



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN : L31200TZ1981PLC001124

BOARD OF DIRECTORS

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

Sri. 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 Third Annual General Meeting of the share holders of Lakshmi Electrical Control Systems Limited will be held on Friday, the 8th August 2014 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 2014 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 Jayavarthanavelu (DIN: 00004505), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the financial year 2014-15 and to fix their remuneration.

Special Business:

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

"RESOLVED that pursuant to Sections 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri. N. Suryakumar (DIN: 00008316), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation".

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

"RESOLVED that pursuant to Sections 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri. Ramesh Rudrappan (DIN: 00008325), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not 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 pursuant to Sections 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri. A. Palaniappan (DIN: 00044022), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation".



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

"RESOLVED that pursuant to Sections 149, 152 and any other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri. Arun Selvaraj (DIN: 01829277), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation".

9. To consider and if thought fit, to pass with or without modification the following resolution as a SPECIAL RESOLUTION.

RESOLVED that pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended as below :

- a. Replacement of Article 45 :

"**Article 45.** The Directors may elect one among themselves as Chairperson of the Board, such Chairperson could be so elected notwithstanding that he / she is the Managing Director of the Company."

- b. Insertion of Articles 52A, 52B and 52C :

"**Article 52A.** Fee chargeable for inspection of the registers, returns which are all eligible for inspection by member / non member is Rs. 50/- per inspection.

Article 52B. Fee chargeable for issuing the copies of the registers, returns which are required to be provided is Rs. 10/- per page.

Article 52C. Time for inspection or take extract or avail copies of the registers, returns which are all permitted for inspection or take extract or avail the copies is 2.30 PM to 4.30 PM on all working days of the Company."

10. To consider and if thought fit, to pass with or without modification the following resolution as a SPECIAL RESOLUTION.

"RESOLVED that in supersession of the Ordinary Resolution adopted at the 25th Annual General Meeting held on 26th July, 2006 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 100 Crores (Rupees One Hundred crores)."

Place : Coimbatore
Date : May 26, 2014

By order of the Board
B. SATISH KRISHNAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTE:

1. The statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **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.**
3. **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. A PROXY FORM FOR THE AGM IS ENCLOSED.**
4. Brief resume and details of shareholding and Directors inter-se relationship of Directors seeking election/re-election as required under Clause 49 of the Listing Agreement, are provided as Annexure to this notice.
5. Members / Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 1st August 2014 to Friday, the 8th August 2014 (both days inclusive) as per Clause 16 of the Listing Agreement.
9. 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.
10. Subject to the provisions of the Companies Act, 2013, 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 8th August 2014, 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 2014.
11. Shareholders wishing to claim dividends, which remain unclaimed 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. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205-A of the erstwhile Companies Act, 1956) be transferred to the "Investors Education and Protection Fund".
12. 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.
13. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
14. 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.
15. 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. S.K.D.C. Consultants Limited, on request. Requests for payment of dividend through ECS for the year 2013-14 should be lodged with M/s. S.K.D.C. Consultants Limited on or before 28.07.2014.
16. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve documents in electronic form.



17. Electronic copy of the Annual Report and Annual General Meeting Notice is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Annual General Meeting Notice for the year 2013-14 are sent in the permitted mode separately.

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

Item No. 5

Sri.N.Suryakumar, in the ordinary course, is a Director retiring by rotation at this Annual General Meeting. However, since he is an Independent Director, the provisions of the Companies Act, 2013 require that he be appointed as an Independent Director not liable to retire by rotation. In view of this position, the subject of his appointment is considered as a Special Business.

The Company has received a nomination under Sec.160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri.N.Suryakumar as an Independent Director. Sri.N.Suryakumar will hold office for a term of 5 consecutive years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Sri.N.Suryakumar fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under for his appointment as an Independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri.N.Suryakumar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri.N.Suryakumar as an Independent Director, for the approval by the shareholders of the Company.

Interest of Directors:

Except Sri.N.Suryakumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Item No. 6

Sri. Ramesh Rudrappan, in the ordinary course, is a Director retiring by rotation at this Annual General Meeting. However, since he is an Independent Director, the provisions of the Companies Act, 2013 require that he be appointed as an Independent Director not liable to retire by rotation. In view of this position, the subject of his appointment is considered as a Special Business.

The Company has received a nomination under Sec.160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri. Ramesh Rudrappan as an Independent Director. Sri. Ramesh Rudrappan will hold office for a term of 5 consecutive years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Sri. Ramesh Rudrappan fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under for his appointment as an independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. Ramesh Rudrappan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. Ramesh Rudrappan as an Independent Director, for the approval by the shareholders of the Company.

Interest of Directors:

Except Sri. Ramesh Rudrappan, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Item No. 7

Sri.A.Palaniappan is a Director of the Company, who, though is a Director liable to retire by rotation, is not retiring at this Annual General Meeting. However, in the light of the provisions of the Companies Act, 2013, he is to be

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appointed as an Independent Director at this Meeting to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting

One of the members of the Company has proposed the name of Sri.A.Palaniappan for appointment as an Independent Director and the member has also made the required deposit therefor.

In the opinion of the Board, Sri.A.Palaniappan fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri A.Palaniappan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri A.Palaniappan as an Independent Director, for the approval by the shareholders of the Company.

Interest of Directors:

Except Sri A.Palaniappan, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Item No. 8

Sri. Arun Selvaraj is a Director of the Company, who, though is a Director liable to retire by rotation, is not retiring at this Annual General Meeting. However, in the light of the provisions of the Companies Act, 2013, he is to be appointed as an Independent Director at this Meeting to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting.

One of the members of the Company has proposed the name of Sri. Arun Selvaraj for appointment as an Independent Director and the member has also made the required deposit therefor.

In the opinion of the Board, Sri. Arun Selvaraj fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. Arun Selvaraj as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. Arun Selvaraj as an Independent Director, for the approval by the shareholders of the Company.

Interest of Directors:

Except Sri. Arun Selvaraj, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Item No. 9

As per the provisions of the Companies Act, 2013, the Articles of Association should contain a specific provision for any person to occupy the position of both Managing Director and Chairperson. The present articles do not have such enabling provision.

The Companies Act, 2013 allows members and others to inspect certain registers, returns etc and also state that Articles of the company can fix fee for inspection, taking extracts of the registers, returns etc.

Accordingly, the Board of Directors recommends amendment to the Articles of Association of the Company by replacing article 45 and inserting articles 52A, 52B and 52C after the articles 52.

The fee specified in the articles shall apply for inspection of the registers, returns by members and non members as such. In case Act or Rules made there under permit the members to inspect the registers, returns by with out fee, the fee shall not applicable to the members.

The fee specified in the articles shall apply for taking copies of the registers, returns by members and non members as such. In case Act or Rules made there under permit the members to take copies of the registers, returns by with out fee, the fee shall not applicable to the members.



The Resolution at Item No. 8 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013. A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Interest of Directors:

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

Item No. 10

The members of the Company at their 25th Annual General Meeting held on 26th July, 2006 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 50 Crores (Rupees Fifty Crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 10 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 100 Crores (Rupees One Hundred Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

Interest of Directors:

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Place : Coimbatore
Date : May 26, 2014

By order of the Board
B. SATISH KRISHNAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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 Jayavarthanavelu

Sri.Sanjay Jayavarthanavelu is a Post Graduate in Business Administration from Philadelphia University, USA 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. 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
7. Super Sales India Limited
8. The Lakshmi Mills Company Limited
9. Quattro Engineering India Limited
10. Lakshmi Life Science Limited
11. Alampara Hotels and resorts private Limited.

Membership In Committees:

Lakshmi Machine Works Limited	- Share Transfer Committee
Super Sales India Limited	- Share Transfer Committee
	- Shareholders / Investors Grievance Committee
Fortis Malar Hospital Limited	- Audit, Risk and Controls Committee
	- Human Resources and Remuneration Committee
Carborandum Universal Limited	- Audit Committee

Shareholding: Nil

Directors' inter-se relationship:

Except the following, none of the Directors of the Company is related to Sri. Sanjay Jayavarthanavelu.

Name	Relationship
Smt. Nethra J S Kumar	Sister
Sri. D.Senthilkumar	Sister's Husband

2. Profile of Sri. N.Suryakumar

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

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

He holds Directorships in the following companies :

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

Membership in Committees:

Lakshmi Electrical Control Systems Limited	- Audit Committee
	- Remuneration Committee

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

Directors' inter-se relationship :

None of the Directors of the Company is related to Sri. N. Suryakumar.

3. Profile of Sri. Ramesh Rudrappan

Sri. Ramesh Rudrappan, is a Business Management Graduate (Rider University, New Jersey - USA)

Experience : He was former Chairman of CII Coimbatore Zone.

He holds Directorships in the following companies:

1. Tulya Alloy Castings Limited
2. Titan Paints and Chemicals Limited

Membership in Committees:

- | | | |
|--|---|---|
| Lakshmi Electrical Control Systems Limited | - | Audit Committee |
| Lakshmi Electrical Control Systems Limited | - | Shareholders / Investors Grievance Committee. |

Shareholding: Nil

Directors' inter-se relationship:

None of the Directors of the Company is related to Sri. Ramesh Rudrappan.

4. 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 |
|--|---|-----------------|

Shareholding: Nil

Directors' inter-se relationship:

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

5. 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

Shareholding: Nil

Directors' inter-se relationship:

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Thirty Third Annual Report of your Company together with the audited accounts for the year ended 31st March 2014.

Financial Results	Current Year Ended 31.03.2014 (Amount in ₹)	Previous Year Ended 31.03.2013 (Amount in ₹)
Sales and Other Income	1,64,69,55,236	1,34,96,99,491
Gross Profit	11,64,45,428	8,20,41,153
Less : Depreciation	2,30,49,757	2,78,56,591
Net Profit/Loss	9,33,95,671	5,41,84,562
Prior year Income	-	-
Excess provision for I.T for earlier years reversed	-	-
Less : Prior year Expenses / Extraordinary Items	-	-
Provision for Taxation	3,11,00,509	2,45,74,040
Provision for Deferred Tax	(-)14,09,422	(-)84,55,847
Income Tax for earlier years	51,565	20,900
Add : Surplus brought Forward	13,40,28,514	11,17,34,519
Available for Appropriation	19,76,81,533	14,97,79,988
Appropriations:		
Proposed Dividend	1,22,90,000	49,16,000
Provision for Corporate Tax on Dividend	20,88,686	8,35,474
Transfer to General Reserve	1,00,00,000	1,00,00,000
Balance Carried Forward	17,33,02,847	13,40,28,514
TOTAL	19,76,81,533	14,97,79,988

Dividend

Your Directors have pleasure in recommending a dividend of ₹ 5 /- per Equity Share of ₹ 10.00 each. The above dividend, if approved by the shareholders at the forthcoming Annual General Meeting will absorb ₹ 1,22,90,000/- and will be paid to those members or their mandatees whose name appear on the Register of Members as on 8th August 2014 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 2014.

Business and Operations

Your Directors inform you that the Turnover including other income for the year under review is ₹ 16,469.55 Lakhs as against 13,496.99 Lakhs for the preceding year.

The profit before depreciation and tax for the year under review is ₹ 1,164.45 Lakhs as against ₹ 820.41 Lakhs for the preceding year. The profit before tax is ₹ 933.96 Lakhs as against ₹ 541.85 Lakhs.

The increase in turnover has been due to improved off take from our customers and also due to expansion of our customer base.



Industrial Relations

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

Fixed Deposits

The Company has not accepted any fixed deposits.

Directors

Sri. Sanjay Jayavarthanelu, Director is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Independent Directors

The Companies Act, 2013 requires that atleast one third of Boards Strength should be Independent Directors. In terms of Listing Agreement, the number of Independent Directors shall be half of the strength of the Board i.e., in our case, the number of Independent Directors shall be four.

The following 4 persons are Independent Directors of the company

1. Sri. N. Suryakumar
2. Sri. Ramesh Rudrappan
3. Sri. A. Palaniappan
4. Sri. Arun Selvaraj

In view of the Companies Act, 2013, all the above 4 Persons have to be appointed as Independent Directors at the ensuing Annual General Meeting. Necessary resolutions in this regard are placed before you.

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 2014-2015.

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 141(3)(g) of the Companies Act, 2013 has been received from them.

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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, 2014 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 26, 2014

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

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

B) FORM B (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

a. Research and Development:

- | | |
|---|--|
| 1. Specific areas in which R & D carried out by the Company | <ol style="list-style-type: none"> 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 | <ol style="list-style-type: none"> 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 | <ol style="list-style-type: none"> 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 | <ol style="list-style-type: none"> a) Capital : ₹ 4,02,533/- b) Recurring : ₹ 15,87,251/- c) Total : ₹ 19,89,784/- |

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 : ₹ 3,96,87,728.00

Place : Coimbatore
Date : May 26, 2014

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

The Indian electrical equipment industry has shown some revival in the first half of the current fiscal, after a negative growth of 7.8% in production in 2012-13. Domestic demand, coupled with increase in exports, has managed to keep the industry afloat. In keeping with the trend our company too has posted a positive growth.

Our fortunes continue to be tied to the Textile Machinery Manufacturing Industry and the positive growth in that sector during 2013 - 14 has also benefited us favourably.

Overall the trend of demand based on the industrial recovery has been upward during 2014 and this in turn has yielded us good results.

OPPORTUNITIES AND THREATS

We have taken initial steps in broadbasing our customer range for our existing products. The response has been encouraging. We expect this trend to continue during the current year. We are continuing to seek new products, new opportunities and tieups in our existing areas of business and also in any other areas of potential interest.

SEGMENTWISE PERFORMANCE

Control Panel Production continues to be our major activity and we have taken various steps during the last financial year to increase our efficiency in our production process. The available infrastructure in this segment has allowed us to scale our numbers in keeping with the market trend. We have made a small but significant attempt to diversify our customer base here. The logistics cost of distribution handicaps our reach to other potential customers.

In Plastics we have expanded our customer base and this has resulted in a rise in our turnover. We expect this trend to continue in the current year too and should augment our topline.

OUTLOOK

We are confident that existing positive growth trend in the country and in our industry should yield us a continual growth in the near term.

RISK AND CONCERNS

Our concern continues to be Raw Material Cost, escalating Labour Cost and shortage of Power.

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	2013-14	2012-13
Net Sales	15,755.31	12,811.85
Profit before Interest, Depreciation & Tax	1,170.75	824.57
Interest	6.29	4.16
Depreciation	230.50	278.57
Provision for Income tax	297.43	161.39
Profit after tax	636.53	380.45
Earnings per share (in ₹)	25.90	15.48

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 26, 2014

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, 2013 to 31st March, 2014 four Board Meetings were held on 24.05.2013, 09.08.2013, 31.10.2013 and 27.01.2014.

Details of attendance of each Director at the meetings of the Board during the Financial Year ended 31st March, 2014 are as follows :

Directors	24.05.2013	09.08.2013	31.10.2013	27.01.2014	AGM 07.09.2013
Sri.N.Suryakumar	✓	✓	✓	✓	x
Sri.Sanjay Jayavarthanavelu	x	✓	✓	✓	✓
Sri.D.Senthilkumar	✓	✓	✓	✓	✓
Sri.Ramesh Rudrappan	x	✓	✓	✓	✓
Smt.Nethra J S Kumar	✓	✓	✓	✓	✓
Sri.A.Palaniappan	✓	✓	✓	✓	✓
Sri Arun Selvaraj	✓	✓	x	✓	✓

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Remuneration of Directors

Remuneration and sitting fee paid to the Directors during the year ended 31st March, 2014:

Name	Salary	Other Perquisites	Sitting fee	Commission	Total
Sri.N.Suryakumar	-	-	40,000	-	40,000
Sri.Sanjay Jayavarthanavelu	-	-	15,000	-	15,000
Sri.D.Senthilkumar	-	-	30,000	-	30,000
Sri.Ramesh Rudrappan	-	-	40,000	-	40,000
Sri A. Palaniappan	-	-	40,000	-	40,000
Sri Arun Selvaraj	-	-	15,000	-	15,000
Smt.Nethra J S Kumar	50,26,819	-	-	-	50,26,819 #

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

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

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

Shareholding of Non-Executive Directors

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

Committee of Directors

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

(i) Audit Committee:

Audit Committee consists of the following Independent Directors :

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

Company Secretary of the Company is the Secretary of the Committee. The 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 2014.

Particulars of Audit Committee Meeting and attendance of members

Name / Date of Meetings	24.05.2013	09.08.2013	31.10.2013	27.01.2014
Sri. N.Suryakumar	✓	✓	✓	✓
Sri. Ramesh Rudrappan	×	✓	✓	✓
Sri. A. Palaniappan	✓	✓	✓	✓

(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 shareholders / investors Grievance Committee consists of the following directors:

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 Six letters / complaints were received from the investor which were replied/ resolved to the satisfaction of the investor. The outstanding letters / complaints as on 31.03.2014 was NIL. The Committee had met two times during the Financial Year ended 31st March, 2014, i.e. on 9th August 2013 and on 27th January, 2014.

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

Name / Date of Meetings	09.08.2013	27.01.2014
Sri. D.Senthilkumar	✓	✓
Smt. Nethra J S Kumar	✓	✓
Sri. Ramesh Rudrappan	✓	✓

(iii) Share Transfer Committee:

Share Transfer Committee consists of the members of the Board, 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 nineteen times during the Financial Year ended 31st March, 2014.

(iv) Remuneration Committee:

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

As there was no appointment or reappointment of Managing Director during the year, necessity of meeting of committee did not arise.

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	10.35 a.m	Saturday	07.09.2013
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	03.15 p.m	Thursday	23.08.2012
Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037	02.30 p.m	Friday	12.08.2011

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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

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 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, 8th August 2014

Time : 02.30 P.M

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

Financial Calendar

Financial Year : 1st April to 31st March

Annual Results 2013-14 announced : 26th May 2014

Posting of Annual Reports (2013-14) : On or before 15.07.2014

Last date of receipt of Proxy forms : 06.08.2014

Announcement of Quarterly Results for the Financial Year 2014 – 2015 : On or before 14th August 2014, 14th November 2014, 14th February 2015 and 30th May 2015

Date of Book Closure : Friday, the 1st August 2014 to Friday, the 8th August 2014 (both days inclusive)

Dividend Payment Date : On or before 7th September 2014.

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 2014-2015.

Stock Codes & ISIN Number :

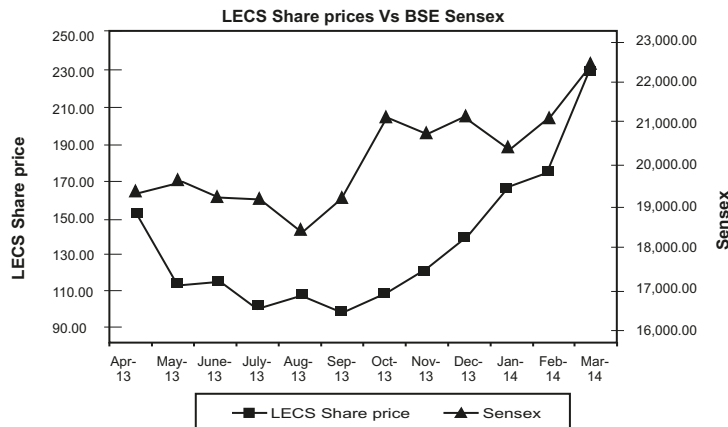
Stock Exchange	Scrip Code	ISIN No.
Bombay Stock Exchange Limited	504258	INE284C01018
Madras Stock Exchange Limited	-	INE284C01018

Market Price Data:

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

Month	Share Price (₹)	
	High	Low
Apr - 13	167.50	137.05
May - 13	169.95	117.00
Jun - 13	147.00	115.00
Jul - 13	131.90	111.00
Aug - 13	121.00	98.50
Sep - 13	123.45	107.00
Oct - 13	118.90	104.05
Nov - 13	132.00	109.50
Dec - 13	147.05	110.10
Jan - 14	172.20	124.65
Feb - 14	189.80	158.05
Mar - 14	250.00	167.00

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. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. They are the connectivity providers for Demat Segment.

Share Transfer System:

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Distribution of Share Holding as on 31.03.2014

Range	No. of shares	% Held	No. of Shareholders	%
Upto 500	7,82,183	31.82	9,794	96.00
501 - 1000	1,82,102	7.41	236	2.31
1001 - 2000	1,32,338	5.38	91	0.89
2001 - 3000	80,156	3.26	33	0.32
3001 - 4000	37,919	1.54	10	0.10
4001 - 5000	33,339	1.36	7	0.07
5001 - 10000	79,634	3.24	12	0.12
10001 and above	11,30,329	45.99	19	0.19
Total	24,58,000	100.00	10,202	100.00

Share Holding Pattern as on 31.03.2014

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	3,33,715	13.58
4.	Indian Public	13,74,567	55.92
5.	Directors and Relatives	103	0.00
6.	NRI	20,466	0.83
7.	Foreign Nationals	50	0.00
8.	Overseas Corporate Bodies	1,150	0.05
9.	HUF and Others	84,306	3.43
	Total	24,58,000	100.00

Dematerialisation of Shares:

As on 31.03.2014, a total of 22,70,656 shares constituting 92.38% of the total paid up capital of the Company have been dematerialized.

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 26, 2014

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 2013-2014.

Place : Coimbatore

Date : May 26, 2014

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, 2014 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 : 26.05.2014

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 M/s. Lakshmi Electrical Control Systems Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Lakshmi Electrical Control Systems Limited for the year ended 31st March, 2014, 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, 2014.

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 : 26.05.2014

For N.R.DORAI SWAMI & 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, 2014, 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's Responsibility for the Financial Statements

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.

Auditors' Responsibility

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

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

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, 2014;
- 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of 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.DORAI SWAMI & CO.,
Chartered Accountants
Firm Regn. NO. 000771S

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

Place : Coimbatore

Date : 26.05.2014

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

1. In Respect of its Fixed Assets :
 - 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. In Respect of its Inventories :
 - a) The inventories of the company have been physically verified by the management during the year.
 - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) The company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
3. The company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (b), (c), (d), (f) and (g) of the clause (iii) of paragraph 4 of companies (Auditors Report) Amendment order, 2004 are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In respect of contracts and arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, contracts and arrangements that needed to be entered into the register have been so entered.
 - b) In our opinion, the aforesaid transactions exceeding the value of ₹ 5.00 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. Based on our scrutiny of the Company's records and according to the information and explanations provided by the management, the company has not accepted any deposits from the public and hence the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
7. In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
8. 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, 2014 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.
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.

Place : Coimbatore

Date : 26.05.2014

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

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	2,45,80,000	2,45,80,000
(b) Reserves and Surplus	2	76,43,57,005	71,50,82,672
		78,89,37,005	73,96,62,672
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	69,01,591	83,11,013
(b) Other Long Term Liabilities	4	13,49,929	23,19,740
(c) Long term provisions	5	33,27,080	33,27,080
		1,15,78,600	1,39,57,833
(3) Current Liabilities			
(a) Short-Term Borrowings	6	3,23,09,866	2,92,19,152
(b) Trade payables	7	31,87,21,290	26,16,97,868
(c) Other current liabilities	8	1,17,75,600	1,35,49,962
(d) Short-term provisions	9	2,00,80,153	1,39,70,162
		38,28,86,909	31,84,37,144
TOTAL		1,18,34,02,514	1,07,20,57,649
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	13,74,17,772	11,70,84,205
(ii) Capital work-in-progress		61,89,047	620,827
(b) Non-current investments	11	10,69,60,398	10,69,60,398
(c) Long term loans and advances	12	12,99,533	14,18,876
		25,18,66,750	22,60,84,306
(2) Current assets			
(a) Current investments	13	-	54,70,000
(b) Inventories	14	15,47,91,541	11,18,44,072
(c) Trade receivables	15	25,35,37,254	21,00,86,681
(d) Cash and cash equivalents	16	44,63,32,327	47,44,81,810
(e) Short-term loans and advances	17	4,71,689	9,04,358
(f) Other current assets	18	7,64,02,953	4,31,86,422
		93,15,35,764	84,59,73,343
TOTAL		1,18,34,02,514	1,07,20,57,649

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

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

SUGUNA RAVICHANDRAN
Partner
Membership No.207893

SANJAY JAYAVARTHANAVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 26.05.2014

B. SATISH KRISHNAN
Company Secretary



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

(Amount in ₹)

Particulars	Note No	31.03.2014	31.03.2013
I Revenue from operations	19	1,60,19,06,270	1,30,44,36,961
II Other Income	20	4,60,76,072	4,04,71,082
III Total Revenue (I +II)		<u>1,64,79,82,342</u>	<u>1,34,49,08,043</u>
IV <u>Expenses:</u>			
Cost of materials consumed	21	1,35,91,42,113	1,09,35,55,927
Purchase of Stock-in-Trade	-	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(1,40,42,907)	4,45,895
Employee benefit expense	23	10,70,51,003	10,59,69,205
Financial costs	24	6,29,185	4,15,692
Depreciation and amortization expense	10	2,30,49,757	2,78,56,591
Other expenses	25	7,77,30,414	6,72,71,619
Total Expenses		<u>1,55,35,59,565</u>	<u>1,29,55,14,929</u>
V Profit before exceptional and extraordinary items and tax	(III - IV)	9,44,22,777	4,93,93,114
VI Exceptional Items [Profit / (Loss) on sale of Asset]	26	(10,27,106)	47,91,448
VII Profit before extraordinary items and tax	(V - VI)	9,33,95,671	5,41,84,562
VIII Extraordinary Items - Prior period expenses		-	-
Prior period Income		-	-
IX Profit before tax	(VII - VIII)	<u>9,33,95,671</u>	<u>5,41,84,562</u>
X Tax expenses:			
(1) Current tax		3,11,00,509	2,45,74,040
(2) Deferred tax		(14,09,422)	(84,55,847)
(3) Excess Tax Provision Reversed		-	-
(4) Income Tax for Earlier Years		51,565	20,900
XI Profit/(Loss) for the year from continuing operations	(IX-X)	6,36,53,019	3,80,45,469
XII Profit/(Loss) for the period		<u>6,36,53,019</u>	<u>3,80,45,469</u>
XIII Earning per equity share of Rs.10/- each (Basic/Diluted)		25.90	15.48

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 : 26.05.2014

B. SATISH KRISHNAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Note No	Particulars	As at 31.03.2014	As at 31.03.2013
1	SHARE CAPITAL		
a	AUTHORISED		
	20,000 - 13.5% Cumulative Redeemable Preference Shares of Rs.100/- each	20,00,000	20,00,000
	50,00,000 - Equity shares of Rs.10/-each	5,00,00,000	5,00,00,000
		5,20,00,000	5,20,00,000
b	ISSUED, SUBSCRIBED, CALLED AND PAID UP		
	24,58,000 - Equity Shares of Rs.10/- each fully paid	2,45,80,000	2,45,80,000
c	The total number of Shares as on 31/03/2014 and 31/03/2013 are same		
d	Number of shares held by share holders holding more than 5% of total shares		
	Smt.Nethra J.S.Kumar	4,97,337	4,97,337
	Lakshmi Electrical Drives Limited	1,31,206	1,31,206
2	RESERVES AND SURPLUS		
a	Capital Reserve		
	Opening balance	35,00,000	35,00,000
	Add: Addition / (reduction)	-	-
	Closing balance	35,00,000	35,00,000
b	Security Premium Reserve		
	Opening balance	5,03,20,000	5,03,20,000
	Add: Addition / (reduction)	-	-
	Closing balance	5,03,20,000	5,03,20,000
c	General Reserve		
	Opening balance	52,72,34,158	51,72,34,158
	Add: transfer from profit & loss account	1,00,00,000	1,00,00,000
	Closing balance	53,72,34,158	52,72,34,158
d	Surplus from Profit & Loss account		
	Opening balance	13,40,28,514	11,17,34,519
	Add: Current year surplus	6,36,53,019	3,80,45,469
	Less: Transfer to general reserve	1,00,00,000	1,00,00,000
	Less: Proposed dividend	1,22,90,000	49,16,000
	Less: Dividend tax provision	20,88,686	8,35,474
	Closing balance	17,33,02,847	13,40,28,514
		76,43,57,005	71,50,82,672
3	DEFERRED TAX LIABILITY		
	Opening Balance	83,11,013	1,67,66,860
	Add/Less: Provided /(Reversed) during the year	(14,09,422)	(84,55,847)
	Closing Balance	69,01,591	83,11,013
4	OTHER LONG TERM LIABILITIES		
	Trade payables	13,49,929	23,19,740
5	LONG TERM PROVISIONS		
	Provision for Electricity Tax	33,27,080	33,27,080

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Note No	Particulars	As at 31.03.2014	As at 31.03.2013
6.	Short Term Borrowings		
	Loans repayable on Demand-Secured		
	From Banks :		
	a Indian Bank-Limit Rs.5 Crores	1,73,69,926	58,00,842
	Security - Paripassu First charge on entire Current Assets of the Company with Bank of Baroda . Secured by Equitable Mortgage by way of deposit of the title deeds of the properties of the Company situated at SF No.147 an extent of 3.35 acres of land, SF No.145/2 an extent of 1.37 acres of land & SF No.145/2B2 an extent of 1.33 acres of land		
	Interest Rate - 11.20 % p.a.		
	Period of default : Nil		
	b Bank of Baroda-Limit Rs.2.5 Crores	1,49,39,940	2,34,18,310
	Security - Paripassu First charge on the entire Current Assets of the Company with Indian Bank		
	Interest Rate - 12.50 % p.a.		
	Period of default : Nil		
		<u>3,23,09,866</u>	<u>2,92,19,152</u>
7.	Trade Payables	31,87,21,290	26,16,97,868
8.	Other Current Liabilities		
	Unpaid dividends	16,72,102	17,55,674
	Salary and benefits	93,36,551	1,08,91,006
	Statutory Dues Payable	7,66,947	9,03,282
		<u>1,17,75,600</u>	<u>1,35,49,962</u>
9.	Short Term Provisions		
	a Provisions for employee benefits		
	Gratuity	-	6,37,463
	Leave Encashment	46,82,880	35,40,949
	b Others		
	Provision for income tax	-	28,32,592
	Provision for dividend	1,22,90,000	49,16,000
	Provision for dividend tax	20,88,686	8,35,474
	Provision for Expenses & ED on Finished Goods	10,18,587	12,07,684
		<u>2,00,80,153</u>	<u>1,39,70,162</u>

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

10 TANGIBLE ASSETS

(Amount in ₹)

Tangible Asset	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	For the Year		As at 31.03.2014	As at 01.04.2013	For the Year		As at 31.03.2014	31.03.2014	31.03.2013
		Additions	Deletions			Additions	Withdrawals			
a Land	96,76,222	5,04,535	3,64,785	98,15,972	-	-	-	-	98,15,972	96,76,222
b Building	7,01,24,471	54,670	-	7,01,79,141	3,96,62,411	30,20,779	-	4,26,83,190	2,74,95,951	3,04,62,060
c Plant & Equipments	35,67,78,124	4,29,73,619	3,10,26,065	36,87,25,679	28,81,41,046	1,81,83,759	2,95,99,471	27,67,25,334	9,20,00,345	6,86,37,078
d Furniture & Fixtures	1,34,39,537	3,10,285	4,51,350	1,32,98,472	90,48,523	8,24,642	4,32,828	94,40,338	38,58,135	43,91,014
e Vehicles	1,15,45,234	15,55,346	32,39,631	98,60,949	76,27,403	10,20,577	30,34,400	56,13,580	42,47,369	39,17,831
Total	46,15,63,589	4,53,98,455	3,50,81,831	47,18,80,213	34,44,79,384	2,30,49,757	3,30,66,699	33,44,62,442	13,74,17,772	11,70,84,205
Capital Work in Progress	6,20,827	5,30,72,151	4,75,03,931	61,89,047	-	-	-	-	61,89,047	6,20,827
Figures for the previous year	51,72,41,046	1,33,61,008	6,90,38,466	46,15,63,589	37,94,27,598	2,78,56,591	6,28,04,805	34,44,79,384	-	11,70,84,205

Additional Disclosure

Profit/(loss) on disposal of fixed asset during the year ended March 31, 2014 is (Rs.10,27,106)/- Rs.47,91,448/- for year ended March 31, 2013.

(Amount in ₹)

Note No	Particulars	As at 31.03.2014	As at 31.03.2013
11	NON-CURRENT INVESTMENTS		
	Investment in equity instruments-Quoted		
	Lakshmi Machine Works Limited-Associate		
	88,800 Equity Shares of Rs.10/- each fully paid	63,85,499	63,85,499
	Indian Bank		
	6,289 Equity Shares of Rs.10/- each fully paid	5,72,299	572,299
	Investment in equity instruments-Unquoted		
	Harshni Textiles Limited-Associate		
	1,00,00,000 Equity Shares of Rs.10/-each fully paid	10,00,02,600	10,00,02,600
		10,69,60,398	10,69,60,398
	Aggregate value of Quoted Investment		
	Cost	69,57,798	69,57,798
	Market Value	27,14,89,013	16,57,21,273
	Aggregate value of Unquoted Investment		
	Cost	10,00,02,600	10,00,02,600
12	LONG TERM LOANS & ADVANCES		
	(Unsecured Considered good)		
	a Security deposits	12,99,533	14,18,876
		12,99,533	14,18,876

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Note No	Particulars	As at 31.03.2014	As at 31.03.2013
13	CURRENT INVESTMENTS		
	Investment in HDFC Mutual Fund(Cash management fund-Treasury Advantage Plan)	-	54,70,000
		<u>-</u>	<u>54,70,000</u>
14	INVENTORIES		
a	Raw materials and Components valued at cost (Weighted average price)	9,87,01,651	7,10,63,608
b	Work in progress at estimated cost	3,51,46,297	2,46,69,202
c	Finished goods at cost or net realisable value whichever is lower. The Finished goods value includes Excise Duty	92,64,537	56,98,725
d	Stock in trade valued at cost	3,10,467	1,00,204
e	Stores & Spares valued at cost	83,63,639	75,45,988
f	Others - Scrap at net realisable value	86,482	21,638
	Consumables valued at cost	25,99,067	23,06,728
	Packing materials valued at cost	3,19,401	4,37,979
		<u>15,47,91,541</u>	<u>11,18,44,072</u>
15	TRADE RECEIVABLES -(UNSECURED AND CONSIDERED GOOD)		
	Outstanding for More than 6 Months	12,05,015	32,90,087
	Others	25,23,32,239	20,67,96,594
		<u>25,35,37,254</u>	<u>21,00,86,681</u>
16	CASH AND CASH EQUIVALENTS		
a	Unpaid dividend	16,72,102	17,55,674
b	Balance with Bank in Current Account	6,31,001	8,53,157
c	Cash in hand	2,44,852	48,960
d	Others		
	Margin Money	12,84,372	5,69,879
	Short Term Deposits	44,25,00,000	47,12,54,140
		<u>44,63,32,327</u>	<u>47,44,81,810</u>
17	SHORT TERM LOANS AND ADVANCES		
	Others-(Unsecured and considered good)		
	Loans & Advances to Employees	4,71,689	9,04,358
		<u>4,71,689</u>	<u>9,04,358</u>

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Note No	Particulars	As at 31.03.2014	As at 31.03.2013
18	OTHER CURRENT ASSETS		
	Advance for Purchase	24,75,692	56,21,986
	Vat & Cenvat tax input credit	4,57,36,948	1,15,39,540
	Prepaid expenses	20,19,866	21,45,322
	Service Tax credit	41,82,164	9,19,870
	Interest accrued but not due	1,91,06,321	2,13,60,065
	Advance Tax & refund receivable	28,81,962	15,99,639
		<u>7,64,02,953</u>	<u>4,31,86,422</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 : 26.05.2014

B. SATISH KRISHNAN
Company Secretary

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (Amount in ₹)

Note No	Particulars	31.03.2014	31.03.2013
19	REVENUE FROM OPERATIONS		
a	Sale of Products		
	Domestic Sales	1,76,57,14,928	1,43,83,40,331
b	Sale of Services	2,42,54,050	2,05,21,832
c	Other operating revenues	21,21,417	27,29,668
		1,79,20,90,395	1,46,15,91,831
	Less: Excise Duty paid	19,01,84,125	15,71,54,870
		1,60,19,06,270	1,30,44,36,961
20	OTHER INCOME		
	Interest Income (TDS ₹ 43,29,026/-)	4,33,01,444	3,49,85,785
	Dividend Income	20,10,214	50,69,076
	Duty Drawback	6,38,428	4,16,221
	Net Gain from Foreign Exchange	1,25,986	-
		4,60,76,072	4,04,71,082
21	COST OF MATERIALS CONSUMED		
	Opening Stock of Raw Materials and Components	8,14,76,146	7,44,15,264
	Purchases of Raw Materials and Components	1,38,80,46,675	1,10,06,16,809
		1,46,95,22,821	1,17,50,32,073
	Less: Closing stock of raw Materials and Components	(11,03,80,708)	(8,14,76,146)
		1,35,91,42,113	1,09,35,55,927
22	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Opening Stock of WIP	2,46,69,202	1,95,38,566
	Closing Stock of WIP	3,51,46,297	2,46,69,202
		(1,04,77,095)	(51,30,636)
	Opening Stock of FG	56,98,725	1,12,75,256
	Closing Stock of FG	92,64,537	56,98,725
		(35,65,812)	55,76,531
	Change in Inventory	(1,40,42,907)	4,45,895
23	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Wages	8,22,36,908	7,93,14,936
	Bonus	72,38,962	68,23,120
	Gratuity	23,50,644	49,28,196
	Provident fund	50,51,498	50,27,980
	Welfare expenses	1,01,72,991	98,74,973
		10,70,51,003	10,59,69,205
24	FINANCIAL COST		
	Interest Expenses	2,33,079	2,35,951
	Bank charges	3,96,106	1,79,741
		6,29,185	4,15,692

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (Amount in ₹)

Note No	Particulars	31.03.2014	31.03.2013
25	OTHER EXPENSES		
	Consumption of stores and spare parts	79,10,520	34,06,060
	Power and fuel	1,39,42,568	1,38,18,769
	Repairs & Maintenance		
	Repairs to machinery	98,04,041	77,72,549
	Repairs to vehicles	9,73,656	11,21,900
	Repairs to buildings	81,75,492	95,14,664
	Repairs others	23,35,633	19,06,543
		<u>2,12,88,822</u>	<u>2,03,15,656</u>
	Machining charges paid	1,25,00,046	1,31,50,180
	Insurance	4,95,147	4,71,022
	Rates and taxes, excluding taxes on income	18,63,238	13,07,080
	Audit fees		
	a) Statutory Audit	1,60,000	1,60,000
	b) For reimbursement of expenses	2,038	7,499
	c) For taxation matters	-	30,000
	d) For other services	89,497	49,000
	Communication expenses	8,14,536	6,94,881
	Postage, Printing & Stationery	10,73,376	8,61,427
	Sitting fees	1,80,000	2,35,000
	Legal & professional charges	54,94,468	27,57,456
	Travelling & conveyance expenses	63,32,194	48,56,769
	Miscellaneous expenses	55,83,964	51,50,820
		<u>7,77,30,414</u>	<u>6,72,71,619</u>
26	EXCEPTIONAL ITEMS		
	Profit on Sale of Fixed Asset	1,42,864	51,28,311
	Less: Loss on Sale of Fixed Asset	11,69,970	3,36,863
		<u>(10,27,106)</u>	<u>47,91,448</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 : 26.05.2014

B. SATISH KRISHNAN
Company Secretary

ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31ST MARCH 2014

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 Rs.5,000/- each, depreciation is provided @ 100% retaining Re.1/- as residual value in the year of addition, irrespective of date of addition.

4. Investments:

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

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

6. Taxation :

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

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

7. Provisions, Contingent Liabilities and Contingent Assets:

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

8. Foreign Currency Transactions :

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expense in the Statement of Profit & 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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2014

recognized as income or as expense in the period in which they arise.

9. Recognition of Income and Expenditure :

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

10. Excise Duty and Customs Duty :

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

11. Research & Development :

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

12. Impairment of Assets:

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

II. NOTES FORMING PART OF ACCOUNTS :

1. Consumption of Raw Materials & Components :

	Amount in ₹	% to total consumption	Amount in ₹	% to total consumption
	2013-14		2012-13	
i) Raw Materials–Imported	2,91,86,974	2.15	6,91,031	0.06
ii) Components–Imported	-	0.00	81,138	0.01
iii) Raw Materials–Indigenous	8,06,24,559	5.93	5,28,82,661	4.84
iv) Components – Indigenous	1,24,93,30,580	91.92	1,03,99,01,097	95.09
Total	1,35,91,42,113	100.00	1,09,35,55,927	100.00

2. As defined under Micro, Small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2014 has been made in the financial statements based on information received and available with the company.

	As at 31.03.2014	As at 31.03.2013
a) The Principal amount and the Interest due there on remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2014 (Contd...)

(Amount in ₹)

	As at 31.03.2014	As at 31.03.2013
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
	<u>2013 - 14</u> Amount in ₹	<u>2012 - 13</u> Amount in ₹
3. Value of Imports on CIF Basis:		
a) Raw Materials	31,45,422	9,26,916
b) Components & Spare parts	1,53,55,336	4,24,746
c) Capital Goods	1,96,24,495	-
4. Expenditure in Foreign currency (Others):	15,62,475	6,88,174
5. Earnings in Foreign Exchange:	Nil	Nil
6. Contingent Liabilities and claims against the company not acknowledged as debts:		
A] (i) Estimated amount of contracts to be Executed on capital account and not provided for	28,57,954	24,84,388
(ii) Guarantees and Counter Guarantees executed by the Company	63,44,038	56,98,238
(iii) Letters of Credit	1,24,67,103	31,27,472
B] Sales Tax Assessments have been completed up to Financial Year 2005 – 2006 and Financial Year 2009 - 2010.		
C] Income Tax Assessments have been completed up to A.Y. 2011 -12.		

7. Deferred Tax :

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

Deferred Tax Liability	Opening Balance	Additions during the year	Reversals during the year	Closing Balance
On account of Depreciation	1,32,30,226	-	(18,20,996)	1,14,09,230
Total (A)	1,32,30,226	-	(18,20,996)	1,14,09,230

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2014 (Contd...)

Deferred Tax Assets	Opening Balance	Additions during the year	Reversals during the year	Closing Balance
On account of 43B Disallowance	11,48,861	3,70,499	-	15,19,360
VRS	35,99,753	4,48,221	(12,50,248)	27,97,726
Software Charges	18,430	-	(11,058)	7,372
Carried Forward Losses	1,52,169	31,012	-	1,83,181
Total (B)	49,19,213	8,49,732	(12,61,306)	45,07,639
Deferred Tax Liability (Net) (A-B)	83,11,013	(8,49,732)	(5,59,690)	69,01,591

8. Details of Turnover :

(Amount in ₹)

Description	2013 - 14	2012 - 13
a) Control Panels	1,40,22,76,627	1,14,13,39,537
b) Plastic Components	14,47,66,977	10,70,63,586
c) Spares & Accessories	1,95,44,945	1,64,03,076
d) Sale of Power	89,42,254	1,63,79,262
e) Labour charges Receipts	2,42,54,050	2,05,21,832
f) Sale of Scrap	21,21,417	27,29,668
Total	1,60,19,06,270	1,30,44,36,961

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

1) Net Profit after tax before Extraordinary items : (A)	₹ 6,36,53,019	₹ 3,80,45,469
No. of Shares : (B)	24,58,000	24,58,000
Basic and diluted EPS : (A)/(B)	₹ 25.90	₹ 15.48
2) Net Profit after tax & after Extraordinary items : (A)	₹ 6,36,53,019	₹ 3,80,45,469
No. of Shares : (B)	24,58,000	24,58,000
Basic and diluted EPS : (A)/(B)	₹ 25.90	₹ 15.48

10. Employee Benefits :

(Amount in ₹)

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
A. Expense recognised during year ended 31.03.2014				
1 Current Service Cost	13,04,336	12,47,619	5,23,142	5,05,064
2 Interest cost	16,40,822	16,36,948	2,63,728	3,18,909
3 Expected return on plan assets	(19,41,431)	(18,86,194)	-	-
4 Actuarial Losses / (Gains) during the year	(9,62,910)	15,84,540	6,28,560	3,79,167
5 Total Expense	40,817	25,82,913	14,15,430	12,03,140
B. Actual return on Plan assets				
1 Expected return on plan assets	19,41,431	18,86,194	-	-
2 Actuarial (Loss) / Gain on Plan assets	-	-	-	-
3 Actual return on Plan assets	19,41,431	18,86,194	-	-
C. Net Asset/(Liability) recognised in the Balance Sheet				
1 Present value of the obligation as on 31.03.2014	2,16,69,984	2,05,10,272	43,06,875	35,40,949
2 Fair value of plan assets as on 31.03.2014	2,46,51,810	2,11,47,735	-	-
3 Funded status (Surplus/Deficit)	29,81,826	6,37,463	(43,06,875)	(35,40,949)
4 Unrecognised past service cost	-	-	-	-
5 Net Asset/(Liability) recognised in the Balance Sheet	29,81,826	6,37,463	(43,06,875)	(35,40,949)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2014 (Contd...)

(Amount in ₹)

DEFINED BENEFIT PLANS	Gratuity [Funded]		Leave Encashment [UnFunded]	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
D. Change in present value of the Obligation during the year ended March 31, 2014				
1 Present value of the obligation as at April 1, 2013	2,05,10,272	2,04,61,845	35,40,949	49,93,432
2 Current Service Cost	13,04,336	12,47,619	5,23,142	5,05,064
3 Interest cost	16,40,822	16,36,948	2,63,728	3,18,909
4 Benefits paid	(8,22,536)	(44,20,680)	(6,49,504)	(26,55,623)
5 Actuarial (gain) / loss on obligation	(9,62,910)	15,84,540	6,28,560	3,79,167
6 Present value of obligation as at March 31,2014	2,16,69,984	2,05,10,272	43,06,875	35,40,949
E. Change in Assets during the year ended March 31, 2014				
1 Fair value of plan assets as at April 1, 2013	2,11,47,735	1,90,27,516	-	-
2 Expected return on plan assets	19,41,431	18,86,194	-	-
3 Contributions made	23,85,180	46,54,705	6,49,504	26,55,623
4 Benefits paid	(8,22,536)	(44,20,680)	(6,49,504)	(26,55,623)
5 Actuarial gain / (loss) on plan assets	-	-	-	-
6 Fair value of plan assets as at March 31, 2014	2,46,51,810	2,11,47,735	-	-
F. Major categories of plan assets as a percentage of total plan				
1 Qualifying insurance policies	2,46,51,810	2,11,47,735	-	-
2 Own plan assets	-	-	-	-
Total	2,46,51,810	2,11,47,735	-	-
G. Actuarial Assumptions				
1 Discount rate	8.00%	8.00%	9.20%	8.20%
2 Salary escalation	7.00%	7.00%	7.00%	6.00%
3 Expected rate of return on plan assets	9.25%	9.25%	-	-
4 Attrition rate	1.50%	1.50%	3.00%	2.50%
5 Mortality rate	-	-	-	-

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

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

11. 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.
12. Figures have been rounded off to the nearest rupee.
13. 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.DORAI SWAMI & CO.,
Chartered Accountants
Firm Regn. NO. 000771S

SUGUNA RAVICHANDRAN

Partner
Membership No.207893

Place : Coimbatore

Date : 26.05.2014

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

B. SATISH KRISHNAN

Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

III CASH FLOW STATEMENT

31.03.2013 (₹ in Lakhs)	PARTICULARS	31.03.2014 (₹ in Lakhs)
	A. CASH FLOW FROM OPERATING ACTIVITIES :	
541.85	Net profit before tax and extraordinary items	933.96
	<u>Adjustments for :</u>	
278.57	Depreciation	230.50
-	Deferred Revenue Expenditure	-
2.36	Interest paid	2.33
-	Foreign Exchange	-
(47.91)	Profit/Loss on sales of assets(net)	10.27
(404.71)	Interest / Dividend	(460.76)
370.15	Operating Profit before Working capital changes	716.30
	<u>Adjustments for :</u>	
401.04	Trade and other receivables	(748.34)
(66.12)	Inventories	(429.48)
160.96	Trade payables	545.95
866.03	Cash generated from operations	84.43
(234.09)	Direct Taxes paid	(352.67)
631.94	Cash flow before extraordinary items	(268.24)
	Extraordinary items :	
-	Prior year expenses	-
-	Prior year Income and Excess provision reversed	-
631.94	Net cash from operating activities	(268.24)
	B. CASH FLOW FROM INVESTING ACTIVITIES :	
(127.96)	Purchase of Fixed Assets	(509.67)
110.25	Sale of Fixed Assets	9.88
-	Purchase of Investments	-
45.85	Sale of investment	54.70
404.71	Interest/Dividend received	460.76
-	Intercompany loan	-
432.85	Net cash used in investing activities	15.67
	C. CASH FLOW FROM FINANCING ACTIVITIES :	
-	Proceeds from long term borrowings	-
-	Repayment of long term borrowings	-
189.63	Working Capital Borrowings	30.91
-	Fixed Deposits	-
(2.36)	Interest paid	(2.33)
(122.90)	Dividend paid	(49.16)
(19.94)	Corporate Tax on Dividend	(8.35)
44.43	Net cash used in financing activities	(28.93)
1,109.23	Net increase in cash and cash equivalents	(281.50)
3,635.59	Cash and Cash equivalents (Opening Balance)	4,744.82
4,744.82	Cash and Cash equivalents (Closing Balance)	4,463.32
	Note: Cash and Cash equivalents include the following balances not available for use:	
17.56	Unpaid dividend warrant account	16.72

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 JAYAVARTHANEVELU
Director

NETHRA J.S. KUMAR
Chairperson and Managing Director

Place : Coimbatore
Date : 26.05.2014

B. SATISH KRISHNAN
Company Secretary

IV SEGMENT REPORTING FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

PRIMARY- BUSINESS SEGMENT	Electricals		Plastics		Wind Power Generation		TOTAL	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Revenue								
Sales	1,42,48,21,856	1,16,30,56,832	14,17,66,693	10,17,49,367	89,42,254	1,63,79,262	1,57,55,30,803	1,28,11,85,461
Inter Unit Transfers	-	-	-	-	-	-	-	-
Allocable other Income	23,21,024	28,18,199	2,41,97,307	2,07,36,334	-	48,25,278	2,65,18,331	2,83,79,811
Total Revenue	1,42,71,42,880	1,16,58,75,031	16,59,64,000	12,24,85,701	89,42,254	2,12,04,540	1,60,20,49,134	1,30,95,65,272
Less: inter Unit Transfers							-	-
Add: Unallocable Other Income							4,60,76,072	4,04,71,082
Enterprise revenue							1,64,81,25,206	1,35,00,36,354
Result								
Segment Results	4,93,53,771	1,73,29,547	11,79,714	(83,09,339)	(25,84,701)	51,08,963	4,79,48,784	1,41,29,171
Unallocable Expenses							-	-
Operating profit							4,79,48,784	1,41,29,171
Less: Interest Expenses							6,29,185	4,15,692
IncomeTax Expenses							2,97,42,652	1,61,39,092
Add: Unallocable Income							-	-
Interest receipts							4,33,01,444	3,49,85,785
Dividend receipts							20,10,214	50,69,076
Duty Drawback							6,38,428	4,16,221
Net Gain from Foreign Exchange							1,25,986	-
Net Profit after Tax							6,36,53,019	3,80,45,469
Other Information								
Segment assets	80,68,97,146	76,44,98,692	20,71,39,692	11,50,03,290	3,00,95,412	5,09,06,116	1,04,41,32,250	93,04,08,098
Add: Unallocated corporate assets							10,69,60,397	11,24,30,398
Enterprise assets							1,15,10,92,647	1,04,28,38,496
Segment Liabilities	31,37,18,550	26,68,09,712	1,81,28,269	1,07,57,858	33,27,080	33,27,080	33,51,73,899	28,08,94,650
Add: Unallocated corporate liabilities							81,59,18,748	76,19,43,846
Enterprise Liabilities							1,15,10,92,647	1,04,28,38,496
Capital Expenditure	1,98,90,788	1,22,13,798	2,55,07,667	11,47,210	-	-	4,53,98,455	1,33,61,008
Depreciation	65,99,812	67,76,917	58,55,675	60,70,105	1,05,94,270	1,50,09,569	2,30,49,757	2,78,56,591

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.DORAI SWAMI & CO.,

Chartered Accountants

Firm Regn. NO. 000771S

SUGUNA RAVICHANDRAN

Partner

Membership No.207893

Place : Coimbatore

Date : 26.05.2014

SANJAY JAYAVARTHANAVELU

Director

NETHRA J.S. KUMAR

Chairperson and Managing Director

B. SATISH KRISHNAN

Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

V RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31ST MARCH 2014

1) Relationships

<i>Description of relationship</i>	<i>Names of related parties</i>
Other related parties	Eshann Enterprises Ltd GKD ITR Tooling Center Harshni Textiles Ltd Integrated Electrical Controls India Ltd Lakshmi Precision Tools Ltd Lakshmi Electrical Drives Ltd Lakshmi Ring Travellers (cbe) Ltd Lakshmi Cargo Company Ltd Lakshmi Technology & Engineering Industries Ltd Lakshmi Life Sciences Ltd LCC Cargo Holding Ltd Lakshmi Machine Works Ltd Mahalaxmi Engineering Holding Ltd Quattro Engineering India Ltd Starline Travels Ltd Sun Spintex Ltd Titan HMG Paints India Ltd Venkata Varadhaa Agencies Ltd
Key Management Personnel	Smt.Nethra J.S.Kumar Chairperson and Managing Director

2) Transactions

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Purchase of goods	1,17,23,60,987 (79,76,05,447)	
Sale of goods	1,75,21,16,527 (1,41,59,89,094)	
Sale of Fixed Assets	1,76,425 (1,12,84,934)	
Rendering of services	2,55,56,886 (1,81,48,097)	
Receiving of services	48,79,128 (40,14,139)	
Managerial Remuneration	-	59,09,919 (50,59,900)
Loans given	-	
Investment in Equity	-	
Sale of equity	-	

Amount due to / from related parties

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Accounts Receivable	23,75,31,795 (19,30,32,682),	-
Accounts Payable	25,25,80,689 (19,40,68,833)	5,71,330 (8,49,523)

Note : Figures in brackets relate to previous year.

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

1. Purchase of Goods includes Lakshmi Machine Works Limited ₹ 1,00,14,95,908 (Previous Year ₹ 77,93,83,435), and Lakshmi Precision Tools Limited ₹ 16,89,17,427 (Previous Year ₹ 1,78,49,350), Others - Other Related Parties - Associates ₹ 19,47,652 (Previous Year ₹ 3,72,662).
 2. Sale of Goods includes Lakshmi Machine Works Limited ₹ 1,72,66,37,914 (Previous Year ₹ 1,39,78,40,484) and Others - Other Related Parties - Associates ₹ 2,54,78,613 (Previous Year ₹ 1,81,48,610).
 3. Sale of Fixed Assets includes Lakshmi Precision Tools Limited ₹ 1,76,425 (Previous Year ₹ 99,979) and Sun Spintex (Merged with LEDL) ₹ Nil (Previous Year ₹ 1,09,74,955) Others - Other Related Parties - Associates ₹ Nil (Previous Year ₹ 2,10,000).
 4. Rendering of Services includes Lakshmi Machine Works Limited ₹ 2,01,00,355 (Previous Year ₹ 1,72,87,614), Quattro Engineering India Limited ₹ 37,39,415 (Previous Year ₹ 3,52,270), and Others - Other Related Parties - Associates ₹ 17,17,116 (Previous Year ₹ 5,08,213).
 5. Receiving of Services includes Lakshmi Precision Tools Limited ₹ 15,177 (Previous Year ₹ 10,08,677) Lakshmi Cargo Company Limited ₹ 22,79,654 (Previous Year ₹ 9,15,041), Starline Travels Limited ₹ 22,98,076 (Previous Year ₹ 18,11,457), and Others - Others Related Parties - Associates ₹ 2,86,221 (Previous Year ₹ 2,78,964).
 6. Managerial Remuneration includes amount paid to Smt. Nethra J.S. Kumar ₹ 59,09,919 (Previous Year ₹ 50,59,900)
 7. Dividends paid to includes Smt. Nethra J.S. Kumar ₹ 9,94,674 (Previous Year ₹ 24,86,685), Lakshmi Electrical Drives Limited ₹ 2,62,412 (Previous Year ₹ 6,56,030) Others Related Parties - Associates ₹ 29,700 (Previous Year ₹ 74,250).
 8. Outstanding Receivables includes Lakshmi Machine Works Limited ₹ 23,01,54,003 (Previous Year ₹ 18,71,48,456) and Others - Others Related Parties - Associates ₹ 73,77,792 (Previous Year ₹ 58,84,226).
 9. Outstanding Payables includes Lakshmi Machine Works Limited ₹ 25,11,92,181 (Previous Year ₹ 19,30,20,493) and Others - Others Related Parties - Associates ₹ 13,88,508 (Previous Year ₹ 10,48,340).
- 3) The undernoted companies constitute the " Group" in terms of regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares Takeovers) Regulations, 1997 as amended with effect from 09-09-2002.
- 1) Eshann Enterprises Ltd, 2) GKD ITR Tooling Center 3) Harshni Textiles Ltd, 4) Integrated Electrical Controls India Ltd, 5) Lakshmi Precision Tools Ltd, 6) Lakshmi Electrical Drives Ltd, 7) Lakshmi Ring Travellers (CBE) Ltd, 8) Lakshmi Cargo Company Ltd, 9) Lakshmi Technology & Engineering Industries Ltd, 10) Lakshmi Life Sciences Ltd, 11) LCC Cargo Holding Ltd, 12) Lakshmi Machine Works Ltd, 13) Mahalaxmi Engineering Holding Ltd, 14) Quattro Engineering India Ltd, 15) Starline Travels Ltd, 16) Sun Spintex Ltd 17) Titan HMG Paints India Ltd, 18) Venkata Varadhaa Agencies Ltd,.

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 : 26.05.2014

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.



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN : L31200TZ1981PLC001124

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

ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF 'Nani Kalai Arangam' Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037

Name & Address of the Shareholder

SEQUENCE No :
FOLIO No :
DP.ID :
Client ID :

I hereby record my presence at the ANNUAL GENERAL MEETING at 'Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 on Friday the 8th August, 2014 at 2.30 PM

Signature of the Member or Proxy

No. of Share held

Form No. MGT-11

PROXY FORM

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

CIN	L31200TZ1981PLC001124
Name of the Company	LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED
Registered Office	34-A, Kamaraj Road, Coimbatore -641 018

Name of the shareholder	
Registered address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the shareholder (s) of shares of the above named company, hereby appoint

1	Name	
	Address	
	E-mail ID	
	Signature	

or failing him

2	Name	
	Address	
	E-mail ID	
	Signature	

or failing him

3	Name	
	Address	
	E-mail ID	
	Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company, to be held on Friday the 8th August, 2014 at 2.30 pm at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037 and at any adjournment thereof in respect of such resolutions as are indicated below :

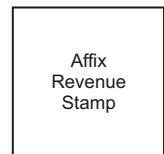
Resolution No. ()

1		6	
2		7	
3		8	
4		9	
5		10	

Signed this day of 2014.

Signature of shareholder :

Signature of Proxy holder(s) :



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



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN : L31200TZ1981PLC001124

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

Phone : 0422 3093500 Fax : 0422 2692541

E-mail : Secretary@lecsindia.com Website : www.lecsindia.com

POSTAL BALLOT FORM (in lieu of E-voting at the AGM)

1	Name of Sole / First Member	
2	Name(s) of Joint Member(s), if any	
3	Registered Folio No./DP ID No./Client ID No.	
4	Number of shares held	

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed through e-voting / Postal Ballot for the business stated in the AGM Notice dated 26th May, 2014 of the Company by conveying my / our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below :

Item No.	Description	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of Annual Financial Statements as on 31st March, 2014 (ordinary resolution)			
2	Declaration of dividend payable to Members (ordinary resolution)			
3	Reappointment of Sri.Sanjay Jayavarthanavelu, retire by rotation and seeking re-election (ordinary resolution)			
4	Appointment of Statutory Auditors and fixing their remuneration (ordinary resolution)			
5	Appointment of Sri. N. Suryakumar as Independent Director (ordinary resolution)			
6	Appointment of Sri. Ramesh Rudrappan as Independent Director (ordinary resolution)			
7	Appointment of Sri. A. Palaniappan as Independent Director (ordinary resolution)			
8	Appointment of Sri. Arun Selvaraj as Independent Director (ordinary resolution)			
9	Amendment to the Articles of Association of the Company to be in line with the Companies Act, 2013 (special resolution)			
10	Borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company (special resolution)			

Place :

Date :

Signature of Member

NOTE: Kindly read the instructions printed overleaf before filling the form. Last date for receipt of postal ballot forms by Scrutinizer is 04.08.2014

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED



INSTRUCTIONS :

1. In terms of Clause-35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the Annual General Meeting may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided as per Clause 35B of the Listing Agreement.
2. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form, sign and send in the enclosed self addressed postage prepaid envelope so as to reach the Scrutinizer as per instruction 6 below at the address Sri. M.D. Selvaraj, Practising Company Secretary, MDS Associates, Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028. Postage will be borne and paid by the Company. Envelopes containing Postal ballots, if deposited in person or sent by courier at the expense of the members will also be accepted.
3. The self addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address at which the Postal Ballot Form is to be sent.
4. The postal ballot form should be completed and signed by the members. In the case of joint shareholding, this form should be completed and signed by the first named member and in his absence, by the next named member(s). Unsigned postal ballot forms will be rejected. The signature on the postal ballot form must tally with the specimen signature registered with the Company.
5. Where the postal ballot form has been signed by an Authorised Representative of a body corporate, a certified copy of the relevant authorisations to vote on the postal ballot should accompany the postal ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
6. Duly completed postal ballot forms should reach the Scrutinizer not later than 5.00 p.m. on 4th August, 2014. Any postal ballot form received after this time and date will be treated as if the reply from the member has not been received.
7. A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the time and date specified at Item No.6 above.
8. Voting rights will be reckoned on the paid up value of shares registered in the name of the member on 27th June, 2014 which is the cut off Date fixed for this purpose.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.
10. There will be only one postal ballot form for every folio irrespective of the number of joint member(s).
11. A member need not use all the votes nor does he need to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a postal ballot will be final and binding.
13. Incomplete, unsigned or incorrect postal ballot forms will be rejected.
14. The date of Annual General Meeting will be the deemed date of passing resolution(s) through e-voting / postal ballot. It may also be noted that, in terms of Section 114 of the Act, the Resolutions contained in the Annual General Meeting Notice will be deemed to have been passed through the e-voting and postal ballot form. Accordingly, the results shall be declared in terms of Rules 20 or 21 of the Companies (Management and Administration) Rules 2014.
15. The right of vote under e-voting and postal ballot shall not be exercised by a proxy.

