.85	541.85
	Adjustments for :		
377.49	Depreciation	278.57	
-	Deferred Revenue Expenditure	-	
0.47	Interest paid	2.36	
-	Foreign Exchange	-	
(199.44)	Profit / (Loss) on sales of assets(net)	(47.91)	
(210.85)	Interest / Dividend	(404.71)	(171.70)
1468.27	Operating Profit before Working capital changes		370.15
	Adjustments for :		
518.12	Trade and other receivables	401.04	
311.18	Inventories	(66.12)	
(133.01)	Trade payables	160.96	495.88
2164.57	Cash generated from operations		866.03
(550.73)	Direct Taxes paid		(234.09)
1613.84	Cash flow before extraordinary items		631.94
	Extraordinary items :		
-	Prior year expenses	-	
-	Prior year Income and Excess provision reversed	-	-
1613.83	Net cash from operating activities		631.94
	B. CASH FLOW FROM INVESTING ACTIVITIES :		
(45.80)	Purchase of Fixed Assets	(127.96)	
440.22	Sale of Fixed Assets	110.25	
(100.55)	Purchase of Investments	-	
-	Sale of investment	45.85	
210.85	Interest/Dividend received	404.71	
-	Intercompany loan	-	432.85
504.72	Net cash used in investing activities		432.85
	C. CASH FLOW FROM FINANCING ACTIVITIES :		
-	Proceeds from long term borrowings	-	
-	Repayment of long term borrowings	-	
-	Working Capital Borrowings	-	
-	Fixed Deposits	-	
(0.47)	Interest paid	(2.36)	
(110.61)	Dividend paid	(122.90)	
(17.94)	Corporate Tax on Dividend	(19.94)	(145.20)
(129.03)	Net cash used in financing activities		(145.20)
1989.53	Net increase in cash and cash equivalents		919.60
1543.50	Cash and Cash equivalents (Opening Balance)		3,533.03
3533.03	Cash and Cash equivalents (Closing Balance)		4,452.63
	Note: Cash and Cash equivalents include the following balances not available for use:		
16.46	Unpaid dividend warrant account		17.56

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

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 24.05.2013

B. SATISH KRISHNAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

SEGMENT REPORTING FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

PRIMARY- BUSINESS SEGMENT	Electricals		Plastics		Wind Power Generation		TOTAL	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Revenue								
Sales	1,163,056,832	1,448,411,613	101,749,367	135,990,713	16,379,262	28,678,149	1,281,185,461	1,613,080,475
Inter Unit Transfers	-	-	-	-	-	-	-	-
Allocable other Income	2,818,199	5,621,231	20,736,334	24,634,222	4,825,278	16,428,817	28,379,811	46,684,270
Total Revenue	1,165,875,031	1,454,032,844	122,485,701	160,624,935	21,204,540	45,106,966	1,309,565,272	1,659,764,745
Less: inter Unit Transfers							-	-
Add: Unallocable Other Income							40,471,082	21,084,788
Enterprise revenue							1,350,036,354	1,680,849,533
Result								
Segment Results	17,329,547	98,004,946	(8,309,339)	15,722,565	5,108,963	15,487,364	14,129,171	129,214,875
Unallocable Expenses							-	-
Operating profit							14,129,171	129,214,875
Less: Interest Expenses							415,692	239,142
IncomeTax Expenses							16,139,092	46,416,570
Add: Unallocable Income							-	-
Interest receipts							34,985,785	17,347,149
Dividend receipts							5,069,076	3,737,639
Duty Drawback							416,221	-
Net Profit after Tax							38,045,469	103,643,951
Other Information								
Segment assets	764,498,692	721,671,869	115,003,290	101,301,896	50,906,116	70,225,652	930,408,098	893,199,417
Add: Unallocated corporate assets							112,430,398	171,742,970
Enterprise assets							1,042,838,496	1,064,942,387
Segment Liabilities	266,809,712	254,471,326	10,757,858	4,410,920	-	-	277,567,570	258,882,246
Add: Unallocated corporate liabilities							765,270,926	806,060,141
Enterprise Liabilities							1,042,838,496	1,064,942,387
Capital Expenditure	12,213,798	30,155,827	1,147,210	3,086,357	-	-	13,361,008	33,242,184
Depreciation	6,776,917	5,396,493	6,070,105	5,738,560	15,009,569	26,613,746	27,856,591	37,748,799

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

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

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

See accompanying notes to the financial statements

As per our report of even date.

For N.R.DORAISWAMI & CO.,

Chartered Accountants

Firm Regn. NO. 000771S

SUGUNA RAVICHANDRAN

Partner

Membership No.207893

Place : Coimbatore

Date : 24.05.2013

SANJAY JAYAVARTHANEVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

B. SATISH KRISHNAN

Company Secretary

RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31ST MARCH 2013

1) Relationships

Description of relationship

Other related parties

Names of 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
 LMW Machinery Ltd
 Mahalaxmi Engineering Holding Ltd
 Quattro Engineering India Ltd
 Starline Travels Ltd
 Sun Spintex Ltd
 Titan HMG Paints India Ltd
 Venkata Varadhaa Agencies Ltd

Key Management Personnel

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

2) Transactions

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Purchase of goods	797,605,447 (894,425,468)	
Sale of goods	1,415,989,094 (1,626,076,576)	
Sale of Fixed Assets	11,284,934 (41,308,090)	
Rendering of services	18,148,097 (22,818,422)	
Receiving of services	4,014,139 (3,452,075)	
Managerial Remuneration	-	5,059,900 (7,470,797)
Loans given	-	
Investment in Equity	-	
Sale of equity	-	

Amount due to / from related parties

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Accounts Receivable	193,032,682 (214,523,075)	-
Accounts Payable	194,068,833 (188,327,220)	849,523 (414,905)

Note : Figures in brackets relate to previous year.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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

1. Purchase of Goods includes Lakshmi Machine Works Limited ₹ 71,24,80,572 (Previous Year ₹ 89,37,39,181), and Others - Other Related Parties - Associates ₹ 8,51,24,875 (Previous Year ₹ 6,86,287).
 2. Sale of Goods includes Lakshmi Machine Works Limited ₹ 1,28,02,43,173 (Previous Year ₹ 1,60,43,95,330), and Others - Other Related Parties - Associates ₹ 13,57,45,921 (Previous Year ₹ 2,16,81,246).
 3. Sale of Fixed Assets includes SunSpintex (Merged with LEDL) ₹ 1,09,74,955 (Previous Year ₹ 4,12,85,000) and Others - Other Related Parties - Associates ₹ 3,09,979 (Previous Year ₹ 23,090).
 4. Rendering of Services includes Lakshmi Machine Works Limited ₹ 1,65,36,441 (Previous Year ₹ 2,07,68,094), and Others - Other Related Parties - Associates ₹ 16,11,656 (Previous Year ₹ 20,50,328).
 5. Receiving of Services includes Lakshmi Precision Tools Limited ₹ 10,08,677 (Previous Year ₹ 2,97,014) Lakshmi Cargo Company Limited ₹ 9,15,041 (Previous Year ₹ 21,59,315), Starline Travels Limited ₹ 18,11,457 (Previous Year ₹ 5,95,381), and Others - Others Related Parties - Associates ₹ 2,78,964 (Previous Year ₹ 4,00,365).
 6. Managerial Remuneration includes amount paid to Smt. Nethra J.S. Kumar ₹ 50,59,900 (Previous Year ₹ 74,70,797)
 7. Dividends paid to includes Smt. Nethra J.S. Kumar ₹ 24,86,685 (Previous Year ₹ 22,38,017), Lakshmi Electrical Drives Limited ₹ 6,56,030 (Previous Year ₹ 3,04,241) Others Related Parties - Associates ₹ 74,250 (Previous Year ₹ 66,375).
 8. Outstanding Receivables includes Lakshmi Machine Works Limited ₹ 14,68,23,684 (Previous Year ₹ 21,28,32,866), LMW Machinery Limited ₹ 4,03,24,773 and Others - Others Related Parties - Associates ₹ 58,84,226 (Previous Year ₹ 16,90,209).
 9. Outstanding Payables includes Lakshmi Machine Works Limited ₹ 16,99,07,362 (Previous Year ₹ 18,81,18,597), LMW Machinery Limited ₹ 2,31,13,131 and Others - Others Related Parties - Associates ₹ 10,48,340 (Previous Year ₹ 2,08,623).
- 3) The undernoted companies constitute the " Group" in terms of regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares Takeovers) Regulations, 1997 as amended with effect from 09-09-2002.
- 1) Eshann Enterprises Ltd, 2) Harshni Textiles Ltd, 3) Integrated Electrical Controls India Ltd, 4) Lakshmi Precision Tools Ltd, 5) Lakshmi Electrical Drives Ltd, 6) Lakshmi Ring Travellers (CBE) Ltd, 7) Lakshmi Cargo Company Ltd, 8) Lakshmi Technology & Engineering Industries Ltd, 9) Lakshmi Life Sciences Ltd, 10) LCC Cargo Holding Ltd, 11) Lakshmi Machine Works Ltd, 12) LMW Machinery Ltd, 13) Mahalaxmi Engineering Holding Ltd, 14) Quattro Engineering India Ltd, 15) Starline Travels Ltd, 16) Titan HMG Paints India Ltd, 17) Venkata Varadhaa Agencies Ltd, 18) Sun Spintex Ltd.

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

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

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 24.05.2013

B. SATISH KRISHNAN
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
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f) Nine Digit code number of the bank
and branch appearing on the MICR
cheque issued by the bank

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

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DECLARATION

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

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

Place : _____ Name : _____

Date : _____ Address : _____

_____ Pin code _____

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

