



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

30th Annual Report 2010-2011



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

BOARD OF DIRECTORS

Dr. D. JAYAVARTHANAVELU	:	Chairman (upto 11.06.2010)
Sri. R. VENKATRANGAPPAN	:	Chairman (From 29.07.2010)
Sri. V.J. JAYARAMAN	:	Director
Sri. G. RANGASWAMY	:	Director
Sri. N. SURYAKUMAR	:	Director
Sri. SANJAY JAYAVARTHANAVELU	:	Director
Sri. D. SENTHIL KUMAR	:	Director
Sri. RAMESH RUDRAPPAN	:	Director (From 23.05.2011)
Smt. NETHRA J.S. KUMAR	:	Managing Director

Sri. R. SIVASUBRAMANIAN	:	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 Thirtieth Annual General Meeting of the share holders of Lakshmi Electrical Control Systems Limited will be held on Friday, the 12th August 2011 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 Profit and Loss Account of the Company for the financial year ended 31st March 2011 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 who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri. D.Senthilkumar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

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

"RESOLVED THAT Sri. Ramesh Rudrappan who was appointed by the Board of Directors as an Additional Director of the Company with effect from 23rd May 2011 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

7. To consider and if deemed fit to pass with or without modification the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions if any, of the Companies Act, 1956 including any amendments, modifications or reenactments thereof the Articles of Association of the Company be and are hereby amended by inserting the following new Article(s) 15 A , 15 B and 15 C after the existing Article 15.

15 - A CAPITALIZATION OF RESERVES

- I 1) The Company in General Meeting may, upon the recommendations of the Board of Directors resolve:-
 - a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve account or to the credit of the profit and loss account or otherwise available for distribution and:
 - b) that such sum be accordingly set free for distribution on the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- 2) The sum of aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) either in or towards:- i) paying up any amounts for the time being unpaid or any shares held by such member respectively.



- a) Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up to and amongst members in the proportions aforesaid: or
 - b) Partly in the way specified in sub-clause (i) and partly in that specified in sub clause (ii)
 - 3) A share premium account and a capital redemption reserve fund may, for the purpose of this article only be applied in the paying up of unissued shares, to be issued to members of the company as fully paid-up bonus shares.
 - 4) The Board of Directors shall give effect to the resolution passed by the Company in pursuance of this Article.
- II 1) Whenever such a resolution as aforesaid shall have been passed, the Board of Directors shall
- a) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid-up shares, if any, and
 - b) Generally do all acts and things required to give effect thereto.
- 2) The Board of Directors shall have full power:
- a) To make such provision by the issue of fractional certificates or by payment in cash or otherwise as it things fit, in the case of shares becoming distributable in fractions, and also.
 - b) To authorize any person to enter on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalized of the amount or any part of the amounts remaining unpaid on their existing shares.
- 3) Any agreement made under such authority shall be effective and binding on all such members.

15 - B REDUCTION OF CAPITAL

Subject to the provisions of Section 78 and 100 to 104 of the Companies Act, 1956 including any amendments, modifications and re enactments there of, the Company may from time to time by Special Resolution reduce its Capital or Share Premium Account in any manner whatsoever, including by paying off or Cancelling Capital or Share Premium Account which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or other wise as may deem expedient and Capital may be paid off upon the footing that it may be called up again or other wise. The Board of Directors subject to the Provisions of the Companies Act, 1956 are empowered to accept the surrender of shares.

15 - C BUY BACK OF SHARES

Subject to the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956, including any amendments, modifications and re enactments thereof the Company be and is hereby empowered to buyback its own shares from time to time to the extent and in the manner permitted under the Company Law and such other regulations as may be applicable.

8. To consider and if deemed fit to pass with or without modification the following resolution as a SPECIAL RESOLUTION:

" RESOLVED THAT pursuant to Section 16, Section 17 and other applicable provisions if any, of the Companies Act, 1956, the object clause of the Memorandum of Association of the Company be and is hereby altered in the following manner.

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The existing Clause 9 in the main object Clause III (A) of the Memorandum of Association be deleted and the following new Clause 9 be substituted thereof.

(9) To carry on the business of Electrical Engineers, Electricians, Engineers, Contractors, Manufacturers, suppliers and dealers in electrical and all other appliances, magnetic, galvanic and other appliances, apparatus, mechanical engineers, generate, buy, accumulate, distribute and supply electricity for all purposes for which electrical energy can be employed and deal in all apparatus and things required for or capable of being used in connection with the generation or distribution of electricity and suppliers of electric light, heat, sound, power, gas, steam, oil or other power by among other things installation and operation of Wind Energy Generators".

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

"RESOLVED THAT in supersession of the Special Resolution passed at the Annual General Meeting held on 31.07.2009 relating to the delisting of the equity shares of the Company from Madras Stock Exchange Limited (MSE), consent of the Company be and is hereby accorded for the withdrawal of the delisting application pending with MSE in view of the benefits of continued listing in MSE."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to take necessary steps for the withdrawal of the delisting application submitted to MSE."

Place: Coimbatore
Date : May 23, 2011

By order of the Board
R. Sivasubramanian
Company Secretary

NOTE:

- 1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**
- Brief resume and details of shareholding of Non-Executive Directors who retire by rotation and seeking re-election as required under Clause 49 of the listing agreement, are provided under the Corporate Governance Report.
- The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 29th July 2011 to Friday, the 12th August 2011 (both days inclusive).
- 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.
- The dividend as recommended by the Board, if sanctioned at the meeting, will be paid to those members or their mandatees whose name appear on the Register of Members on 12th August 2011, 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 28th July 2011.



7. Pursuant to Section 205-C of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999 all unclaimed dividends shall be transferred to the "Investors Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-2010 are requested to write to our Registrar and Share Transfer Agents, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 for claiming the dividend. The seven year period for the unclaimed dividend of the year 2003-04 comes to an end on 23rd August 2011. The amount will be transferred to the Investors Education and Protection Fund immediately after that date and no claim can be made by the Shareholders thereafter.
8. 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.
9. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
10. 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.
11. 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 2010-11 should be lodged with M/s. S.K.D.C. Consultants Limited on or before 26.07.2011.
12. The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by serving the documents viz. Notices for General Meetings, Financial Statements, Annual Reports etc. through electronic mode, for which the Company has to obtain email addresses of its members. To take part in the above Green Initiative, we propose to send the above documents in electronic form to the email addresses of the members.

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

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

Item No.6

Sri. Ramesh Rudrappan was appointed as an Additional Director of the Company with effect from 23.05.2011 pursuant to Section 260 of the Companies Act, 1956 and Article 35 of Articles of Association of the Company and as an Independent, Non-Executive Director in compliance of Clause 49 of the Listing Agreement. He holds office only up to the date of the 30th Annual General Meeting of the Company.

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

None of the Directors of the Company is concerned or interested in this resolution.

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Item No.7

In terms of the provisions of the Companies Act, 1956 and other applicable Statutory regulations, Capitalization of Reserves is permissible if there is a provision in the Articles of Association of the Company.

Companies were permitted to buy back its own securities through the Companies Amendment Act, 1999. The Companies Act, 1956 also permits reduction of Share Capital if there is provision in the Articles of Association of the Company. However there is caveat that the Articles of Association of the Company should contain suitable articles enabling the Company to have the above provisions. At present there is no provision in the Articles of Association of the Company for the above.

The above proposals are enabling provisions and the Board of Directors of the Company recommends the above resolutions for the approval of shareholders.

Item No.8

The Company is engaged in the business of manufacturing Low Voltage Switch Gears, Electrical Control Panels and Engineering Plastic Components etc.

As the Members are aware power generation is gaining momentum and adoption of conventional sources which are environmental friendly in Indian situation is highly encouraged. The Board of Directors to be more precise and specific have proposed to amend / alter Clause 9 of the Memorandum of Association to enable the Company to take up the activities mentioned in the said clause.

Members are aware that the alterations to the Memorandum of Association of the Company have been sent for approval of the shareholders through postal ballot. Accordingly the resolution set out in item no. 8 is submitted for your approval.

Interest of Directors:

None of the Directors of the Company is concerned or interested in the resolutions number 7 and 8.

A copy of the existing Memorandum and Articles of Association of the Company together with proposed alterations are available for inspection at the registered office of the company on any working day during the usual business hours.

Item No.9

The Company had decided to delist the shares from Madras Stock Exchange Limited(MSE), at its Annual General Meeting held on 31.07.2009 as there was no trading in the Stock Exchange. Based on the resolution, delisting application was submitted to the Stock Exchange in October 2009 which is still pending with them.

MSE has requested the Company and informed that they are taking steps for restarting the trading facilities and they have also informed that MSE has entered in to a Strategic arrangement with the National Stock Exchange in terms of which the members of the MSE are allowed to trade in the National Stock Exchange platform.

The continuous listing in MSE will add liquidity to our shares which is beneficial to our shareholders. The Board of Directors recommends adoption of the resolution.

Interest of Directors

None of the Directors of the Company is concerned or interested in this resolution.

Place: Coimbatore
Date : May 23, 2011

By order of the Board
R. Sivasubramanian
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Thirtieth Annual Report of your Company together with the audited accounts for the year ended 31st March 2011.

Financial Results	Current Year ended 31.03.2011 (Amount in Rs.)	Previous year ended 31.03.2010 (Amount in Rs.)
Sales and Other Income	1,477,110,389	998,316,232
Profit Before Depreciation	188,983,059	144,133,431
Less : Depreciation	52,237,390	30,197,461
Net Profit/Loss	136,745,669	113,935,970
Prior year Income	–	–
Excess provision for I.T for earlier years reversed	1,463	874
Less : Prior year expenses/extraordinary items		
Provision for Taxation	41,281,134	38,898,910
Provision for deferred tax	3,914,591	2,333,737
Income Tax for earlier years	1,403,198	120,657
Add : Surplus Brought Forward	164,496,477	110,511,665
AVAILABLE FOR APPROPRIATION	254,644,686	183,095,205
Appropriations:		
Proposed Dividend	11,061,000	7,374,000
Provision for corporate tax on dividend	1,794,371	1,224,729
Transfer to General Reserve	9,015,000	10,000,000
Balance Carried Forward	232,774,316	164,496,476
Total	254,644,686	183,095,205

Dividend

Your Directors have pleasure in recommending a dividend of Rs.4.50/- per Equity Share of Rs.10.00 each. The above dividend, if approved by the shareholders at the forthcoming Annual General Meeting will absorb Rs.11,061,000/- and will be paid to those members or their mandatees whose name appear on the Register of Members as on 12th August 2011 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 28th July 2011.

Business and Operations

Your Directors inform you that the Turnover including other income for the year under review is Rs.14,771.10 Lakhs as against Rs. 9,983.16 Lakhs for the preceding year.

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The profit before depreciation and tax for the year under review is Rs.1,889.83 Lakhs as against Rs. 1,441.33 Lakhs for the preceding year. The profit before tax is Rs.1,367.46 Lakhs as against Rs. 1,139.36 Lakhs.

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

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

1. Sri.Sanjay Jayavarthanelu
2. Sri D.Senthilkumar

Dr.D.Jayavarthanelu, the founder Chairman of the Company passed away on 11.06.2010. He was instrumental in bringing the technical collaboration with Sprecher & Schue of Switzerland to manufacture LV Switchgear at the dedicated facility. He was a person of clear perception, progressive outlook and always devoted his attention to the needs of the consumers. He was associated with Textile & Textile Machinery Industry for over four decades. He was a visionary, dynamic leader and a great philanthropist. The Board of the Company would like to place on record its sincere appreciation for the advisory support he gave during his tenure as Chairman.

Sri Ramesh Rudrappan, was appointed as an Additional Director on the Board with effect from 23.05.2011. As per the provisions of Section 260 of the Companies Act, 1956, he can hold office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956 along with the requisite deposit in respect of the above person proposing his candidature as Director of the Company.

Corporate Governance

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

Listing

Your Company's shares are listed in Bombay Stock Exchange Limited, Mumbai and the listing fees have been paid up to the financial year 2011-2012.

The Company has filed an application for Delisting of its equity shares from Madras Stock Exchange Limited, Chennai based on the resolution passed at the 28th Annual General Meeting held on 31.07.2009.

In the meanwhile, MSE has requested the Company and informed that they are taking steps for restarting the trading facilities and they have also informed that MSE has entered into a Strategic arrangement with the National Stock Exchange of India in terms of which the members of the MSE are allowed to trade in the National Stock Exchange platform. The continuous listing in MSE will add liquidity to our shares which is beneficial to our shareholders. So the Board of Directors at their meeting held on 23.05.2011 has passed a resolution to withdraw the delisting application submitted with the Madras Stock Exchange Limited, Chennai.

Auditors

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



INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

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

Information in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 2011 is given in Annexure - II 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, 2011 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 Companies Act, 1956, 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.

General

Details of Production, Licensed and installed capacity are annexed to the Balance Sheet as required by Law.

Acknowledgements

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

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

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 23, 2011

R. Venkatragappan
Chairman

Annexure I

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

A) CONSERVATION OF ENERGY :

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

B) FORM B (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

a. Research and Development :

1. Specific areas in which R & D carried out by the Company
 - a) Continuous improvement and upgradation of technology and design of components of the Low Voltage Switchgear & Control gear.
 - b) Manufacturing process improvements and testing methods & devices.
 - c) Further development in Electronic Motor Protection Relay for various applications.

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2. Benefits derived as a result of the above R & D
- a) To conform to the latest relevant IS 13947/ IEC 947 standards and UL approvals. Reduction in cost through identification of alternative material / substitution of components.
- b) Additional products are developed for commercial production to add to the mix - Capacitor Duty Contactor, Electronic Timer, Thermister Protection Relays and Voltage Monitoring Relays.
3. Future plans of action
- a) Improvement in the existing products and development of new products.
4. Expenditure on R & D
- a) Capital : NIL
- b) Recurring : Rs.4.30 Lakhs
- c) Total : Rs. 4.30 Lakhs
- d) Total R&D expenditure as a percentage of total turnover : 0.03%

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 : Rs.20,134,942

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 23, 2011

R. Venkatrangappan
Chairman

Annexure II

Statement appended to the Directors' Report pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 & forming part of the Directors' Report for the year ended 31st March, 2011.

Sl. No.	Name	Age/ Yrs	Designation/ Nature of Duties	Remune- ration	Qualification	Experience in years	Date of Commence- ment of employment	Last employ- ment before joining the Company
1.	Smt. Nethra J.S. Kumar	39	Managing Director	Rs. 8,574,723	Management Degree Holder	11	01.07.02	-

Note : 1) The above remuneration includes Company's contribution to Provident Fund, Gratuity and other Perquisites and the employment is contractual.

- 2) Smt.Nethra J S Kumar, Managing Director is related to Sri. Sanjay Jayavarthanavelu and Sri. D.Senthilkumar, Directors



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Our activities in the manufacture of LV Switchgear products, control panels and power management systems constitute only a segment of the massive Electrical Industry, which has a complex profile.

In a substantial measure, our company's business is linked to the Textile Machinery manufacturing Industry, and so are its fortunes.

The trend of demand, after the recovery midway in the previous year, continued growing in the financial year 2011. That has naturally yielded for us some good results.

OPPORTUNITIES AND THREATS

Our major customers are at their plans to augment production, to meet an anticipated expansion in demand for their machinery. This augers well for our growth too. Steps are already taken to create additional facilities to match.

The comparative advantage our country has in the globalised scenario, for Textile Manufacturers is reassuring. We could remain optimistic on its stable prospects.

But, as was expected, in such favourable conditions prevailing in India, many MNCs are also settling-in to have a bite into the pie. Competition will thus intensify and keep all the players on the run.

SEGMENTWISE PERFORMANCE

The building space and specific manufacturing facilities in our company, to build control panels, are substantially expanded to meet all customers' expectations.

Nurturing of a wider network of customers and diversity in this category remains our continuing agenda.

In the field of LV Switchgear too we are growing, though very modestly. Limited product range, pressure on profit margins and breadth and depth of market access are some of our limitations hampering growth, in sync with the market growth.

OUTLOOK

Growth story of Indian economy in terms of GDP is continuing, despite the anxieties and unpredictability. So we should be swimming along. We shall be operating to our established capacity, to realize economic returns.

RISK AND CONCERNS

Challenges of inflation are mounting in terms of raw-material prices and man-power costs. Cost of money in terms of interest charges is adding to the injury. On the flip side the manufactured products have battles to be fought in the market in the name of competition.

Electrical energy is the one that fuels the economy most. But, fuels in any form, that are principal to energy production, are threatening for their access, dependability and prices.

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.

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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:

(Rs. in Lacs)

Particulars	2010-11	2009-10
Net Sales	14,516.97	9,828.43
Profit before Interest, Depreciation & Tax	1,988.75	1,491.95
Interest	98.92	50.62
Depreciation	522.37	301.97
Provision for Income tax	465.97	413.52
Profit after tax	901.49	725.84
Earnings per share (in Rs.)	36.68	29.53

HUMAN RESOURCES:

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

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 23, 2011

R. Venkatragappan
Chairman

CORPORATE GOVERNANCE REPORT

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

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

(a) Composition

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

Position of Board of Directors

As mandated by Clause 49 of the listing agreement entered into with the Stock Exchange, none of the directors hold any membership in more than ten committees of boards or Chairman of more than five committees in which they are members.

Name	Position	Other Directorships	Chairman / Member in Committees
Dr.D.Jayavarthanelu *	Non-executive - Chairman	10	2
Sri.R.Venkatrangappan #	Non-executive - Chairman	9	5 / 12
Sri.N.Suryakumar	Non-executive - Independent	2	1
Sri.V.J.Jayaraman	Non-executive - Independent	5	1/ 3
Sri.G.Rangaswamy	Non-executive - Independent	2	-
Sri.Sanjay Jayavarthanelu	Non-executive Director	10	5
Sri.D.Senthilkumar	Non-executive Director	16	3
Smt.Nethra J S Kumar	Executive - Managing Director	13	3

* Dr.D.Jayavarthanelu was Chairman upto 11.06.2010

Sri.R.Venkatrangappan is Chairman from 29.07.2010

(b) Board Meetings and Attendance

During the period from 1st April, 2010 to 31st March, 2011 four Board meetings were held on 26.05.2010, 29.07.2010, 27.10.2010 and 24.01.2011.

Details of attendance of each Director at the meetings of the Board during the financial year ended 31st March, 2011 are as follows.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Name	26.05.2010	29.07.2010	27.10.2010	24.01.2011	AGM 29.07.2010
Dr.D.Jayavarthanavelu*	✓	x	x	x	x
Sri.R.Venkatragappan	✓	✓	✓	✓	✓
Sri.N.Suryakumar	✓	✓	x	✓	x
Sri.V.J.Jayaraman	✓	✓	✓	✓	x
Sri.G.Rangaswamy	✓	✓	x	✓	x
Sri.Sanjay Jayavarthanavelu	✓	✓	x	x	✓
Sri.D.Senthilkumar	✓	✓	✓	✓	✓
Smt.Nethra J S Kumar	✓	✓	✓	✓	✓

* Dr.D.Jayavarthanavelu was Chairman upto 11.06.2010

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

1. Sri Sanjay Jayavarthanavelu

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

Experience: He has more than 18 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. Hermes Academy of Training Limited
4. Lakshmi Cargo Company Limited
5. Lakshmi Machine Works Limited
6. Lakshmi Ring Travellers (Coimbatore) Limited
7. Lakshmi Technology and Engineering Industries Limited
8. Rieter-LMW Machinery Limited
9. Super Sales India Limited
10. The Lakshmi Mills Company Limited

Membership in Committees:

- Lakshmi Machine Works Limited - Share Transfer Committee
 Lakshmi Machine Works Limited - Shareholders / Investors
 Grievance Committee
 Super Sales India Limited - Share Transfer Committee
 Super Sales India Limited - Shareholders / Investors
 Grievance Committee
 Fortis Malar Hospital Limited - Audit Committee

Shareholding: NIL.



2. Sri D.Senthilkumar

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

Experience: He has vast and rich experience in Engineering and Textile industry in all its facets such as Production, Marketing, Finance etc.

He holds Directorships in the following companies:

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

Membership in Committees:

Harshini Textiles Limited	- Audit Committee
Lakshmi Electrical Control Systems Limited	- Shareholders / Investors Grievances Committee
Lakshmi Electrical Control Systems Limited	- Share Transfer Committee

Shareholding: 14750 equity shares of Rs.10/- constituting 0.60% of the Paid-up capital

3. REMUNERATION OF DIRECTORS:

Remuneration and sitting fee paid to the Directors during the year ended 31st March, 2011:

Name	Salary	Other Perquisites	Sitting fee	Commission	Total
Dr.D.Jayavarthanavelu *			5000		5000
Sri.R.Venkatrangappan			55000		55000
Sri.N.Suryakumar			35000		35000
Sri.V.J.Jayaraman			45000		45000
Sri.G.Rangaswamy			15000		15000
Sri.Sanjay Jayavarthanavelu			10000		10000
Sri.D.Senthilkumar			30000		30000
Smt.Nethra J S Kumar	40,50,000	20,25,000	-	11,58,522	72,33,522 #

* Dr.D.Jayavarthanavelu was Chairman upto 11.06.2010

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

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

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Name of the Directors	No. of Shares
1. Sri.R.Venkatrangappan	300
2. Sri.N.Suryakumar	103
3. Sri.V.J.Jayaraman	100
4. Sri.G.Rangaswamy	Nil
5. Sri. Sanjay Jayavarthanavelu	Nil
6. Sri.D.Senthilkumar	100

4. COMMITTEE OF DIRECTORS:

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

(i) Audit Committee:

Audit Committee consists of the following independent Directors:

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

Company Secretary of the Company is the Secretary of the Committee. The Audit committee would assure to the Board, compliance of adequate internal control systems and financial disclosures and other issues confirming to the requirements specified in the Companies Act and Listing Agreement entered into with the Stock Exchange.

The Committee met four times during the financial year ended 31st March 2011.

Particulars of Audit Committee meeting and attendance of members

Name	26.05.2010	29.07.2010	27.10.2010	24.01.2011
Sri. R.Venkatrangappan	✓	✓	✓	✓
Sri. V.J.Jayaraman	✓	✓	✓	✓
Sri. N.Suryakumar	✓	✓	x	✓

(ii) Shareholders / Investors Grievance Committee:

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

The committee consists of the following Directors as its members:

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

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

During the year 6 letters / complaints were received from the investors which were replied/ resolved to the satisfaction of the investors. The outstanding letters / complaints as on 31.03.2011 was NIL.

(iii) Share Transfer Committee:

Share Transfer Committee consists of the members of the Board and Share Transfer Agents. At present there are 6 members in the Committee. The committee reviews and approves transfers and transmission of equity shares. The committee had met 25 times during the financial year ended 31st March, 2011.

(iv) Remuneration Committee:

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

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

5. GENERAL BODY MEETINGS:

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

Location	Time	Day	Date
Nani Kalai Arangam, Mani Higher Sec. School Coimbatore - 641 037	11.00 a.m	Thursday	29.07.2010
-do-	12.05 p.m	Friday	31.07.2009
-do-	11.30 a.m.	Monday	21.07.2008

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

1. At the AGM held on 29.07.2010:
To redesignate Smt.Nethra J.S.Kumar, Wholetime Director as Managing Director and to approve her remuneration under Section 198,309,349 and 350 of the Companies Act, 1956.
2. At the AGM held on 31.07.2009:
To seek voluntary delisting of equity shares from Madras Stock Exchange Limited, Chennai.
3. At the AGM held on 21.07.2008, no Special Resolution was passed.
No postal ballot exercise was undertaken in the last three Annual General Meetings.

6. DISCLOSURES:

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

No penalty imposed or strictures passed on the Company by any regulatory authority for non-compliance of any law and no person has been denied access to Audit Committee. No non-mandatory requirement is complied with except the constitution of Remuneration Committee. No whistle blower policy is adopted by the Company. In the preparation of Financial Statements no differential treatment from the prescribed Accounting Standard is followed.

Certificate from the Statutory Auditors confirming the compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange in India forms part of this report.

7. MEANS OF COMMUNICATION:

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

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

8. SHAREHOLDERS INFORMATION:

i. Annual General Meeting

Day & Date	: Friday, 12th August 2011
Time	: 2.30 P.M
Venue	: Nani Kalai Arangam Mani High Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

ii. Financial Calendar (2010-11)

Financial year	: 1st April to 31st March
Annual Results 2010-11 announced	: 23rd May 2011
Posting of Annual reports	: On or before 18.07.2011
Last date of receipt of Proxy forms	: 10.08.2011
Announcement of Quarterly Results for the financial year 2011 - 2012	: On or before 14th August 2011, 14th November 2011, 14th February 2012 and 30th May 2012
iii. Date of Book Closure	: 29th July 2011 to 12th August 2011 (both days inclusive)
iv. Dividend Payment Date	: Within 30 days from the date on which the shareholders approve the dividend.

v. LISTING ON STOCK EXCHANGES:

The equity shares of the Company are listed in Bombay Stock Exchange Limited, Mumbai and the listing fees have been paid up to the financial year 2011-2012.

The Company has filed an application for delisting of its equity shares from Madras Stock Exchange Limited, Chennai pursuant to the special resolution passed at the 28th Annual General Meeting held on 31.07.2009.

In the meanwhile, MSE has requested the Company and informed that they are taking steps for restarting the trading facilities and they have also informed that MSE has entered into a Strategic arrangement with the National Stock Exchange of India in terms of which the members of the MSE are allowed to trade in the National Stock Exchange platform. The continuous listing in MSE will add liquidity to our shares which is beneficial to our shareholders. So the Board of Directors at their meeting held on 23.05.2011 has passed a resolution to withdraw the delisting application submitted with the Madras Stock Exchange Limited, Chennai.

STOCK CODES & ISIN NUMBER:

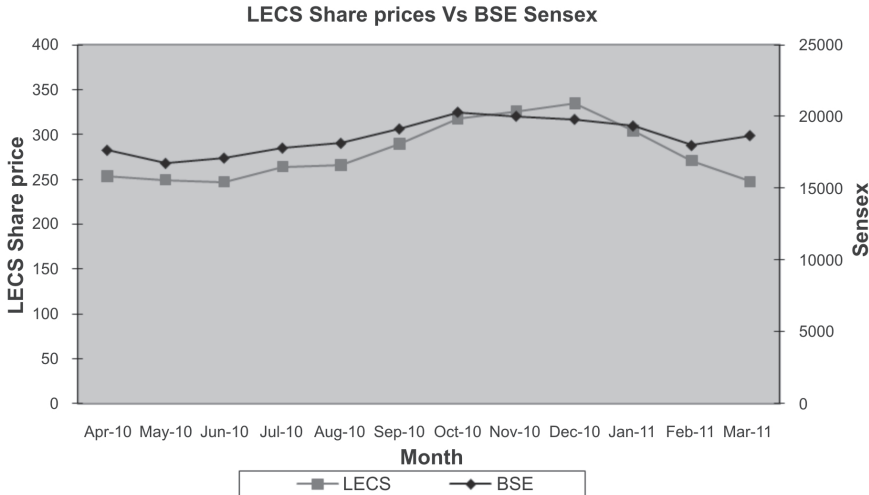
Stock Exchange	Code No.	ISIN No.
Bombay Stock Exchange Limited	504258	INE284C01018

vi. MARKET PRICE DATA:

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

Month	Share Price (Rs.)	
	High	Low
Apr-10	280.00	226.50
May-10	269.00	230.00
Jun-10	269.40	225.10
Jul-10	283.00	245.10
Aug-10	284.90	247.20
Sep-10	318.00	261.40
Oct-10	369.95	266.00
Nov-10	374.00	278.00
Dec-10	388.40	281.10
Jan-11	344.00	264.55
Feb-11	299.40	242.00
Mar-11	274.95	220.00

vii.



viii. REGISTRAR & SHARE TRANSFER / DEMAT AGENTS:

Share Transfer work of the company both physical as well as demat segment are carried out 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.

ix. SHARE TRANSFER SYSTEM:

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

x. DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2011

Range	No. of shares	% Held	No. of Shareholders	%
Upto 500	858,146	34.91	10,759	96.68
501 - 1000	161,633	6.58	211	1.90
1001 - 2000	121,921	4.96	83	0.75
2001 - 3000	79,848	3.25	32	0.29
3001 - 4000	41,375	1.68	11	0.10
4001 - 5000	19,210	0.78	4	0.04
5001-10000	56,469	2.30	8	0.07
10001 and above	1,119,398	45.54	19	0.17
Total	2,458,000	100.00	11,127	100.00

xi. SHARE HOLDING PATTERN AS ON 31.03.2011

S.No.	Category	No. of Shares	Percentage of holding
1.	Promoters and Promoters Group	566,888	23.06
2.	Financial Institutions, Banks and Mutual Fund	250	0.01
3.	Bodies Corporate	330,209	13.43
4.	Indian Public	1,408,008	57.28
5.	Directors and Relatives	503	0.02
6.	NRI	77,441	3.15
7.	Foreign Institutional Investors	9,085	0.37
8.	Overseas Corporate Bodies	1,150	0.05
9.	HUF and Others	64,466	2.63
	Total	2,458,000	100.00

xii. DEMATERIALISATION OF SHARES:

As on 31.03.2011, 18,55,530 Shares constituting 75.5 % of the total paid up capital of the Company have been dematerialized.

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

xiv. PLANT LOCATIONS:

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

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

xv. ADDRESS FOR CORRESPONDENCE:

All correspondence should be addressed to:

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

For and on behalf of the Board

Place : Coimbatore
 Date : 23.05.2011

Nethra J.S. Kumar
 Managing Director

xvi. CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

The Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct during the year 2010-2011.

Place : Coimbatore
 Date : 23.05.2011

Nethra J.S. Kumar
 Managing Director



CERTIFICATION

To
The Board of Directors
Lakshmi Electrical Control Systems Limited

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

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, 2011 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
D.G.M - Finance & Accounts

Nethra J.S. Kumar
Managing Director

Place: Coimbatore
Date : 23.05.2011

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 EXCHANGE

To

The Members of Lakshmi Electrical Control Systems Limited

We have examined the compliance of conditions of Corporate Governance by M/s.Lakshmi Electrical Control Systems Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange for the year ended 31st March, 2011.

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

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

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

Place : Coimbatore

Date : 23.05.2011

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

AUDITORS' REPORT

To

The members of Lakshmi Electrical Control Systems Limited

1. We have audited the attached Balance Sheet of M/s. Lakshmi Electrical Control Systems Limited, as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books;
 - iii. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956;
 - v. On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India read with the significant accounting policies and other notes thereon,
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - b) in the case of Profit and Loss Account, of the Profit for the year ended on that date.
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Coimbatore
Date : 23.05.2011

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Annexure to the Auditors' Report

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

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
c) No substantial part of fixed assets of the company has been disposed off during the year.
2. a) The inventories of the company have been physically verified by the management during the year.
b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
c) The company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
3. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - a) The Company had given loans to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1107.36 lakhs and the year end balance of loans given to such party was NIL.
 - b) The terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.
 - c) The repayment of the principal amount is as per the agreed terms.
 - d) There is no overdue amount of such loans granted to the aforesaid 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 Rs. 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) As explained to us, no order for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 has been made by the Central Government in respect of products manufactured by the Company.
- 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, 2011 for a period of more than six months from the date they became payable.
- c) at the end of the financial year there were no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except as follows:-

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

10. The Company did not have any accumulated losses at the end of the financial year, nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
12. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and as such reporting under clause (xiii) of the Order is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause (xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
17. On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for long term investment during the year.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have been informed by the management of any such instance being noticed or reported during the year.

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

Place : Coimbatore
Date : 23.05.2011

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule No.	As at 31.03.2011 (Amount in Rs.)	As at 31.03.2010 (Amount in Rs.)
A. SOURCE OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	24,580,000	24,580,000
Reserves & Surplus	2	593,428,472	516,135,634
LOAN FUNDS			
Secured Loans	3	—	110,000,000
DEFERRED TAX LIABILITY			
As per last Balance Sheet		24,983,240	24,393,187
Add : Transferred from Profit & Loss a/c		3,914,591	2,333,737
Less : Transferred to General Reserve		—	1,743,684
		<u>28,897,831</u>	<u>24,983,240</u>
TOTAL		<u>646,906,303</u>	<u>675,698,874</u>
B. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	597,636,432	551,742,209
Less : Depreciation		430,049,453	384,113,751
Net Block		167,586,979	167,628,458
Add : Capital Work in Progress		3,664,377	44,899,642
		<u>171,251,356</u>	<u>212,528,100</u>
INVESTMENTS	5	106,960,398	106,960,398
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		136,353,045	105,770,540
Sundry Debtors		328,924,806	229,628,214
Cash and Bank Balances		154,349,648	42,509,612
Loans & Advances		158,506,464	215,775,665
	(i)	<u>778,133,963</u>	<u>593,684,031</u>
Less : CURRENT LIABILITIES AND PROVISIONS	7		
Current Liabilities		283,373,859	156,920,062
Provisions		126,065,555	80,553,593
	(ii)	<u>409,439,414</u>	<u>237,473,655</u>
Net Current Assets	(i-ii)	368,694,549	356,210,376
TOTAL		<u>646,906,303</u>	<u>675,698,874</u>
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Note : Schedules referred to above form part of these accounts

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

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 23, 2011

R. SIVASUBRAMANIAN
Company Secretary



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule No.	As at 31.03.2011 (Amount in Rs.)	As at 31.03.2010 (Amount in Rs.)
A. INCOME			
Sales (Gross)	8	1,608,178,357	1,071,525,275
Less : Excise Duty		156,481,818	88,682,335
Sales (Net)		1,451,696,539	982,842,940
Stock Adjustment	9	6,941,306	3,694,873
Other Income	10	25,413,850	15,473,292
		<u>1,484,051,695</u>	<u>1,002,011,105</u>
B. EXPENDITURE			
Goods Consumed	11	1,119,104,775	729,197,373
Direct Overheads	12	37,096,762	26,971,859
Salaries, Wages and Other Benefits	13	96,807,997	70,607,266
Repairs & Maintenance	14	19,744,956	8,912,023
Administrative & Other Overheads	15	10,639,843	14,078,474
Selling Overheads	16	1,781,953	3,048,805
Interest and Finance Charges	17	9,892,350	5,061,874
Depreciation		52,237,390	30,197,461
		<u>1,347,306,026</u>	<u>888,075,135</u>
NET PROFIT / (NET LOSS) FOR THE YEAR		136,745,669	113,935,970
Surplus Brought Forward		164,496,476	110,511,665
Excess Provision for IT for Earlier Years Reversed		1,463	874
		<u>301,243,608</u>	<u>224,448,509</u>
APPROPRIATIONS			
Provision for Taxation		41,281,134	38,898,910
Provision for Fringe Benefit Tax		—	—
Provision for Deferred Tax(Net)		3,914,591	2,333,737
Income Tax for Earlier Years		1,403,198	120,657
Provision for Corporate Tax on Dividends		1,794,371	1,224,729
Proposed Equity Dividend		11,061,000	7,374,000
Transfer to General Reserve		9,015,000	10,000,000
Surplus / Deficit Carried Over		232,774,314	164,496,476
		<u>301,243,608</u>	<u>224,448,509</u>
Earning Per Share - Face Value-Rs.10 / Share (Basic/Diluted)	18	36.68	29.53

Note : Schedules referred to above form part of these accounts

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

SUGUNA RAVICHANDRAN
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Managing Director

Place : Coimbatore
Date : May 23, 2011

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

SCHEDULES ANNEXED TO THE BALANCE SHEET AS AT 31st MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	As at 31.03.2011 (Amount in Rs.)	As at 31.03.2010 (Amount in Rs.)
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
20,000 - 13.5% Cumulative Redeemable Preference Shares of Rs.100/- each	2,000,000	2,000,000
50,00,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
TOTAL	<u>52,000,000</u>	<u>52,000,000</u>
ISSUED, SUBSCRIBED, CALLED AND PAID-UP		
24,58,000 - Equity Shares of Rs.10/- each	24,580,000	24,580,000
TOTAL	<u>24,580,000</u>	<u>24,580,000</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Reserve (A)	3,500,000	3,500,000
Share Premium Account (B)	<u>50,320,000</u>	<u>50,320,000</u>
GENERAL RESERVE		
As per last Balance Sheet	297,819,158	286,075,474
Add: Appropriation from Profit and Loss a/c	9,015,000	10,000,000
Transferred from Deferred Tax Liability	-	1,743,684
TOTAL (A+B+C+D)	<u>306,834,158</u>	<u>297,819,158</u>
Surplus in Profit and Loss a/c (D)	232,774,314	164,496,476
TOTAL (A+B+C+D)	<u>593,428,472</u>	<u>516,135,634</u>
SCHEDULE 3 : SECURED LOANS		
WORKING CAPITAL LOAN		
From Scheduled Banks	-	-
TERM LOANS		
From Scheduled Banks	-	110,000,000
TOTAL	<u>-</u>	<u>110,000,000</u>

Schedules (Contd..)

SCHEDULE 4 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.2010	Additions (Sales / Transfers)	As at 31.03.2011	Upto 31.03.2010	For the Year (withdrawn)	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 Land	10,822,418	–	10,822,418	–	–	–	10,822,418	10,822,418
2 Buildings	49,745,490	–	49,745,490	39,968,501	946,452	40,914,953	8,830,537	9,776,989
3 Machinery	399,060,874	52,446,017 (4,847,043)	446,659,848	265,558,896	46,410,823 (4,066,851)	307,902,868	138,756,980	133,501,978
4 Furniture & Fittings	12,255,368	167,250 (445,454)	11,977,164	10,442,412	349,444 (412,392)	10,379,464	1,597,700	1,812,956
5 Dies and Moulds	67,806,490	580,000	68,386,490	63,000,134	2,709,800	65,709,934	2,676,556	4,806,356
6 Vehicles	12,051,569	107,160 (2,113,707)	10,045,022	5,143,808	1,820,871 (1,822,445)	5,142,234	4,902,788	6,907,761
SUB TOTAL	551,742,209	53,300,427 (7,406,204)	597,636,432	384,113,751	52,237,390 (6,301,688)	430,049,453	167,586,979	167,628,458
Capital WIP	44,899,642	12,914,971 (54,150,236)	3,664,377	–	–	–	3,664,377	44,899,642
TOTAL	596,641,851	66,215,398 (61,556,440)	601,300,809	384,113,751	52,237,390 (6,301,688)	430,049,453	171,251,356	212,528,100
TOTAL PREVIOUS YEAR	491,978,166	105,529,604 (865,919)	596,641,851	354,767,534	30,197,461 (851,244)	384,113,751	212,528,100	137,210,632

SCHEDULE 5 : INVESTMENTS	As at 31.03.2011 (Amount in Rs.)	As at 31.03.2010 (Amount in Rs.)
Long Term Investment at cost		
NON-TRADE : QUOTED		
i) 88,800 Fully Paid-Up Equity Shares of Rs 10/- each in Lakshmi Machine Works Ltd.	6,385,499	6,385,499
ii) 6,289 Equity Shares of Rs.10/- each in Indian Bank	572,299	572,299
NON-TRADE : UNQUOTED		
1,00,00,000 Fully Paid-Up Equity Shares of Rs.10/- each in Harshni Textiles Ltd	100,002,600	100,002,600
TOTAL	106,960,398	106,960,398
Aggregate value of Quoted Investments		
Cost	6,957,798	
Market value	199,749,725	
Aggregate value of Unquoted Investments	100,002,600	

SCHEDULE 6 : CURRENT ASSETS

a) INVENTORIES

(As per inventories certified by the Director)

Raw Materials at cost	17,877,740	13,043,746
Components at cost	74,075,232	54,646,859
Work-in-process at estimated cost	27,532,497	17,779,637
Scrap at realisable value	486,869	319,164
Finished Goods	5,592,864	8,404,418
Stock of Stores, Spares and } Building Materials at cost }	10,787,843	11,576,716
	136,353,045	105,770,540

b) SUNDRY DEBTORS

(Unsecured and considered good)

Outstanding for more than six months	61,683,427	35,500,431
Others	267,241,379	194,127,783
	328,924,806	229,628,214

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Schedules (Contd..)

	As at 31.03.2011 (Amount in Rs.)	As at 31.03.2010 (Amount in Rs.)
c) CASH AND BANK BALANCES		
Cash with Scheduled Banks		
In current Accounts	17,344,870	40,458,330
In Deposit Accounts	135,000,000	–
In Unclaimed Dividend Accounts	1,511,764	1,482,522
In Margin Money Deposit Accounts	355,700	489,700
Cash on hand	<u>137,314</u>	<u>79,060</u>
	<u>154,349,648</u>	<u>42,509,612</u>
d) LOANS AND ADVANCES		
(Unsecured, considered good and recoverable in cash or in kind)		
Advances recoverable in cash or in kind	35,121,238	34,008,091
Inter Corporate Loan including interest accrued thereon	–	110,730,912
Security and other Deposits	1,238,949	1,382,549
Balances with Customs and Central Excise	2,852,695	1,138,321
Prepaid expenses	2,093,366	1,806,729
Advance payment of Income-tax	116,626,094	66,605,430
Interest Receivable	110,013	103,633
Interest Accrued but not due	<u>464,109</u>	<u>–</u>
	<u>158,506,464</u>	<u>215,775,665</u>
TOTAL	<u>778,133,963</u>	<u>593,684,031</u>

SCHEDULE 7 : CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

Sundry Creditors - Micro, Small and Medium Enterprises	13,333,498	13,998,078
Sundry Creditors - Others	268,528,597	141,439,462
Unpaid Dividends*	1,511,764	1,482,522
	<u>283,373,859</u>	<u>156,920,062</u>

*No amount is due and outstanding to be credited to the Investor Education and Protection Fund

B. PROVISIONS

Provision for Taxation	113,210,184	71,954,864
Provision for Corporate Tax on Dividend	1,794,371	1,224,729
Proposed Dividend on Equity Shares	11,061,000	7,374,000
	<u>126,065,555</u>	<u>80,553,593</u>
TOTAL	<u>409,439,414</u>	<u>237,473,655</u>

SCHEDULE 8 : SALES

Sale of Contactors and Relays	142,665,438	118,274,793
Sale of Control Panels	1,130,830,401	742,474,823
Sale of Plastic Components	135,035,899	96,366,500
Sale of Electronics, Spares and Accessories	12,621,568	4,137,908
Sale of Power	<u>30,543,233</u>	<u>21,588,916</u>
TOTAL	<u>1,451,696,539</u>	<u>982,842,940</u>

Schedules (Contd..)

	As at 31.03.2011 (Amount in Rs.)	As at 31.03.2010 (Amount in Rs.)
SCHEDULE 9 : STOCK ADJUSTMENT		
Closing Stock of Work-in-Process	27,532,497	17,779,637
Closing Stock of Finished Goods	5,592,864	8,404,418
	<u>33,125,361</u>	<u>26,184,055</u>
Less :		
Opening Stock of Work-in-Process	17,779,637	11,160,748
Opening Stock of Finished Goods	8,404,418	11,328,434
TOTAL	<u>6,941,306</u>	<u>3,694,873</u>
SCHEDULE 10 : OTHER INCOME		
Labour Charges	13,407,013	3,056,485
Interest receipts (TDS RS. 9,47,759/-)	8,162,627	9,474,251
Dividend receipts	1,370,567	1,366,590
Lease rent receipts	10,000	50,000
Realisation of Scrap	1,607,004	1,507,064
Profit on Sale of Assets	856,639	18,902
TOTAL	<u>25,413,850</u>	<u>15,473,292</u>
SCHEDULE 11 : GOODS CONSUMED		
Opening Stock of Raw Materials & Components	67,690,605	63,846,399
	<u>67,690,605</u>	<u>63,846,399</u>
Add :		
Purchase of Raw Materials & Components	1,143,367,142	733,041,579
(A)	<u>1,211,057,747</u>	<u>796,887,978</u>
Less :		
Closing Stock of Raw Materials & Components	91,952,972	67,690,605
(B)	<u>91,952,972</u>	<u>67,690,605</u>
TOTAL (A-B)	<u>1,119,104,775</u>	<u>729,197,373</u>
SCHEDULE 12 : DIRECT OVERHEADS		
Stores consumed	4,395,142	2,288,740
Power and Fuel	12,185,405	8,891,764
Material Fabrication charges	20,516,215	15,791,355
TOTAL	<u>37,096,762</u>	<u>26,971,859</u>

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Schedules (Contd..)

	As at 31.03.2011 (Amount in Rs.)	As at 31.03.2010 (Amount in Rs.)
SCHEDULE 13 : SALARIES, WAGES AND OTHER BENEFITS		
Salaries, Wages and Bonus	64,938,594	54,225,094
Employees Voluntary Retirement Scheme	10,125,909	-
Contribution to Provident Fund	4,141,152	3,304,088
Staff Training Expenses	255,679	411,404
Workmen Welfare Expenses	8,771,940	5,754,013
Managerial Remuneration	8,574,723	6,912,667
TOTAL	<u>96,807,997</u>	<u>70,607,266</u>
SCHEDULE 14 : REPAIRS		
Building Maintenance	7,245,615	1,191,249
Machinery Maintenance	10,205,277	6,295,832
Others	2,294,064	1,424,942
TOTAL	<u>19,744,956</u>	<u>8,912,023</u>
SCHEDULE 15 : ADMINISTRATIVE AND OTHER OVERHEADS		
Advertisement & Gift Articles	506,184	622,592
Insurance	654,158	539,368
Printing & Stationery	822,139	903,616
Postage & Telegram	994,937	971,201
Legal & Professional Fees	1,961,302	4,130,477
Licences and Taxes	1,436,406	2,306,075
Travelling Expenses	2,616,271	3,171,778
Auditors' Remuneration	130,000	130,000
Sitting Fees	195,000	195,000
Donation	50,000	-
Miscellaneous Expenses	721,301	771,003
Rent	110,400	139,200
Loss on Sale of Assets	11,679	6,121
Research & Development	430,066	192,043
TOTAL	<u>10,639,843</u>	<u>14,078,474</u>
SCHEDULE 16 : SELLING OVERHEADS		
Freight Outwards	1,518,019	1,380,352
Selling Expenses	263,934	1,668,453
TOTAL	<u>1,781,953</u>	<u>3,048,805</u>
SCHEDULE 17 : INTEREST AND FINANCE CHARGES		
Fixed Period Loans	9,609,300	4,771,691
On other loans	283,050	290,183
TOTAL	<u>9,892,350</u>	<u>5,061,874</u>

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

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 23, 2011

R. SIVASUBRAMANIAN
Company Secretary

Schedules (Contd..)**SCHEDULE 18****ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT
31st MARCH 2011**

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. Inventory valuation :

- a) Stores ,Spares & Building Materials at cost.
- b) Raw Materials at cost (Weighted average price).
- c) Components at cost (Weighted average price).
- d) Work-in-progress at estimated cost.
- e) Finished goods at cost or Net realisable value whichever is lower. The finished goods are valued inclusive of Excise Duty.
- f) Scrap at net realisable value.

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2011 (Contd..)

7. 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.

8. 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.

9. Transaction of Foreign Currency Transactions:

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

The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

10. 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.

11. Excise duty and Customs duty:

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

12. Research & Development:

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

13. 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.

**NOTES FORMING PART OF ACCOUNTS AS AT 31st MARCH 2011
(Contd..)**

II. Notes forming part of Accounts

1. Secured Loans

- a. Term Loan from Indian Bank availed by the Company have been secured by Equitable Mortgage of the Land and Buildings and Movable Machinery including Wind Mills. During the year the entire outstanding of Term Loans were paid and the balance outstanding was Rs.Nil as on 31.03.2011.
- b. Working Capital loans from Indian Bank and Bank of Baroda have been secured by the hypothecation of Raw Materials, Components, Work-in-progress, Finished Goods, Book Debts and all other movable current assets of the Company.

2. Details of Turnover

Description	Unit	2010-2011		2009-2010	
		Quantity	Amount in Rs.	Quantity	Amount in Rs.
a) Switchgear of all types	Nos.	530,971	142,665,438	428,049	118,274,793
b) Control Panels	Nos.	37,266	1,130,830,401	22,323	742,474,823
c) Plastic Components	Tonnes	363.93	135,035,899	247.79	96,366,500
d) Spares & Accessories	Nos.	-	12,621,568	-	4,137,908
e) Sale of Power	Units	9,784,830	30,543,233	7,196,293	21,588,916

3. Raw Materials & Components Consumed

Description	Unit	2010-2011		2009-2010	
		Quantity	Amount in Rs.	Quantity	Amount in Rs.
A] Raw Materials :					
a) Polycarbonate & Nylon	Kgs	76,298	12,812,947	60,233	10,284,114
b) Brass,Bimetal & Steel Strips	Kgs	287,122	21,739,579	322,764	18,063,995
c) Copper,Silver & Nickel wires	Kgs	148,507	15,350,054	133,426	11,277,793
d) Zytel (Natural & Black)	Kgs	9,520	2,592,717	8,382	2,337,189
e) PBT	Kgs	49,173	7,138,635	34,386	4,985,113
f) ABS	Kgs	282,484	30,825,136	176,088	17,473,149
g) Others - Raw Materials			103,916,225		62,748,739

[Quantitative details could not be given in respect of item "g" as their list is too large and no item individually accounts for 10% or more of the value of raw materials consumed]

B] Components :

a) MCCB & Inverters	Nos.	12,257	244,546,138	8,174	144,683,110
b) Panel Box	Nos.	7,802	98,044,743	6,398	57,795,216
c) Others-Components	Nos.		583,337,304		399,548,955

[Quantitative details could not be given in respect of item "c" as their list is too large and no item individually accounts for 10% or more of the value of components consumed]

4. (a) Opening Stock of Finished Goods

Switchgears	Nos	20,307	2,124,639	21,389	2,658,309
Control Panels, Spares, Accessories & Others			6,279,779		8,670,125

(b) Closing Stock of Finished Goods

Switchgears	Nos	10,866	1,632,035	20,307	2,124,639
Control Panels, Spares, Accessories & Others			3,954,766		6,279,779

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

5. Installed Capacities	Unit	Installed Capacity	Installed Capacity
i) Switchgears of all types	Nos	400,000	400,000
ii) Control Panels	Nos	5,000	5,000
iii) Plastic Components	Tonnes	400	400
iv) Power	M.W	4.6	3.75
6. Actual Production	Unit	Quantity	Quantity
i) Switchgears of all types	Nos	643,874*	535,518*
ii) Control Panels	Nos	37,266	22,323
iii) Plastic Components	Tonnes	363.93	247.79
iv) Power	Units	9,784,830	7,196,293

* The production figures include captive consumption

7. Value of Imports on CIF Basis	2010-2011 (Amount in Rs)	2009-2010 (Amount in Rs)
a) Raw Materials	12,644,801	12,211,340
b) Components & Spare parts	7,029,980	4,398,656
c) Capital Goods	–	555,507

8. Expenditure in Foreign currency (Others) 460,161 656,545

9. Consumption of Raw Materials & Components	Value in Rs.	% to total consumption	Value in Rs.	% to total consumption
i) Raw Materials-Imported	12,142,266	1.08	17,747,357	2.43
ii) Components-Imported	6,438,834	0.57	5,696,152	0.78
iii) Raw Materials-Indigenous	182,233,027	16.27	109,422,735	15.01
iv) Components - Indigenous	919,489,351	82.08	596,331,129	81.78
Total	1,120,303,478	100.00	729,197,373	100.00

10. a) Calculation of Managerial Commission	(Amount in Rs.)	(Amount in Rs.)
Net Profit Before tax as per Profit and Loss Account	137,904,191	113,935,970
Add : Managerial remuneration	8,574,723	6,912,667
Sitting Fees paid to Directors	195,000	195,000
Loss on Sale of Assets	11,679	6,121
Total	146,685,593	121,049,758
Less : Profit on Sale of Assets	856,639	18,902
Net adjusted profit	145,828,954	121,030,856

b) Remuneration to Managing Director	(Amount in Rs.)	(Amount in Rs.)
Salary	4,050,000	3,600,000
Provident Fund Contribution	486,000	432,000
Gratuity	204,930	216,288
Leave Encashment (Provision)	650,271	212,836
Other Perquisites	2,025,000	1,800,000
Commission	1,158,522	651,543
Total	8,574,723	6,912,667

11. Earnings in Foreign Exchange		Nil		Nil	
12. Employee Benefits		Gratuity (Funded)		Leave Encashment (Unfunded)	
DEFINED BENEFIT PLANS		31.03.11	31.03.10	31.03.11	31.03.10
A. Expense recognised during the year ended 31.03.2011		(Amount in Rs.)		(Amount in Rs.)	
1	Current Service Cost	1,113,705	968,708	338,680	382,595
2	Interest cost	1,352,113	1,107,537	241,313	167,250
3	Expected return on plan assets	(1,631,407)	(1,402,485)	–	–
4	Actuarial Losses / (Gains) during the year	(1,982,674)	1,277,600	868,503	655,039
5	Total Expense	(1,148,263)	1,951,360	1,448,496	1,204,884
B. Actual return on Plan assets					
1	Expected return on plan assets	1,631,407	1,402,485	–	–
2	Actuarial (Loss) / Gain on Plan assets	–	–	–	–
3	Actual return on Plan assets	1,631,407	1,402,485	–	–
C. Net Asset/(Liability) recognised in the Balance Sheet					
1	Present value of the obligation as on 31.03.2011	16,914,393	16,901,407	3,963,651	3,162,798
2	Fair value of plan assets as on 31.03.2011	19,505,452	16,977,549	–	–
3	Funded status (Surplus/Deficit)	2,591,059	76,142	(3,963,651)	(3,162,798)
4	Unrecognised past service cost	–	–	–	–
5	Net Asset/(Liability) recognised in the Balance Sheet	2,591,059	76,142	(3,963,651)	(3,162,798)
D. Change in present value of the Obligation during the year ended March 31,2011					
1	Present value of the obligation as at April 1, 2010	16,901,407	13,844,207	3,162,798	2,276,261
2	Current Service Cost	1,113,705	968,708	338,680	382,595
3	Interest cost	1,352,113	1,107,537	241,313	167,250
4	Benefits paid	(470,158)	(296,645)	(647,643)	(318,347)
5	Actuarial (gain) / loss on obligation	(1,982,674)	1,277,600	868,503	655,039
6	Present value of obligation as at March 31,2011	16,914,393	16,901,407	3,963,651	3,162,798
E. Change in Assets during the year ended March 31, 2011					
1	Fair value of plan assets as at April 1, 2010	16,977,549	14,341,242	–	–
2	Expected return on plan assets	1,631,407	1,402,485	–	–
3	Contributions made	1,366,654	1,530,467	647,643	318,347
4	Benefits paid	(470,158)	(296,645)	(647,643)	(318,347)
5	Actuarial gain / (loss) on plan assets	–	–	–	–
6	Fair value of plan assets as at March 31, 2011	19,505,452	16,977,549	–	–
F. Major categories of plan assets as a percentage of total plan					
1	Qualifying insurance policies	19,505,452	16,977,549	–	–
2	Own plan assets	–	–	–	–
	Total	19,505,452	16,977,549	–	–
G. Actuarial Assumptions					
1	Discount rate	8.00%	8.00%	8.40%	8.50%
2	Salary escalation	7.00%	7.00%	6.00%	4.00%
3	Expected rate of return on plan assets	9.25%	9.25%	–	–
4	Attrition rate	1.50%	1.50%	2.50%	1.50%
5	Mortality rate	LIC(1994-96)ultimate			

Note: The salary escalation considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Gratuity is applicable to all permanent and full time employees of the Company.

Gratuity payment is based on last drawn basic salary and dearness allowance at the time of termination or retirement. The Scheme takes into account each completed year of service or part thereof in excess of six months. The entire contribution is borne by the Company.

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

13. Contingent Liabilities and claims against the company not acknowledged as debts.

	2010-11	2009-10
	(Amount in Rs.)	(Amount in Rs.)
A] (i) Estimated amount of contracts to be Executed (Amount in Rs.) on capital account and not provided for	1,820,325	6,981,310
(ii) Guarantees and Counter Guarantees executed by the Company	2,796,450	2,796,450
(iii) Letters of Credit	721,000	2,027,235
B] (i) Sales tax assessments have been completed upto financial year 2003 - 2004		
(ii) The Company's appeal against demand for Sales Tax penalty of Rs.1.34 Lakhs for the financial year 1997-98 has been decided against the Company. However no provision is made as on 31.03.2011 in view of the waiver of penalty under the Tamilnadu Sales Tax (Settlement of Arrear) Scheme 2008.		
C] Income Tax assessments have been completed upto A.Y. 2008 -09.		

	2010-2011	2009-2010
	(Amount in Rs.)	(Amount in Rs.)
14. Auditors' Remuneration		
Audit Fees	130,000	130,000
Other Fees - Issue of Certificates	9,000	10,000
Total	<u>139,000</u>	<u>140,000</u>

15. Provision for Excise Duty amounting to Rs. 5,22,271/- for the uncleared stock of finished goods has been made in the accounts.

16. 2 Nos. of Engel make injection moulding machines were imported under EPCG Scheme during the financial year 2007-08. The entire export obligation of Rs.131.72 lakhs which is to be fulfilled on or before 30.01.2016 will be fulfilled by the Group Company Lakshmi Precision Tools Limited. The export obligation pending as on 31.03.2011 is Rs.131.72 lakhs. Non fulfillment will entail payment of duty saved together with interest, the amount being indeterminant.

17. Deferred Tax

The break-up of the deferred tax assets / liabilities is as under :

Deferred Taxes	2010-11 (Amount in Rs)	2009-10 (Amount in Rs)
Deferred Tax Asset :		
On account of Depreciation	-	-
On account of VRS	2,690,859	-
On account of Software Implementation charges	(183,748)	301,676
Deferred Tax Liabilities :		
On accounts of Depreciation	6,421,703	25,284,916
Net deferred tax Asset / (Liability)	(3,914,592)	(24,983,240)

18. Calculation of Earning per share : (Face value of Rs.10/- per share)

		2010-2011	2009-2010
1) Net Profit after tax before Extraordinary items	: (A)	Rs. 90,148,210	Rs. 72,583,540
No. of Shares	: (B)	2,458,000	2,458,000
Basic and diluted EPS (A)/(B)		Rs. 36.68	Rs. 29.53
2) Net Profit after tax & after Extraordinary items	: (A)	Rs. 90,148,210	Rs.72,583,540
No. of Shares	: (B)	2,458,000	2,458,000
Basic and diluted EPS (A)/(B)		Rs. 36.68	Rs. 29.53

19. As defined under Micro, Small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2011 has been made in the financial statements based on information received and available with the company.

	31.03.2011	31.03.2010
	(Rs. in lakhs)	
a) The Principal amount and the Interest due there on remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

20. 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.

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

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

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

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 23, 2011

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Schedules (Contd..)

SCHEDULE 19

CASH FLOW STATEMENT

31.03.2010 (Rs.in Lakhs)	A. CASHFLOW FROM OPERATING ACTIVITIES :	31.03.2011 (Rs.in Lakhs)
1139.36	Net profit before tax and extraordinary items	1,367.46 1,367.46
	Adjustments for :	
301.97	Depreciation	522.37
–	Deferred Revenue Expenditure	–
50.62	Interest paid	98.92
–	Foreign Exchange	–
-0.13	Profit/Loss on sales of assets(net)	-8.45
-108.41	Interest / Dividend	-95.33 517.51
1383.42	Operating Profit before Working capital changes	1,884.97
	Adjustments for :	
-1091.07	Trade and other receivables	-1,027.38
-70.84	Inventories	-305.83
968.65	Trade payables	1,264.54 -68.67
1190.16	Cash generated from operations	1,816.30
-309.76	Direct Taxes paid	-514.50
880.40	Cash flow before extraordinary items	1,301.80
	Extraordinary items	
–	Prior year Income and Excess provision reversed	0.01 0.01
880.40	Net cash from operating activities	1,301.81
	B. CASH FLOW FROM INVESTING ACTIVITIES :	
-1055.30	Purchase of Fixed Assets	-113.64
0.27	Sale of Fixed Assets	12.49
–	Purchase of Investments	–
–	Sale of investment	–
108.41	Interest/Dividend received	95.33
180.35	Intercompany loan	1,107.31 1,101.49
-766.27	Net cash used in investing activities	1,101.49



Schedules (Contd..)

31.03.2010	C. CASH FLOW FROM FINANCING ACTIVITIES :		31.03.2011
(Rs.in Lakhs)			(Rs.in Lakhs)
700.00	Proceeds from long term borrowings	-	
-333.00	Repayment of long term borrowings	-1,100.00	
-	Working Capital Borrowings	-	
-50.62	Interest paid	-98.92	
-61.45	Dividend paid	-73.74	
-10.44	Corporate Tax on Dividend	-12.25	-1,284.91
<u>244.49</u>	<u>Net cash used in financing activities</u>		<u>-1,284.91</u>
358.62	Net increase in cash and cash equivalents		1,118.39
66.48	Cash and Cash equivalents (Opening Balance)		425.10
425.10	Cash and Cash equivalents (Closing Balance)		1,543.49

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

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 23, 2011

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Schedules (Contd..)

SCHEDULE 20

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

PART - IV

I.	Registration Details		
	Registration No.	181-001124	State Code 181
	Balance Sheet Date	31 03 2011	
		Date Month Year	
II.	Capital Raised during the year (Amount in Rs. Thousands)		
	Public Issue		Rights Issue
	<input type="text"/> - <input type="text"/>		<input type="text"/> - <input type="text"/>
	Bonus Issue		Private Placement
	<input type="text"/> - <input type="text"/>		<input type="text"/> - <input type="text"/>
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
	Sources of Funds		
	Total Liabilities		Total Assets
	646906		646906
	Paid-Up Capital		Reserves & Surplus
	24580		593428
	Secured Loans	Unsecured Loans	Deferred Tax liability
	<input type="text"/> - <input type="text"/>	<input type="text"/> - <input type="text"/>	28898
	Net Fixed Assets		Investments
	171251		106960
	Net Current Assets		Miscellaneous Expenditure
	368695		<input type="text"/> - <input type="text"/>
	Accumulated Losses		
	Nil		
IV.	Performance of the Company (Amount in Rs. Thousands)		
	Turnover		Total Expenditure
	1477110		1340364
	Profit / Loss Before Tax		Profit / Loss After Tax
	<input checked="" type="checkbox"/> 136746		<input checked="" type="checkbox"/> 90148
	+ - Earning Per Share in Rs.		+ - Dividend Rate %
	36.68		45
V.	Generic Names of Three Principal Products/Service of Company (As per monetary terms)		
	a) Item Code	85.36	
	(ITC. Code)		
	Product Description	S W I T C H G E A R S	
	b) Item Code	85.37	
	(ITC. Code)		
	Product Description	C O N T R O L P A N E L S	
	c) Item Code	84.48	
	(ITC. Code)		
	Product Description	P L A S T I C C O M P O N E N T S	

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

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 23, 2011

R. SIVASUBRAMANIAN
Company Secretary

Schedules (Contd..)

SCHEDULE 21

(A) SEGMENT REPORT FOR THE YEAR ENDED 31st MARCH, 2011

(Amount in Rs.)

Primary Business Segment	Electricals		Plastics		Wind Power Generation		Total	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Revenue								
Sales	1,286,131,867	864,851,924	135,021,439	96,402,100	30,543,233	21,588,916	1,451,696,539	982,842,940
Inter Unit Transfers	-	-	-	-	-	-	-	-
Allocable other Income	2,061,877	1,265,675	13,818,779	3,366,776			15,880,656	4,632,451
Total Revenue	1,288,193,744	866,117,599	148,840,218	99,768,876	30,543,233	21,588,916	1,467,577,195	987,475,391
Less: Inter Unit Transfers							-	-
Add: Unallocable Other Income							9,533,194	10,840,841
Enterprise revenue							1,477,110,389	998,316,232
Result								
Segment Results	138,907,617	102,248,709	11,313,901	5,524,440	-13,116,694	383,854	137,104,824	108,157,003
Unallocable Expenses							-	-
Operating profit							137,104,824	108,157,003
Less : Interest Expenses							9,892,350	5,061,874
Income Tax Expenses							46,597,460	41,352,430
Add : Unallocable Income								
Interest receipts							8,162,627	9,474,251
Dividend receipts							1,370,567	1,366,590
Rent received							-	-
Net Profit after Tax							90,148,208	72,583,540
Other Information								
Segment assets	597,615,073	382,080,581	64,472,876	60,487,653	170,671,277	186,307,555	832,759,226	628,875,789
Add: Unallocated corporate assets							223,586,492	284,296,740
Enterprise assets							1,056,345,718	913,172,529
Segment Liabilities	274,712,422	152,059,503	7,261,437	4,519,693	1,400,000	340,866	283,373,859	156,920,062
Add: Unallocated corporate liabilities							772,971,859	756,252,467
Enterprise Liabilities							1,056,345,718	913,172,529
Capital Expenditure	15,115,766	6,679,113	580,000	2,616,229	50,519,632	96,234,262	66,215,398	105,529,604
Depreciation	6,146,745	5,786,551	5,634,546	6,187,711	40,456,100	18,223,199	52,237,391	30,197,461

Notes :

- 1) The company is organised into three main Business Segments viz., Electricals , Plastics & Wind Power Generation
- 2) All customers are located within India. There are no reportable segments in Secondary Geographical segments
- 3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis

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

SUGUNA RAVICHANDRAN
Partner
Membership No. 207893

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

Place : Coimbatore
Date : May 23, 2011

R. SIVASUBRAMANIAN
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Schedules (Contd..)

(B) RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31st MARCH, 2011

1) Relationships

Description of relationship	Names of related parties
Other related parties	Eshann Enterprises Ltd Harshni Textiles Ltd Integrated Electrical Controls India Limited Lakshmi Precision Tools Ltd Lakshmi Electrical Drives Limited Lakshmi Ring Travellers(CBE) Ltd Lakshmi Cargo Company Ltd Lakshmi Technology & Engineering Industries Ltd Lakshmi Life Sciences Limited LCC Cargo Holding Ltd Lakshmi Machine Works Ltd Mahalaxmi Engineering Holding Ltd Starline Travels Limited Titan HMG Paints India Ltd Venkata Varadhaa Agencies Limited
Key Management Personnel	Smt. Nethra J.S. Kumar Managing Director

2) Transactions (Amount in Rs.)

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Purchase of goods	756,779,963 (479,737,596)	
Sale of goods	1,420,378,028 (939,204,118)	
Sale of Power	19,895,418 (21,588,591)	
Sale of Fixed Assets	485,497 (13,160)	
Rendering of services	13,539,468 (2,940,919)	
Interest received	7,327,393 (9,175,701)	
Receiving of services	3,333,282 (3,605,154)	
Managerial Remuneration	-	8,574,723 (6,912,667)
Loans given	-	
Investment in Equity	-	
Sale of equity	-	
Amount due to / from related parties		
DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Accounts Receivable	294,443,268 (213,679,219)	-
Accounts Payable	199,329,303 (85,180,864)	- (778,503)
Inter corporate loan including Interest accrued thereon	- (110,730,912)	-

Note : Figures in brackets relate to previous year.

3) The undernoted companies constitute the "Group" in terms of regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,1997 as amended with effect from 09-09-2002.

1. Eshann Enterprises Ltd 2. Harshni Textiles Ltd 3. Integrated Electrical Controls India Limited 4. Lakshmi Precision Tools Ltd 5. Lakshmi Electrical Drives Limited 6. Lakshmi Ring Travellers (CBE) Ltd 7. Lakshmi Cargo Company Ltd 8. Lakshmi Technology & Engineering Industries Ltd 9. Lakshmi Life Sciences Limited 10. LCC Cargo Holding Ltd 11. Lakshmi Machine Works Ltd 12. Mahalaxmi Engineering Holding Ltd 13. Starline Travels Limited 14. Titan HMG Paints India Ltd 15. VenkataVaradhaa Agencies Limited.

As per our report of even date

For N.R. DORAISWAMI & CO.,
Chartered Accountants

Firm Regn No.000771S
SUGUNA RAVICHANDRAN
Partner

Membership No. 207893

Place : Coimbatore

Date : May 23, 2011

R.VENKATRANGAPPAN
Chairman

NETHRA J.S. KUMAR
Managing Director

R. SIVASUBRAMANIAN
Company Secretary

To

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

Unit : LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

1. Particulars of the shareholder

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

2. Particulars of the Bank

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

- e) Account Type (Savings Account, Current Account or Cash Credit) : _____
- Please Tick relevant box
- | | | |
|---------|---------|-------------|
| SAVINGS | CURRENT | CASH CREDIT |
|---------|---------|-------------|

- f) Nine Digit code number of the bank and branch appearing on the MICR cheque issued by the bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number)
- | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

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 Rs.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.



LECS

PRODUCTS

“Sprecher + Schuh”

Low Voltage Switchgear products

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

LECS Motor Protection & Control Devices

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

LECS Motor Control Solutions

DOL & Star Delta Starters and Motor Control Panels

- For all Industrial drivers, Customised executions
- For all Submersible pumps and Agricultural pumps
- For all Construction & Domestic applications

LECS Automatic Power Management Systems

- APFC Panels (Automatic Power Factor Correction Panels)

LECS Custom Built Control Panels for Industrial Machinery

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

LECS Automation Devices & Elements

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

Engineering Plastic Components

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

Manufactured by

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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

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

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Arasur - 641 407, Coimbatore Dist, India.

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

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