



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

SEC/SE/22/2019-2020

July 6, 2019

BSE Limited,  
Floor 25  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir / Madam,

**Sub:** 38<sup>th</sup> Annual Report for the financial year 2018 – 2019.

**Ref:** Security Id : LAKSELEC, Security Code : 504258.

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith 38<sup>th</sup> Annual Report 2018-19 of the Company along with notice of Annual General Meeting.

Kindly take on record the same.

Thanking you,

Yours truly,  
For Lakshmi Electrical Control Systems Ltd

S. Sathyanarayanan  
Company Secretary



ADMN. OFFICE & WORKS : Arasur - 641 407, Coimbatore Dist,India.  
Phone : +91 422 3093500, Fax : +91 422 3093555. E-Mail : lecs@vsnl.com  
REGISTERED OFFICE : 34-A, Kamaraj Road, Coimbatore 641 018.  
CIN No. : L31200TZ1981PLC001124,Website : www.lecsindia.com



**LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED**

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**38th Annual Report 2018 - 2019**



## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN : L31200TZ1981PLC001124

### Board of Directors

Smt. Nethra J.S. Kumar	:	Chairperson and Managing Director
Sri. N. Suryakumar	:	Director
Sri. Sanjay Jayavarthanavelu	:	Director
Sri. D. Senthilkumar	:	Director
Sri. Ramesh Rudrappan	:	Director
Sri. A. Palaniappan	:	Director
Sri. Arun Selvaraj	:	Director
Sri. N. R. Selvaraj	:	Director
<hr/>		
Sri. A. Thiagarajan	:	Chief Financial Officer
Sri. S. Sathyanarayanan	:	Company Secretary

### Statutory Auditor

M/s. Subbachar & Srinivasan  
Chartered Accountants  
Coimbatore.

### Secretarial Auditor

M/s. MDS & Associates  
Company Secretaries  
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 - 4958995, 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 : investorscell@lecsindia.com

### Bankers

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

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# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Regd. Office 34-A, Kamaraj Road, Coimbatore - 641018, Tamil Nadu.

CIN: L31200TZ1981PLC001124

Phone: +91 422 3093500

Email: [investorscell@lecsindia.com](mailto:investorscell@lecsindia.com) Website: [www.lecsindia.com](http://www.lecsindia.com)

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Eighth Annual General Meeting of the shareholders of Lakshmi Electrical Control Systems Limited will be held on Wednesday, the 7th day of August 2019 at 2.45 P.M at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore - 641 037 to transact the following business:

#### Ordinary Business:

1. To consider and adopt Annual Financial Statements including Statement of Profit and Loss, Cash Flow Statement and Statement of changes in equity for the financial year ended 31st March 2019, Balance Sheet as on that date, Report of Board of Directors' and the Auditor's Report thereon.
2. To declare dividend for the financial year ended 31st March 2019.
3. To appoint a Director in the place of Sri.D.Senthilkumar (holding DIN: 00006172), who retires by rotation and being eligible, offers himself for re-appointment.

#### Special Business:

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"Resolved that Sri.N.R.Selvaraj holding (DIN No.00013954) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st February 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of The Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director (Non executive Non Independent) of the Company and he is liable to retire by rotation".

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification or re-enactment thereof), consent of the shareholders of the Company be and is hereby accorded to enter into related party transactions in excess of 10% of the annual Consolidated Turnover of the Company in any financial year with M/s Lakshmi Machine Works Limited for a period of five financial years from the Financial Year 2020-2021."

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification or re-enactment thereof), consent of the shareholders of the Company be and is hereby accorded to enter into related party transactions in excess of 10% of the annual Consolidated Turnover of the Company in any financial year with M/s. Lakshmi Precision Tools Limited for a period of five financial years from the Financial Year 2020-2021."

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Sri N.Suryakumar (DIN: 00008316),

Independent Non-Executive Director, who has attained the age of 78 years, who holds office as an Independent Director upto 08th August 2019 and submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment and upon recommendation of Nomination and Remuneration Committee and Board of Directors be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of two consecutive years with effect from 09th August 2019 to 09th August 2021 and not liable to retire by rotation".

8. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Sri.Ramesh Rudrappan (DIN: 00008325), Independent Non-Executive Director who holds office as an Independent Director upto 08th August 2019 and submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment and upon recommendation of Nomination and Remuneration Committee and Board of Directors be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 09th August 2019 to 09th August 2024 and not liable to retire by rotation".

9. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Sri.A.Palaniappan (DIN: 00044022), Independent Non-Executive Director who holds office as an Independent Director upto 08th August 2019 and submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment and upon recommendation of Nomination and Remuneration Committee and Board of Directors be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 09th August 2019 to 09th August 2024 and not liable to retire by rotation".

10. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Sri.Arun Selvaraj (DIN: 01829277), Independent Non-Executive Director who holds office as an Independent Director upto 08th August 2019 and submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment and upon recommendation of Nomination and Remuneration Committee and Board of Directors be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 09th August 2019 to 09th August 2024 and not liable to retire by rotation".

11. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any of the Companies Act, 2013 read with the relevant rules and regulations made there under (including any amendment, re-enactment or statutory modification thereof for the time being in force), the regulations contained in the new set of Articles of Association be and are hereby approved and adopted as the Articles of Association of the Company, in the place of, in substitution for, and to the entire exclusion of the existing Articles of Association of the Company.

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

Place : Coimbatore  
Date : May 29, 2019

By order of the Board  
**S. Sathyanarayanan**  
Company Secretary

### NOTES:

- 1. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED HERETO.**
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE AGM INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 3. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. PROXY FORM FOR THE AGM IS ENCLOSED.**
- 4. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- Members / proxies should bring the duly filled attendance slip enclosed herewith to attend the AGM.
- Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- The Register of Members and share transfer books of the Company will remain closed from Thursday, the 01st August 2019 to Wednesday, the 07th August 2019 (both days inclusive) as per Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Subject to the provisions of the Companies Act, 2013 ("the Act"), dividend as recommended by the Board of Directors, if declared at the AGM will be paid within a period of 30 days from the date of declaration, in respect of those members who hold shares in physical form, whose names appear on the Register of Members as on 31st July 2019 and for those who hold shares in dematerialized form as per the details furnished by the depositories for this purpose as at the close of the business hours on 31st July 2019.
- Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of bank account details to their respective Depository Participant(s). Members whose shareholding is in the physical mode are requested to direct the above details to the Company's Registrar and Share Transfer Agents. Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends. The prescribed form is enclosed and the duly filled form shall be lodged with the Registrar and Share Transfer Agents, M/s. S.K.D.C Consultants Limited for payment of dividend in future through NECS, if eligible.
- Members are requested to address all correspondences, including change of address and dividend matters, to the Registrars and Share Transfer Agents of the Company, M/s S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006.

13. Members are requested to register / update their e-mail address in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s S.K.D.C Consultants Limited, Registrars and Share Transfer Agents of the Company.
14. Members who are Non-resident Indian are requested to inform the Company or its Registrars and Share Transfer Agents or to the concerned depository participants, as the case may be, immediately:
  - (a) the change in the residential status on return to India for permanent settlement.
  - (b) the particulars of the bank account, if not furnished earlier.
15. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Registrars and share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund. As per Section 124 of the Companies Act, 2013 all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund (IEPF) established under Ministry of Corporate Affairs. Subsequently, the members shall be entitled to claim the shares from IEPF in accordance with procedure and on submission of documents as may be prescribed by IEPF Authority from time to time. Hence, members are requested to encash the dividends which are unclaimed for the financial years from 2011-12 to 2017-18.
16. As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individual(s) holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Registrars and Share Transfer Agents of the Company. Members holding shares in electronic form have to approach their depository participants for completing the nomination formalities.
17. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. Brief profile, details of shareholding and Directors inter-se relationship of Directors seeking election/re-election as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards are provided as Annexure to this notice.
- 19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and bank account details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and bank account details to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details and bank account details to the Registrars and Share Transfer Agents of the Company. SEBI vide their circular dated 20th April 2018 has mandated that the dividend warrant / demand draft revalidation request can be processed only if the bank account details are registered with Depository Participants (for demat shareholders) and Registrars and Share Transfer Agents of the Company (for shareholders holding shares in physical form). Hence, the shareholders are requested to immediately register their PAN and bank account details.**
20. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
21. A member who needs any clarification on accounts or operations of the Company shall write to the Compliance Officer, so as to reach him at least 7 days before the meeting, so that the information required can be provided.
22. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
23. Members holding shares in electronic form may please note that as per the regulations of National Security Depository Services (India) Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the details on the Dividend Warrants as furnished by these Depositories to the Registrars and Share Transfer Agents/Company and the Company cannot entertain any request for deletion / change of bank details already printed on dividend warrants as per the information received from the concerned Depositories. In this regard, Members should contact their Depository Participants (DP) and furnish particulars of any changes desired by them.
24. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their E-mail ID, physical copies of Annual Report and AGM Notice for the financial year 2018-19 are sent through the permitted mode separately.



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25. The notice of the Annual General Meeting and the Annual Report are also available on the website of the Company [www.lecsindia.com](http://www.lecsindia.com). The route map of AGM is provided elsewhere in the Annual Report. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members can receive such communication in physical form, upon making a request for the same.
26. **As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the transfer of shares in physical mode is not allowed from 01st April 2019. Members are requested to dematerialize their shares. However, transmission / transposition of shareholders name are allowed by following due process and documentation. Necessary intimation was sent to the concerned shareholders in this regard.**
27. Members may note that M/s. Subbachar & Srinivasan., Chartered Accountants, Coimbatore, (FRN: 004083S), the Statutory Auditors of the Company were appointed by the Shareholders at the 35th Annual General Meeting (AGM) held on 8th August, 2016, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2021, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide notification dated 7th May 2018 amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Accordingly, the original resolution appointing the Statutory Auditors passed by the Shareholders at the 35th AGM held on 8th August, 2016 was amended vide resolution approved by the Shareholders at their 37th AGM held on 8th August, 2018 to omit the requirement for ratification of the appointment of auditors by the shareholders at every AGM. Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this Annual General Meeting. venue

### Voting through electronic means

In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members the facility to exercise their votes for all the resolutions detailed in the Notice of the 38th Annual General Meeting scheduled to be held on Wednesday, the 07th August 2019 at 2.45 p.m. by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities as per instructions below.

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

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

A member present at the AGM and has cast his/her vote by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cutoff date viz. 31.07.2019 alone will be considered.

Sri. B. Krishnamoorthi, Chartered Accountant, "Kanapathy Towers" III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006 is appointed as Scrutinizer for conducting the e-voting process.

### The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins at 09.00 AM on 04.08.2019 and ends on 06.08.2019 at 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31.07.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.



(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).·</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the Company Name, 'Lakshmi Electrical Control Systems Limited' to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

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- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

### Explanatory statement pursuant to Section 102 of the Companies Act, 2013

#### Item no.4

Based on the recommendation of the Nomination and Remuneration Committee. Sri N.R. Selvaraj was appointed as an additional director of the Company by the Board of Directors with effect from 01st February 2019. He holds office until conclusion of this Annual General Meeting. He is eligible for appointment as a Director of the Company. Pursuant to the provisions of Section 160 of the Companies Act, 2013, a notice from a member of the Company signifying the intention of candidature of Sri N.R. Selvaraj as a Director has been received by the Company.

Considering the skills, experience and expertise knowledge, the Board is of the opinion that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Sri N.R. Selvaraj as a Non-Executive Non Independent Director. He is liable to retire by rotation.

Accordingly, the Board recommends this ordinary resolution for the approval of the shareholders in relation to appoint Sri N.R. Selvaraj as Non-Executive Non Independent Director as set out in item No. 4 of the notice for approval of shareholders.

#### Profile of Sri N.R.Selvaraj

Date of Birth / Nationality : 05.10.1947 / Indian

Date of Appointment in the board : 01.02.2019

Sri.N.R.Selvaraj, is a B.Com Graduate and a Member of the Institute of Chartered Accountants of India ( A.C.A.) qualified in the year 1971. He has more than 40 years of experience in various roles including Finance, Audit, Administration, etc. He has worked for Canara Bank during the year 1973 to 1990 in various capacities such as Officer and Manager in the Bank's Inspection Department in Mumbai, Coimbatore and Ernakulam. He also worked as Branch Manager in the Bank's Kerala Region Branches and as Senior Manager in the Advances Section of the Bank's Circle Office in Trivandrum.

He has worked for M/s Lakshmi Machine Works Limited from July 1990 to October 2005 as Manager Internal Audit, Senior Manager Internal Audit and DGM / G.M Finance. Subsequently, he became a member of Corporate Strategy Management Team and also the Internal Auditor from November 2005 till January 2014.

He occupied the position of Whole Time Director of Super Sales India Limited comprising of Agency Division, Textile Division, Gears Manufacturing Unit and Wind Mill Division from February 2014 till January 2017. Subsequently, he was appointed as the Managing Director of Super Sales India Limited from February 2017. He resigned as Managing Director of Super Sales India Limited on 23.10.2018.

#### He holds Directorships in the following unlisted companies:

1. Lakshmi Cargo Company Limited	2.Lakshmi Life Sciences Limited
3. Quattro Engineering India Limited	4.Revantha Holdings Limited
5. Hermes Academy of Training Limited	6. Sowbarnika Enterprises Limited
7. Chakradhara Aerospace and Cargo Private Limited	

No. of Shares held in the Company : NIL

No. of Shares held in Subsidiary Company : NA

**Memberships in Committees:**

Name of the Company	Name of the Committee	Member/Chairman
Chakradhara Aerospace and Cargo Private Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Chairman
	Corporate Social Responsibility Committee	Chairman
Lakshmi Life Sciences Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Chairman
	Corporate Social Responsibility Committee	Chairman

He is not related to any other director, Manager or Key Managerial Personnel. None of the Directors and Key Managerial Personnel of the Company or their relatives is, financially or otherwise, concerned or interested in this resolution except Sri N.R.Selvaraj, whose appointment is considered.

Sitting fee paid to him during the year 2018-19 was Rs 25,000/-

Number of Board meetings attended by him during 2018-19 was 1.

He is a Non-executive and Non-Independent Director and entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees or any other meeting of directors and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Companies Act, 2013, and as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013 as well as the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The explanatory statement may also be construed as disclosure under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

**Item no.5**

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Members.

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

The aggregate of all purchases, sales and earnings out of rendering services exceeds the 10% of Annual Consolidated Turnover of the Company in a financial year. As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all related party transactions which exceeds 10% of the Annual Consolidated Turnover needs to be approved by the shareholders.

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

**Interest of Directors :**

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

**Item no.6**

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Members.

Company is purchasing Control Panel Components and Selling Engineering Plastics Components / Electrical spares manufactured by the Company to Lakshmi Precision Tools Limited on arms length basis. The aggregate of all purchases, sales and earnings out of rendering services exceeds / may exceed the 10% of Annual Consolidated Turnover of the Company in a financial year.

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all related party transactions which exceeds 10% of the Annual Consolidated Turnover needs to be approved by the shareholders.

Directors recommend the resolution at item No.6 for the approval of the Members of the Company.

### Interest of Directors :

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

### Item no.7

Sri.N. Suryakumar was appointed as an Independent Director of the Company for a period of five years with effect from 08th August 2014 (first term) as per the provisions of the Companies Act, 2013. As such the tenure of Sri.N. Suryakumar, as an Independent Director of the Company expires on 08th August, 2019 and he is eligible for re-appointment as an Independent Director for a further period of two consecutive years on passing of special resolution at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, a notice from a member of the Company signifying the intention of the candidature of Sri N. Suryakumar as an Independent Director has been received by the Company. Accordingly, he is proposed to be appointed as an Independent Director of the Company for a further period of two consecutive years with effect from 09th August 2019 (Second Term).

The Company has received a declaration from Sri N. Suryakumar that he met the criteria for independence as prescribed in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Sri N. Suryakumar is not disqualified from being appointed as director in terms of Section 164 of the Act and not debarred from holding the office of director by virtue of any SEBI order or any other authority.

Nomination and Remuneration Committee of Directors and the Board were of the opinion, after evaluating the performance, appropriate mix of skills, experience, competency and other attributes that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Sri N. Suryakumar as an Independent Director. He is not liable to retire by rotation.

Board is of the opinion that Sri N. Suryakumar fulfills the conditions and criteria of independence as specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and independent of the Management. Copy of the draft letter of appointment of Sri N. Suryakumar as an Independent Director of the Company would be available for inspection without any fee by the members at the registered office of the Company.

As per Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a non-executive director of the Company who has attained the age of seventy-five years can continue the directorship only with the approval of shareholders through a special resolution with effect from 01st April, 2019. Sri N. Suryakumar is presently aged of 78 years.

Accordingly, the Board recommends this special resolution for the approval of the shareholders in relation to re-appointment of Independent Director and also for continuation of directorship of Sri N. Suryakumar, as an Independent Director as set out in item No. 7 of the notice for approval of shareholders.

### Profile of Sri.N.Suryakumar

Date of Birth / Nationality : 15.06.1940 / Indian

Date of appointment in the Board: 30.09.1982

Sri.N. Suryakumar, presently aged 78 years is a Science Graduate and holds a Degree in Textile Engineering (Philadelphia University, USA) and has submitted two thesis on Textile Technology to SITRA.

### He holds Directorships in the following unlisted companies:

1. Sri Venkatram Fabricators Private Limited	2. Sova Private Limited
3. Ayla Ventures Private Limited	

No. of Shares held in the Company : NIL

No.of Shares held in Subsidiary Company : NA

### Memberships in Committees:

Name of the Company	Name of the Committee	Member/Chairman
Lakshmi Electrical Control Systems Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Chairman

He is not related to any other director, Manager or Key Managerial Personnel. None of the Directors and Key Managerial Personnel of the Company or their relatives is, financially or otherwise, concerned or interested in this resolution except Sri.N.Suryakumar, whose term for continuation as an Independent Director is considered.

Sitting fee paid to him during the year 2018-19 was Rs 2.50 lakhs.

Number of Board meetings attended by him during 2018-19 was 4.

He is an Independent Director and entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees or any other meeting of directors and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Companies Act, 2013, and as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013 as well as the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The explanatory statement may also be construed as disclosure under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

#### **Item no.8**

Sri. Ramesh Rudrappan was appointed as an Independent Director of the Company for a period of five years with effect from 08th August 2014 (first term) as per the provisions of the Companies Act, 2013. As such the tenure of Sri. Ramesh Rudrappan, as an Independent Director of the Company expires on 08th August, 2019 and he is eligible for re-appointment as an Independent Director for a further period of five consecutive years on passing of special resolution at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, a notice from a member of the Company signifying the intention of the candidature of Sri Ramesh Rudrappan, as an Independent Director has been received by the Company. Accordingly Sri Ramesh Rudrappan is proposed to be appointed as an Independent Director of the Company for a further period of five consecutive years with effect from 09th August 2019 (Second Term).

The Company has received a declaration from Sri Ramesh Rudrappan that he met the criteria for independence as prescribed in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Sri.Ramesh Rudrappan is not disqualified from being appointed as director in terms of Section 164 of the Act and not debarred from holding the office of director by virtue of any SEBI order or any other authority.

Nomination and Remuneration Committee of Directors and the Board were of the opinion, after evaluating the performance, appropriate mix of skills, experience, competency and other attributes that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Sri Ramesh Rudrappan as an Independent Director. He is not liable to retire by rotation.

Board is of the opinion that Sri Ramesh Rudrappan fulfills the conditions and criteria of independence as specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and independent of the Management. Copy of the draft letter of appointment of Sri Ramesh Rudrappan as an Independent Director of the Company would be available for inspection without any fee by the members at the registered office of the Company.

Accordingly, the Board recommends this special resolution for the approval of the shareholders in relation to re-appointment of Independent Director and also for continuation of directorship of Sri Ramesh Rudrappan, as an Independent Director as set out in item No. 8 of the notice for approval of shareholders.

#### **Profile of Sri. Ramesh Rudrappan**

Date of Birth/Nationality: 03.06.1955 / Indian

Date of appointment in the Board : 23.05.2011

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

He was former Chairman of CII Coimbatore Zone.

#### **He holds Directorships in the following unlisted companies:**

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

No of Shares held in the Company: NIL

No of Shares in Subsidiary Company: NA



## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### Memberships in Committees:

Name of the Company	Name of the Committee	Member/Chairman
Lakshmi Electrical Control Systems Limited	Audit Committee	Member
	Stakeholders Relationship Committee	Chairman
	Nomination and Remuneration Committee	Member

He is not related to any other director, Manager or Key Managerial Personnel. None of the Directors and Key Managerial Personnel of the Company or their relatives is, financially or otherwise, concerned or interested in this resolution except Sri. Ramesh Rudrappan, whose term for continuation as an Independent Director is considered.

Sitting fee paid to him during the year 2018-19 was Rs 3.00 lakhs.

Number of Board meetings attended by him during 2018-19 was 4.

He is an Independent Director and entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees or any other meeting of directors and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Companies Act, 2013, and as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013 as well as the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The explanatory statement may also be construed as disclosure under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

### Item no.9

Sri. A.Palaniappan was appointed as an Independent Director of the Company for a period of five years with effect from 08th August 2014 (first term) as per the provisions of the Companies Act, 2013. As such the tenure of Sri. A.Palaniappan, as an Independent Director of the Company expires on 08th August, 2019 and he is eligible for re-appointment as an Independent Director for a further period of five consecutive years on passing of special resolution at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, a notice from a member of the Company signifying the intention of the candidature of Sri A.Palaniappan as an Independent Director has been received by the Company. Accordingly, Sri A.Palaniappan is proposed to be appointed as an Independent Director of the Company for a further period of five consecutive years with effect from 09th August 2019 (Second Term).

Company has received a declaration from Sri A.Palaniappan that he met the criteria for independence as prescribed in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Sri.A.Palaniappan is not disqualified from being appointed as director in terms of Section 164 of the Act and not debarred from holding the office of director by virtue of any SEBI order or any other authority.

Nomination and Remuneration Committee of Directors and the Board were of the opinion, after evaluating the performance, appropriate mix of skills, experience, competency and other attributes that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Sri A.Palaniappan as an Independent Director. He is not liable to retire by rotation.

Board is of the opinion that Sri A.Palaniappan fulfills the conditions and criteria of independence as specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and independent of the Management. Copy of the draft letter of appointment of Sri A.Palaniappan as an Independent Director of the Company would be available for inspection without any fee by the members at the registered office of the Company.

Accordingly, the Board recommends this special resolution for the approval of the shareholders in relation to re-appointment of Independent Director and also for continuation of directorship of Sri A.Palaniappan, as an Independent Director as set out in item No. 9 of the notice for approval of shareholders.

### Profile of Sri. A.Palaniappan

Date of Birth/Nationality : 29.06.1968 / Indian

Date of appointment in the Board: 28.01.2013

Sri. A.Palaniappan is a Science Graduate from University of Maryland at Towson (Baltimore), USA.

Since 2005, he is the Managing Director of M/s Sree Karpagambal Mills Limited. Sri. A.Palaniappan was working with HCL

and Hewlett Packard, New Delhi, in software development for about 5 years. Sri. A.Palaniappan has also worked with US Army's Chemical Research Development and Engineering Centre at Edgewood Arsenal, Maryland, USA, as a System Analyst and Developer between 1987 and 1991.

**He holds Directorships in the following unlisted companies:**

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

No of shares held in the Company : NIL

No of shares held in Subsidiary Company : NA

**Membership in Committees:**

Lakshmi Electrical Control Systems Limited - Audit Committee - Member.

He is not related to any other director, Manager or Key Managerial Personnel. None of the Directors and Key Managerial Personnel of the Company or their relatives is, financially or otherwise, concerned or interested in this resolution except Sri.A.Palaniappan, whose term for continuation as an Independent Director is considered.

Sitting fee paid to him during the year 2018-19 was Rs 2.25 lakhs.

Number of Board meetings attended by him during 2018-19 was 4.

He is an Independent Director and entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees or any other meeting of directors and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Companies Act, 2013, and as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013 as well as the SEBI (Listing Obligation and Disclosure Requirements) Regulations,2015.

The explanatory statement may also be construed as disclosure under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**Item no.10**

Sri. Arun Selvaraj was appointed as an Independent Director of the Company for a period of five years with effect from 08th August 2014 (first term) as per the provisions of the Companies Act, 2013. As such the tenure of Sri. Arun Selvaraj, as an Independent Director of the Company expires on 08th August, 2019 and he is eligible for re-appointment as an Independent Director for a further period of five consecutive years on passing of special resolution at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, a notice from a member of the Company signifying the intention of the candidature of Sri Arun Selvaraj as an Independent Director has been received by the Company. Accordingly, Sri. Arun Selvaraj is proposed to be appointed as an Independent Director of the Company for a further period of five consecutive years with effect from 09th August 2019 (Second Term).

Company has received a declaration from Sri Arun Selvaraj that he met the criteria for independence as prescribed in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Sri.Arun Selvaraj is not disqualified from being appointed as director in terms of Section 164 of the Act and not debarred from holding the office of director by virtue of any SEBI order or any other authority.

Nomination and Remuneration Committee of Directors and the Board were of the opinion, after evaluating the performance, appropriate mix of skills, experience, competency and other attributes that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Sri Arun Selvaraj as an Independent Director. He is not liable to retire by rotation.

Board is of the opinion that Sri Arun Selvaraj fulfills the conditions and criteria of independence as specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and independent of the Management. Copy of the draft letter of appointment of Sri Arun Selvaraj as an Independent Director of the Company would be available for inspection without any fee by the members at the registered office of the Company.



## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Accordingly, the Board recommends this special resolution for the approval of the shareholders in relation to re-appointment of Independent Director and also for continuation of directorship of Sri Arun Selvaraj as an Independent Director as set out in Item No. 10 of the notice for approval of shareholders.

### Profile of Sri. Arun Selvaraj

Date of Birth/Nationality : 30.11.1968 / Indian

Date of appointment in the Board: 28.01.2013

Sri.Arun Selvaraj is a Textile Marketing and Management Graduate from Philadelphia University, USA.He has more than 10 years of experience in administration of Textile and Aerospace Industries.

He holds Directorships in Ravilla Aerospace Industries Private Limited

No.of shares held in the Company : Nil

No of shares held in Subsidiary Company : NA

### Memberships in Committees:

Name of the Company	Name of the Committee	Member/Chairman
Lakshmi Electrical Control Systems Limited	Corporate Social Responsibility Committee	Member
	Nomination and Remuneration Committee	Member

He is not related to any other director, Manager or Key Managerial Personnel. None of the Directors and Key Managerial Personnel of the Company or their relatives is, financially or otherwise, concerned or interested in this resolution except Sri Arun Selvaraj, whose term for continuation as an Independent Director is considered.

Sitting fee paid to him during the year 2018-19 was Rs 1.50 lakhs.

Number of Board meetings attended by him during 2018-19 was 3.

He is an Independent Director and entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees or any other meeting of directors and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Companies Act, 2013, and as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013 as well as the SEBI (Listing Obligation and Disclosure Requirements) Regulations,2015.

The explanatory statement may also be construed as disclosure under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

### Item no.11

In order to align the Articles of Association of the Company with the provisions of the Companies Act, 2013 and Schedules made thereunder, it is proposed to replace the existing Articles of Association of the Company by substitution of new set of Articles of Association.

The Board of Directors at their meeting held on 29th May, 2019 has proposed, subject to the approval of members, to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

Copy of the proposed Articles of Association of the Company and the existing Articles of Association is available for inspection by members at the registered office of the Company and also available in the website of the Company. The Board of Directors recommend and seek approval of the members for the adoption of Articles of Association of the Company by passing a Special Resolution as set out at Item No. 11 of this AGM Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice. The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the members.

## Annexure to Notice of the AGM

### Profile of the Director retiring by rotation : Sri D.Senthilkumar

Date of Birth / Nationality : 02.12.1967 / Indian

Date of Appointment in the board : 22.03.1997

Sri D. Senthilkumar holds a Bachelor's Degree in Mechanical Engineering and Master's Degree in Textile Technology. He is having rich experience in managing Spinning Mills in all its facets such as Production, Marketing, Finance etc.,

### He holds Directorships in the following unlisted companies:

1.Ramlakshmi Agro Plantations Private Limited	2.Harshni Textiles Limited
3.Supreme Dairy Products India Private Limited	4.Ramlakshmi Agro Farms Private Limited
5.Ramlakshmi Holdings Private Limited	6.Integrated Electrical Controls India Limited
7.Ramlakshmi Plantations Private Limited	8.Ramalinga Exports Ltd
9.Lakshmi Precision Tools Limited	10.Shri Ramalinga Builders Ltd.
11.Lakshmi Electrical Drives Limited	12.Shri Ramalinga Mills Ltd

No. of Shares held in the Company: 100

No. of Shares held in Subsidiary Company: NA

### Memberships in Committees:

Name of the Company	Name of the Committee	Member / Chairman
Harshni Textiles Ltd	Audit Committee	Chairman
	Nomination & Remuneration Committee	Chairman
Lakshmi Electrical Control Systems Ltd	Corporate Social Responsibility Committee	Chairman
	Stakeholders Relationship Committee	Member
	Share Transfer Committee	Member
Lakshmi Precision Tools Ltd	Stakeholders Relationship Committee	Member
	Share Transfer Committee	Member
Lakshmi Electrical Drives Ltd	Corporate Social Responsibility Committee	Chairman

### Inter-se relationship:

None of the Directors of the Company is related to Sri.D.Senthilkumar except Smt Nethra J.S.Kumar as wife. None of the other KMPs of the Company or their relatives are relative of Sri.D.Senthilkumar, financially or otherwise, concerned or interested in this resolution.

Sitting fee paid to him during the year 2018-19 was Rs 1.75 lakhs.

Number of Board meetings attended by him during 2018-19 was 4.

Place : Coimbatore  
Date : May 29, 2019

By order of the Board  
**S. Sathyanarayanan**  
Company Secretary

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## DIRECTORS' REPORT

### Lakshmi Electrical Control Systems Limited

Registered Office:34-A, Kamaraj Road, Coimbatore – 641018, Tamil Nadu.

CIN: L31200TZ1981PLC001124

Tel: +91 422 3093500

Email: [investorscell@lecsindia.com](mailto:investorscell@lecsindia.com)

Website: [www.lecsindia.com](http://www.lecsindia.com)

### Board of Directors' Report to Shareholders

Dear Shareholders,

The Board of Directors of your Company are pleased to present the Thirty Eighth Annual Report on the business and commercial operations of the Company along with the summary of financial statements for the year ended 31<sup>st</sup> March, 2019.

#### 1. The State of Affairs of the Company

##### Financial summary/highlights

Particulars	Financial Year 2018-2019 (₹ in Lakhs)	Financial Year 2017-2018 (₹ in Lakhs)
Revenue from Operations	19,082.27	19,446.78
Other Income	412.56	314.59
Profit before Interest and Depreciation and amortisation expense	1,517.80	1,868.33
Less Interest	1.37	5.47
Profit before Depreciation & Amortization expense	1,516.43	1,862.86
Less : Depreciation & Amortisation expense	211.82	207.86
Profit Before Tax	1,304.61	1,655.00
Less : Exceptional Item	-	-
Less: Provision for Taxes	284.01	480.92
Profit after tax	1,020.60	1,174.08

##### Accounting Standards

The Ministry of Corporate Affairs (MCA) has notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies and Ind AS has been implemented as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 for such class of Companies. The Company has adopted Ind AS from April 1, 2017.

##### Dividend

The Board recommends a 90% dividend of ₹ 9/- (Rupees Nine only) per equity share of the face value of ₹ 10/- (Rupees Ten only) each on the equity share capital of ₹ 2,45,80,000/- for the financial year ended on 31<sup>st</sup> March, 2019. The dividend on equity shares is subject to the approval of the shareholders at the ensuing Annual General Meeting. Dividend will be paid to those equity shareholders whose names appear in the Register of Members as on 31<sup>st</sup> July 2019 in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend shall be paid on the basis of the beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on 31<sup>st</sup> July 2019.

##### Share Capital

The paid-up capital of the Company as at March 31, 2019 stood at ₹ 245.80 Lakhs. During the year under review, your Company had not made any fresh issue of shares.

## **Business and Operations**

During the year under review, the Company's revenue from operations (net of GST) has increased by ₹ 232.43 lakhs over the previous financial year.

The profit before interest and depreciation is ₹ 1517.80 Lakhs as against ₹ 1868.33 Lakhs for the previous financial year. The profit after tax has decreased by 13.07% compared to the previous financial year.

## **Industrial Relations**

Relationship with employees was cordial throughout the financial year.

## **2. Extracts of Annual Return**

As per requirements of the Companies Act, 2013, the extract of annual return in the prescribed Form MGT 9 is annexed hereto as Annexure 1 forming part of the report.

## **3. Number of Meetings of the Board**

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

## **4. Directors' Responsibility Statement**

In terms of Section 134 of the Companies Act, 2013 the Directors, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- b. have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. have prepared the annual accounts on a going concern basis;
- e. have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **5. No Frauds reported by statutory auditors**

There is no instance of frauds reported by the statutory auditors of the Company for the financial year under review under sub Section (12) of Section 143 of the Companies Act, 2013.

## **6. Declaration by Independent Directors**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)].

## **7. Nomination and Remuneration Committee and Policy**

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

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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

The said committee has been empowered and authorised to exercise widest powers as entrusted under the provisions of Section 178 of the Companies Act, 2013 and SEBI LODR. The Company has a policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178. The policy is available on the Company's website [www.lecsindia.com](http://www.lecsindia.com).

The salient aspects covered in the Nomination and Remuneration Policy:

Company believes that the human resources are one of the most important valuable assets of the company. As per the requirement of the provisions of the Companies Act and SEBI Regulations, to meet and attract the valuable asset and harmonize the payment to Directors, Key Managerial Personnel and other employees of the Company in line with the mission, visions and values of the Company. This policy has been formulated by the Nomination and Remuneration Committee for the Directors, Key Managerial Personnel and Senior Management personnel and approved by the Board of Directors.

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors and persons who may be appointed in Senior Management and Key Managerial positions.
- To lay down guiding principle for remuneration payable to Executive Directors, Non- Executive Directors, Senior Management Personnel and Key Managerial Personnel.
- To determine the evaluation of performance of the Members of the Board including Independent Directors
- To recommend remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies
- To provide them reward linking to their effort, performance, dedication and achievement in the Company's operations/ performance.
- To design suitable remuneration package to attract, retain, motivate and promote best caliber directors and employees, create strong performance orientated environment and reward, achievement of meaningful targets over the short and long-term and create competitive advantage. To determine the criteria for qualifications, positive attributes, and independence of Directors.
- To determine whether to extend or continue the term of appointment of Independent Directors.
- Devising criteria for board diversity.
- Develop succession plan for the Board, Senior Management and Key Managerial Personnel.

### 8. Auditors Comments

There are no adverse comments in the reports of Statutory Auditors (appearing elsewhere in the Annual Report) and that of the Secretarial Auditors (annexed hereto as Annexure 2).

### 9. Particulars of Loans/Guarantee/Investments

The Company has not given / made any Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

### 10. Particulars of Contracts with Related Party

The transactions entered by the Company with the related parties during the financial year 2018-19 are in the ordinary course of business and at arm's length basis. The particulars of material related party transactions is provided in the form AOC 2 and annexed to the Boards' Report as Annexure 3.

## 11. Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company occurred between the end of financial year (March 31, 2019) to which this financial statements relate and the date of this Report.

## 12. Conservation of Energy, Technology Absorption & Foreign Exchange

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

### Conservation of Energy

Sl No.	Particulars	Disclosures
(i)	Steps taken or impact on conservation of energy	I. In the lighting system Auto OFF and ON system / lighting censor system installed to conserve the energy wherever possible. II. In AC plants auto change over system installed to conserve the energy wherever possible.
(ii)	Steps taken by the company for utilising alternate sources of energy	Wind energy generation power is utilized for Plant captive consumption from August 2016 onwards.
(iii)	Capital investment on energy conservation equipments;	-

### Technology Absorption

Sl No.	Particulars	Disclosures
(i)	Efforts made towards technology absorption;	No technology or knowhow is brought from external bodies or imported.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	In house developmental and operational research activities are carried out on regular basis.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): (a) the details of technology imported; (b) the year of import (c) whether the technology has been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	No technology was imported during the last three years.
(iv)	The expenditure incurred on Research and Development	Capital Expenditure: ₹ 0.16 Lakhs Revenue Expenditure: ₹ 36.28 Lakhs Total Expenditure: ₹ 36.44 Lakhs

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### Foreign Exchange Outgo and Earnings

	₹ in Lakhs
Foreign Exchange earned through exports	40.21
Foreign Exchange used	998.72

### 13. Risk Management

The Company follows a comprehensive and integrated risk appraisal, mitigation and management process. The risk management process of the Company is being periodically reviewed for improvement by the Board of Directors.

### 14. Corporate Social Responsibility (CSR):

The Company has constituted a CSR committee of Board of Directors and has adopted a CSR Policy. The same is posted in the Company's website [www.lecsindia.com](http://www.lecsindia.com). The Committee consist of three directors' viz., Sri. D.Senthilkumar, Smt. Nethra J.S.Kumar and Sri. Arun Selvaraj. CSR Committee meeting was held on 03.08.2018. A report in prescribed format detailing the CSR spend for the financial year 2018-19 is attached herewith as Annexure 4 forming a part of this report.

### 15. Evaluation of Board's Performance:

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

**(Contd...)**



## 16. Additional Disclosures:

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

S.No	Particulars	Disclosures
(i)	The financial summary or highlights.	The financial highlights including State of Affairs of the Company is provided in this Annual Report.
(ii)	The change in the nature of business, if any.	There is no change in the business line of the company.
(iii)	The details of directors or key managerial personnel who were appointed or have resigned during the year.	The Board of Directors have appointed Sri. N.R.Selvaraj as Additional Director of the Company with effect from 1 <sup>st</sup> February 2019
(iv)	The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.	Nil
(v)	The details relating to deposits, covered under Chapter V of the Act.	The Company has not accepted deposits.
(vi)	The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	Nil
(vii)	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.	Nil
(viii)	The details in respect of adequacy of internal financial controls with reference to the Financial Statements.	<p>The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance.</p> <p>The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.</p>
(ix)	Cost Records	The Company is maintaining the cost records as required under Section 148 of the Companies Act, 2013.
(x)	Internal Complaints Committee	As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the financial year 2018-19, no complaint was received before the committee.

## 17. Internal Control systems and their Adequacy

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations.

The accounting transactions and operations are audited by the Internal Auditor vis.a.vis the internal controls, policies and procedures and the deviations, if any, are reported and corrective actions are taken appropriately.

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### 18. Board of Directors

#### Appointment:

Sri N.R. Selvaraj was appointed as an additional director (Non-executive Non Independent) with effect from 01<sup>st</sup> February 2019. Regularisation of his appointment is included in the Notice of the ensuing Annual General Meeting. The Board recommends his appointment in the forthcoming Annual General Meeting.

#### Re-appointment of retiring directors:

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

#### Appointment of Independent Directors:

The first term of appointment of Independent Directors Sri N. Suryakumar, Sri Ramesh Rudrappan, Sri A. Palaniappan and Sri. Arun Selvaraj expires on 08<sup>th</sup> August 2019. Nomination and Remuneration Committee and Board has recommended the respective appointment of said Independent Directors for second term in the ensuing Annual General Meeting and included the subjects in the Notice of the ensuing Annual General Meeting.

#### Resignation:

There was no incidence of resignation of any Director.

### 19. Composition of Audit Committee

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

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

The Board has accepted the recommendations of the committee during the financial year under review.

### 20. Vigil Mechanism

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

### 21. Overall Maximum Remuneration

Particulars pursuant to Section 197(12) & rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

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

Name	Category	Ratio
Smt. Nethra J.S.Kumar (DIN:00217906)	Executive - Chairperson and Managing Director	1:12.51
Sri. N.Suryakumar (DIN:00008316)	Non-Executive - Independent	-
Sri. Sanjay Jayavarthanavelu (DIN: 00004505)	Non-Executive - Non Independent	-
Sri. D.Senthilkumar (DIN: 00006172)	Non-Executive - Non Independent	-
Sri. Ramesh Rudrappan (DIN: 00008325)	Non-Executive - Independent	-
Sri. A.Palaniappan (DIN:00044022)	Non-Executive - Independent	-
Sri. Arun Selvaraj (DIN: 01829277)	Non-Executive - Independent	-
Sri N.R. Selvaraj (DIN: 00013954)	Non-Executive - Non Independent	-

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

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

Name	Category	%
Smt. Nethra J.S.Kumar	Executive – Chairperson and Managing Director	-31.46
Sri. N.Suryakumar	Non-Executive – Independent Director	-
Sri.Sanjay Jayavarthanelu	Non-Executive – Non Independent Director	-
Sri. D.Senthilkumar	Non-Executive – Non Independent Director	-
Sri. Ramesh Rudrappan	Non-Executive – Independent Director	-
Sri. A.Palaniappan	Non-Executive – Independent Director	-
Sri. Arun Selvaraj	Non-Executive – Independent Director	-
Sri N.R. Selvaraj	Non-Executive - Non Independent Director	-
Sri. A.Thiagarajan **	Chief Financial Officer (CFO)	-
Sri. S.Sathyanarayanan *	Company Secretary (CS)	9.94

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

\*The percentage increase is inclusive of Provident Fund and provision for Gratuity .

\*\*CFO was appointed during the financial year 2017-18. Percentage increase in remuneration is not comparable and hence not provided.

- c) The percentage increase in the median remuneration of employees in the financial year: 18.07%
- d) The number of permanent employees on the rolls of company: 216
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:  
Average increase in remuneration is 9.08% for employees other than Managerial Personnel and KMP while it is (18.82%) for Managerial Personnel (KMP and Senior Management).
- f) It is affirmed that the remuneration is as per the remuneration policy of the Company.
- g) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel Rules, 2014) are provided as Annexure 5 to this Report.

## 22. Accounting Treatment

In the preparation of financial statements, no treatment different from that of prescribed accounting standards has been followed.

## 23. Secretarial Standards

The Company has adhered with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

## 24. Corporate Governance:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

The shares of the Company are listed in BSE Limited, Mumbai. The listing fees is paid up to date and the shares of the Company were not suspended for trading by the Stock Exchange at any time during the financial year under review.

### 25. Investor Education and Protection Fund

The Company has transferred the equity shares and dividend, in respect of which dividend has not been claimed by the members for seven consecutive years or more to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-2019. Details of shares transferred have been uploaded on the website of the Company.

### 26. Auditors

Statutory Auditor:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Subbachar & Srinivasan, Chartered Accountants, the Statutory Auditors of the Company, hold office up to the conclusion of the Annual General Meeting to be held in the year 2021. The Company has received a certificate from the said Auditors that they are eligible to continue and hold office as the Auditors of the Company.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MDS & Associates, Coimbatore, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2019-2020.

### Acknowledgement

Your Directors thank the customers, bankers, vendors, shareholders and other stakeholders for their continued support and patronage.

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

For and on behalf of the Board

Place : Coimbatore  
Date : May 29, 2019

**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN: 00217906)

**Form No. MGT.9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended 31st March, 2019**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the**  
**Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L31200TZ1981PLC001124
Registration Date	03.12.1981
Name of the Company	Lakshmi Electrical Control Systems Limited
Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
Address of the Registered office and contact details	34-A, Kamaraj Road, Coimbatore - 641 018 Ph: 0422-3028100
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. S.K.D.C. Consultants Ltd. Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Tel no. : 0422 - 4958995, 2539835-36, Fax : 2539837 E-mail : info@skdc-consultants.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl.No.	Name and Description of main products / services	NIC Code of the product/services	% to total turnover of the company
1	Control Panel	8537	78.21%
2	Plastic Components	8448	19.19 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary Associate	% of shares	Applicable Section
NIL					

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### i) Category-wise Share Holding

	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF	684943	0	684943	27.87	688700	0	688700	28.02	0.15
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	101000	-	101000	4.11	4.11
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):</b>	<b>684943</b>	<b>-</b>	<b>684943</b>	<b>27.87</b>	<b>789700</b>	<b>-</b>	<b>789700</b>	<b>32.13</b>	<b>4.26</b>
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>684943</b>	<b>-</b>	<b>684943</b>	<b>27.87</b>	<b>789700</b>	<b>-</b>	<b>789700</b>	<b>32.13</b>	<b>4.26</b>
B.Public Shareholding									
1. Institutions									
a) Mutual Funds	50	-	50	0.00	50	-	50	0.00	-
b) Banks / FI	-	50	50	0.00	-	50	50	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	<b>50</b>	<b>50</b>	<b>100</b>	<b>0.00</b>	<b>50</b>	<b>50</b>	<b>100</b>	<b>0.00</b>	<b>0.00</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	273501	176	273677	11.13	172981	126	173107	7.04	-4.09
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1059979	131721	1191700	48.48	1110922	100915	1211837	49.30	0.82
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	162142	-	162142	6.60	147122	-	147122	5.99	-0.61
c) Others(specify)									
Trusts	-	-	-	-	142	-	142	0.01	0.01
i) Directors & their Relatives	-	-	-	-	-	-	-	-	-
ii) Foreign Nationals	25	-	25	0.00	25	-	25	0.00	-
iii) Non Resident Indians	18737	500	19237	0.78	22338	500	22838	0.93	0.15
iv) Overseas Corporate Bodies	0	1000	1000	0.04	-	-	-	-	-0.04
v) Clearing Members	35049	0	35049	1.43	18510	0	18510	0.75	-0.67
vi) Hindu Undivided Families	64984	0	64984	2.64	66280	0	66280	2.70	0.05
vii) Inv-Education and Protection Fund Auth.	25143	0	25143	1.02	28339	0	28339	1.15	0.13
Sub-total (B)(2):	1639560	133397	1772957	72.13	1566659	101541	1668200	67.87	-4.26
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1639610</b>	<b>133447</b>	<b>1773057</b>	<b>72.13</b>	<b>1566709</b>	<b>101591</b>	<b>1668300</b>	<b>67.87</b>	<b>-4.26</b>
C.Shares held by Custodian for									
GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A + B + C)</b>	<b>2324553</b>	<b>133447</b>	<b>2458000</b>	<b>100.000</b>	<b>2356409</b>	<b>101591</b>	<b>2458000</b>	<b>100.000</b>	<b>0</b>

**ii) Shareholding of Promoters**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Nethra J.S. Kumar	670093	27.26	0.00	670193	27.27	0.00	0.00
2	Lakshmi Electrical Drives Limited	0.00	0.00	0.00	101000	4.11	0.00	4.11
3	D. Senthilkumar	100	0.00	0.00	100	0.00	0.00	0.00
4	Vedhanth S.Kumar	14650	0.60	0.00	18407	0.75	0.00	0.15
5	D. Thayarammal	100	0.00	0.00	0.00	0.00	0.00	-0.00
	Total	684943	27.87	0.00	789700	32.13	0.00	4.26

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Lakshmi Electrical Drives Limited				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	11.12.2018-Shares increase by way of transfer-Purchased through Stock Exchange	101000	4.11	101000	4.11
	At the End of the year			101000	4.11
2.	Smt.Nethra J.S.Kumar				
	At the beginning of the year	670093	27.26	670093	27.26
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	11.03.2019-Shares increase by way of transfer-Received as Gift	100	0.00	670193	27.27
	At the End of the year			670193	27.27
3.	Smt.D.Thayarammal				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	11.03.2019-Shares decrease by way of transfer-given as Gift	100	0.00	-	-
	At the End of the year			-	-



## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4.	Sri. Vedhanth S Kumar	14650	0.60	14650	0.60
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	31.10.2018-Shares increase by way of transfer-Purchased through Stock Exchange	909	0.04	15559	0.63
	02.11.2018-Shares increase by way of transfer-Purchased through Stock Exchange	82	0.00	15641	0.64
	09.11.2018-Shares increase by way of transfer-Purchased through Stock Exchange	389	0.02	16030	0.65
	05.12.2018-Shares increase by way of transfer-Purchased through Stock Exchange	2377	0.10	18407	0.75
	At the End of the year			18407	0.75

No change in shareholding of other promoter

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative share holding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Fortress Advisors LLP	105000	4.27	31.03.2019	At the end of the year			105000	4.27
2	Shankar Resources Pvt Ltd	101000	4.11	14.12.2018	Sale	101000	4.11	-	-
				31.03.2019	At the end of the year			-	-
3	Madhukar Sheth	31706	1.29	31.03.2019	At the end of the year			31706	1.29
4	Zaki Abbas Nasser	30000	1.22	31.03.2019	At the end of the year			30000	1.22
5	Dipak Kanayalal Shah	30000	1.22	30.06.2018	Purchase	50	0.00	30050	1.22
				30.11.2018	Purchase	50	0.00	30100	1.22
				22.02.2019	Purchase	100	0.00	30200	1.23
				31.03.2019	At the end of the year			30200	1.23

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative share holding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	25143	1.02					25143	1.02
				19.10.2018	Transfer	3164	0.13	28307	1.15
				26.10.2018	Transfer	32	0.00	28339	1.15
				31.03.2019	At the end of the year			28339	1.15
7	Mukesh Chimanlal Patani	20000	0.81	31.03.2019	At the end of the year			20000	0.81
								20000	0.81
8	Aparnaa Sarees Private Limited	18744	0.76					18744	0.76
				06.04.2018	Sale	813	0.03	17931	0.73
				27.04.2018	Sale	1043	0.04	16888	0.69
				25.05.2018	Sale	3312	0.13	13576	0.55
				06.07.2018	Sale	216	0.01	13360	0.54
				27.07.2018	Purchase	136	0.01	13496	0.55
				03.08.2018	Sale	1442	0.06	12054	0.49
				10.08.2018	Purchase	1435	0.06	13489	0.55
				17.08.2018	Purchase	1162	0.05	14651	0.60
				24.08.2018	Purchase	6115	0.25	20766	0.85
				14.09.2018	Purchase	186	0.01	20952	0.85
				14.12.2018	Sale	899	0.04	20053	0.82
				21.12.2018	Sale	216	0.01	19837	0.81
				28.12.2018	Purchase	398	0.02	20235	0.82
08.03.2019	Sale	819	0.03	19416	0.79				
31.03.2019	At the end of the year			19416	0.79				
9	Gagan Dinanath Chaturvedi	15000	0.61					15000	0.61
				25.05.2018	Sale	5000	0.20	10000	0.41
				31.03.2019	At the end of the year			10000	0.41
10	Bhumika Consultancy Pvt Ltd	14774	0.60					14774	0.60
				06.04.2018	Purchase	180	0.01	14954	0.61
				13.04.2018	Purchase	72	0.00	15026	0.61
				20.04.2018	Purchase	76	0.00	15102	0.61
				27.04.2018	Sale	226	0.01	14876	0.61
				04.05.2018	Purchase	68	0.00	14944	0.61
				11.05.2018	Purchase	264	0.01	15208	0.62
				18.05.2018	Purchase	2021	0.08	17229	0.70
				25.05.2018	Sale	1865	0.08	15364	0.63
				01.06.2018	Purchase	23	0.00	15387	0.63
				08.06.2018	Purchase	584	0.02	15971	0.65
				15.06.2018	Sale	58	0.00	15913	0.65
				22.06.2018	Sale	2923	0.12	12990	0.53
30.06.2018	Purchase	125	0.01	13115	0.53				
06.07.2018	Purchase	34	0.00	13149	0.54				
13.07.2018	Sale	365	0.01	12784	0.52				
20.07.2018	Sale	7958	0.32	4826	0.20				

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative share holding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				27.07.2018	Purchase	5825	0.24	10651	0.43
				03.08.2018	Sale	1307	0.05	9344	0.38
				10.08.2018	Purchase	1409	0.06	10753	0.44
				17.08.2018	Sale	17	0.00	10736	0.44
				24.08.2018	Purchase	92	0.00	10828	0.44
				31.08.2018	Sale	186	0.01	10642	0.43
				07.09.2018	Purchase	125	0.01	10767	0.44
				14.09.2018	Purchase	321	0.01	11088	0.45
				21.09.2018	Purchase	4	0.00	11092	0.45
				28.09.2018	Sale	2047	0.08	9045	0.37
				05.10.2018	Sale	116	0.00	8929	0.36
				12.10.2018	Sale	170	0.01	8759	0.36
				19.10.2018	Purchase	360	0.01	9119	0.37
				26.10.2018	Sale	117	0.00	9002	0.37
				02.11.2018	Purchase	10	0.00	9012	0.37
				16.11.2018	Sale	87	0.00	8925	0.36
				23.11.2018	Sale	93	0.00	8832	0.36
				30.11.2018	Purchase	649	0.03	9481	0.39
				07.12.2018	Sale	21	0.00	9460	0.38
				14.12.2018	Purchase	594	0.02	10054	0.41
				21.12.2018	Sale	5848	0.24	4206	0.17
				28.12.2018	Purchase	6000	0.24	10206	0.42
				11.01.2019	Sale	301	0.01	9905	0.40
				18.01.2019	Sale	159	0.01	9746	0.40
				25.01.2019	Sale	613	0.02	9133	0.37
				01.02.2019	Purchase	30	0.00	9163	0.37
				15.02.2019	Purchase	42	0.00	9205	0.37
				22.02.2019	Sale	1056	0.04	8149	0.33
				01.03.2019	Sale	222	0.01	7927	0.32
				08.03.2019	Purchase	24	0.00	7951	0.32
				15.03.2019	Purchase	119	0.00	8070	0.33
				22.03.2019	Sale	119	0.00	7951	0.32
				31.03.2019	At the end of the year			7951	0.32
11	Mahesh Ramesh Patil	12216	0.50					12216	0.50
				31.03.2019	At the end of the year			12216	0.50
12	Sangeetha S	12220	0.50					12220	0.50
				25.05.2018	Sale	220	0.01	12000	0.49
				31.03.2019	At the end of the year			12000	0.49
13	Sunil Kumar Gupta	11000	0.45					11000	0.45
				31.03.2019	At the end of the year			11000	0.45

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative share holding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Shareholding of Directors:</b> Sri. D. Senthilkumar	100	0.00					100	0.00
				31.03.2019	At the end of the year			100	0.00
2	<b>Shareholding of KMP:</b> Smt. Nethra J.S.Kumar (Chairperson and Managing Director)	670093	27.26					670093	27.26
				11.03.2019	Received as gift	100	0.00	670193	27.27
				31.03.2019	At the end of the year			670193	27.27
3	Sri.A.Thiagarajan (CFO)	-	-	-	-	-	-	-	-
4	Sri.S.Sathyanarayanan (Company Secretary)	-	-	-	-	-	-	-	-

**V. INDEBTEDNESS**

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

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	518.73	-	-	518.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>518.73</b>	<b>-</b>	<b>-</b>	<b>518.73</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	8.21	-	-	8.21
- Reduction	-	-	-	-
<b>Net Change</b>	<b>8.21</b>	<b>-</b>	<b>-</b>	<b>8.21</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	526.94	-	-	526.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>526.94</b>	<b>-</b>	<b>-</b>	<b>526.94</b>

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Smt. Nethra J S Kumar Chairperson & Managing Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	54.20 - -	54.20 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	- -	- -
5.	Others, please specify	-	-
	Total (A)	54.20	54.20
	Ceiling as per the Act	54.20	54.20

#### B. Remuneration to other Directors:

##### 1. Independent Directors

₹ in Lakhs

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri.N.Surya kumar	Sri. Ramesh Rudrappan	Sri.A.Palani-appan	Sri.Arun Selvaraj	
a)	- Fee for attending board & committee meetings	2.50	3.00	2.25	1.50	9.25
b)	- Commission	-	-	-	-	-
c)	- Others, please specify	-	-	-	-	-
	Total (1)					9.25

##### 2. Other Non-Executive Directors

S. No.	Particulars of Remuneration	Sri. Sanjay Jayavarthanavelu	Sri. D. Senthilkumar	Sri. N. R. Selvaraj	Total Amount
a)	- Fee for attending board & committee meetings	0.50	1.75	0.25	2.50
b)	- Commission	-	-	-	-
c)	- Others, please specify	-	-	-	-
	Total (2)				2.50
	Total (B) = (1 + 2)				11.75
	Total Managerial Remuneration				54.20
	Overall Ceiling as per the Act				119.25

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

₹ in Lakhs

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.49	18.17	38.66
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	– as % of profit	-	-	-
	– others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	20.49	18.17	38.66

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board

**Nethra J.S. Kumar**

Chairperson and Managing Director

(DIN: 00217906)

Place : Coimbatore

Date : May 29, 2019

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015,as amended]

To  
The Members

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

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

Based on my verification of M/s. Lakshmi Electrical Control Systems Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI)
- b) Listing Agreement entered into by the Company with the BSE Limited

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/Regulations requiring compliance thereof by the Company:



- a. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

I further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable to the Company.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that

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

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

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

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

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

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

Place : Coimbatore

Date : May 29, 2019

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

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

To

The Members

Lakshmi Electrical Control Systems Limited

(CIN: L31200TZ1981PLC001124)

No.34A, Kamaraj Road

Coimbatore - 641018

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

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

Place : Coimbatore

Date : May 29, 2019

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

**FORM No. AOC - 2**

**Annexure 3**

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

- a) Name(s) of the related party and nature of relationship- Nil
- b) Nature of contracts/arrangements/transactions: NA
- c) Duration of the contracts/arrangements/transactions: NA
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- e) Justification for entering into such contracts or arrangements or transactions: NA
- f) Date(s) of approval by the Board: NA
- g) Amount paid as advances, if any: NA
- h) Date on which the special resolution was passed in general meeting required under first proviso to section 188: NA

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Lakshmi Machine Works Limited	Lakshmi Precision Tools Limited
Nature of contracts / arrangements / transactions	Purchase of goods, Sale of goods, Rendering of Services, Receiving of Services	Purchase of goods, Sale of goods, Rendering of Services, Receiving of Services
Duration of the contracts / arrangements / transactions	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2020	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2020
Salient terms of the contracts or arrangements or transactions including the value, if any	Price charged for the transactions shall be based on the prevailing market price and shall not be less than the price charged for such transactions to unrelated third party customers having such dealings or transactions with them	Price charged for the transactions shall be based on the prevailing market price and shall not be less than the price charged for such transactions to unrelated third party customers having such dealings or transactions with them.
Date(s) of approval by the Board, if any	05.02.2015	05.02.2015
Amount paid as advances, if any	-	-

Place : Coimbatore  
Date : May 29, 2019

For and on behalf of the Board  
**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN: 00217906)

CORPORATE SOCIAL RESPONSIBILITY

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company believes that socially responsible business practice is an integral part of an organization's effort at ensuring good Corporate Governance. Corporate Social Responsibility (CSR) is therefore a tool through which an organization reflects and pledges its commitment to support and participate in community building efforts. CSR Policy is available in the Web link: <a href="http://lecsindia.com/financial/Policies/csrpolicy.Pdf">http://lecsindia.com/financial/Policies/csrpolicy.Pdf</a>
2.	The Composition of the CSR Committee.	Sri.D.Senthilkumar - Chairman Smt.Nethra J.S.Kumar - Member Sri.Arun Selvaraj - Member
3.	Average net profit of the company for last three financial years.	₹1,372.70 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	₹ 27.45 Lakhs
5.	Details of CSR spent during the financial year 2018-19	
	(a) Total amount spent for the financial year 2018-19	₹ 27.88 Lakhs
	(b) Amount un spent , if any	Nil

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

₹ in Lakhs

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs. Sub-heads: 1) Direct expenditure on projects or programs 2) Over heads.	Cumulative Expenditure upto the reporting Period.	Amount spent Direct or through implementing Agency.
1	Contribution made to The Dee Jay Foundation.	Clause i,ii,iii and v of Schedule VII	Coimbatore / Tamil Nadu	10.00	10.00	10.00	Through the implementing Agency
2	Environmental Sustainability-Installing chain-link fence for part of river in conoor	Clause iv of Schedule VII	Coimbatore / Tamil Nadu	4.00	3.88	3.88	Direct
3	Contribution made to South Indian Art and Heritage Conservation Trust	Clause v of Schedule VII	Coimbatore / Tamil Nadu	14.00	14.00	14.00	Through implementing Agency
Total						27.88	



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

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

**Nethra J.S. Kumar**

Chairperson and Managing Director

(DIN: 00217906)

**D. Senthilkumar**

Chairman – CSR Committee

(DIN: 00006172)

**Annexure 5** Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Name (Age in Years)	Designation	Remuneration received (₹ in Lakhs)	Qualification	Experience in Years (Total)	Date of commencement of employment	Previous employment
Smt.Nethra J.S.Kumar* (47 years)	Chairperson and Managing Director	61.00	Management degree	18	23-10-2000	Nil
A Thiagarajan (49 Years)	Chief Financial Officer	23.84	M.Com., ACMA	23	06-12-2017	The Peria Karamalai Tea & Produce Co Ltd.,
Sri. K. Jayakumar (55 years)	General Manager	23.10	DME (SW)	35	01-10-1988	NTTF, Bangalore
Sri.G.Ravichandran (56 years)	General Manager	21.02	DEEE., BE(PT),, MBA (C), DPM, ME	37	19-05-1989	The Lakshmi Mills Company Ltd.,
Sri. S. Sathyanarayanan (38 years)	Company Secretary (CS)	18.93	M.Com, FCS, LLB, DIA	15	22-06-2015	Practising CS
C Palani (51 Years)	Group Head HR	17.88	B.Sc., MBA., PGDPM & IR., DL	24	06-06-2018	Roca Bathroom Products Pvt.Ltd.,
R Hariharan (51 Years)	Vice President - Operations	17.66	DME,AMIE,MBA,P.hD.,	31	20-09-2018	Freelance Consultant - Business Associate
Sri. G.S. Vajjeravel (54 years)	Dy. General Manager	16.60	DME., BE (Mech) (PT),, DPM.,MBA	32	14.07.1993	Janatics India Pvt. Ltd.,
Jayanta Rath (38 Years)	Manager	14.78	Bsc., PGDPPT	13	05-10-2017	ElingKlinger Automotive Components India Pvt.Ltd.,
Sri. M. Balasubramaniam (56 years)	Senior Manager	13.66	DME., BE (Mech) (PT)	35	01.09.1993	Lasar Flow Controls (P) Ltd.,

Note:

- \*The remuneration includes Company's Contribution to provident fund Rs. 6,60,000/-. Employment is contractual. Smt. Nethra J.S.Kumar is not relative (in terms of the Companies Act, 2013) of any director of the Company except Sri. D.Senthilkumar, Director and Sri.Sanjay Jayavarthanavelu, Director.
- No employee of the Company is holding by himself / herself or with their family, shares of 2% or more in the Company and drawing remuneration in excess of the Managing Director.
- The remuneration received is for the financial year 2018-19.# Sri.R.Hariharan and Sri.C.Palani are employed from part of the financial year 2018-19.
- All other employees are permanent employees and remuneration includes PF, Bonus, leave encashment, etc. excluding Gratuity, if any.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Economy Overview

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years. India's GDP is estimated to have increased 7 per cent in 2018-19. India has retained its position as the third largest start-up base in the world. Make in India initiative expected to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).

### Opportunities and Threats

Control Panel production continues to be the major part of the Company's operation and the Company foresees opportunities in renewable energy sector along with textile machinery sector. The frequent change in technology seems to be a threat.

### Segment wise Performance

The main segment for the Company viz., Electricals has witnessed a muted growth and achieved revenue from operations of Rs. 157.94 crores. The turnover of the Company decreased in the Plastics during the financial year 2018-19 registering the revenue from operations of Rs. 32.74 crores.

Control Panel production continues to be the major part of the Company's operation and the Company continues its efforts in increasing the productivity levels and adding new customers.

In the Plastics Division, the Company is putting efforts to add new customers / products and thereby increasing the share in overall business.

Decrease in wind velocity paved way for dip in generation of electricity by Wind Electric Generators.

### Outlook

The Company is in a positive frame to grab the opportunity in the years to come and confident to maintain the growth of turnover and profitability. The Company has necessary and well equipped production facilities to reap the benefits of the growth opportunities.

### Risk and concerns

Cost of production is highly dependent on material and labour cost which is the major part of the expenses. Value addition is one of the solution to mitigate the risk.

### Internal Control System and Adequacy

The Company has adequate internal control system, commensurate with its size and nature of its business. The management has the overall responsibility for the Company's internal control system to safeguard the assets and to ensure reliability of financial records. The company has a budgetary control system and periodically the actual performance is reviewed and the deviations, if any, are addressed accordingly. The audit committee reviews all financial statements and ensures adequacy of internal control systems.



## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### Financial Performance :

Particulars	Financial Year 2018-2019 (₹ in Lakhs)	Financial Year 2017-2018 (₹ in Lakhs)
Revenue from Operations	19,082.27	19,446.78
Other Income	412.56	314.59
Profit before Interest and Depreciation and amortisation expense	1,517.80	1,868.33
Less : Interest	1.37	5.47
Profit before Depreciation & amortization expense	1,516.43	1,862.86
Less : Depreciation & amortisation expense	211.82	207.86
Profit Before Tax	1,304.61	1,655.00
Less : Exceptional Item	-	-
Less: Provision for Taxes	284.01	480.92
Profit after tax	1,020.60	1,174.08
Earnings per Share (Amount in ₹)	41.52	47.77

### Human Resources

The organisation aims to achieve sustained growth through developing a skilled, motivated and committed workforce.

### Risk Management

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

### Details of key financial ratios

S.No	Name of the Ratio	Financial Year 2018 - 19	Financial Year 2017 - 18	% of Change
1	Debtors Turnover Ratio	4.21	4.24	(0.90)
2	Inventory Turnover Ratio	10.32	12.18	(15.23)
3	Interest Coverage Ratio	953.27	303.56	214.03
4	Current Ratio	2.80	2.28	22.86
5	Debt Equity Ratio	0.17	0.22	(22.64)
6	Operating Margin (%)	4.89	7.28	(32.84)
7	Net Profit Margin (%)	5.35	6.22	(14.04)

a) Interest Coverage Ratio: The Company had taken efforts to reduce the amount locked up in Working capital which resulted in reduction of Interest paid to Banks.

b) Operating Profit Margin (%): The reduction in PBT for the year was due to increase in the price of raw materials and due to reduction in Sales of Plastic Division.

### Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

For the financial year ended 2019 - 5.98%. For the financial year ended 2018 - 6.94%. Percentage of change - 0.96%

The reduction in Return on Net Worth for the year was due to increase in the price of raw materials and due to reduction in Sales of Plastic Division.



### **Cautionary Statement**

The Management Discussion and Analysis Report contains forward looking statements based upon assumptions with regard to global and country's economic conditions and expectation of future events, etc., The factors that might influence the operations of the Company are demand-supply conditions, prices of the finished goods, material costs & availability, change in the government rules & regulations and natural calamities over which the Company has no control. The Company assumes no responsibility on the accuracy of assumptions and perceived performance of the Company in future.

Place : Coimbatore  
Date : May 29, 2019

For and on behalf of the Board  
**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN: 00217906)

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## CORPORATE GOVERNANCE REPORT

The Directors present the Report on Corporate Governance for the financial year ended 31st March 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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 information are placed before the Board on quarterly basis.

#### Composition

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

#### Position of Board of Directors

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 none of the Directors hold any membership in more than ten Committees of Boards or Chairman of more than five Committees in which they are members.

Name of the Director	Position	Other Directorships (Public and Private)	Membership in Committees (including LECS)	
			Chairman	Member
Smt. Nethra J.S. Kumar	Executive - Chairperson and Managing Director	14	1	1
Sri. N.Suryakumar	Non-executive - Independent	3	1	-
Sri. Sanjay Jayavarthanavelu	Non-executive Director	10	-	2
Sri. D.Senthilkumar	Non-executive Director	12	1	3
Sri. Ramesh Rudrappan	Non-executive - Independent	2	1	1
Sri. A.Palaniappan	Non-executive - Independent	9	-	1
Sri. Arun Selvaraj	Non-executive - Independent	1	-	-
Sri. N.R.Selvaraj	Non-executive Director	7	2	-

Number of Chairmanship / Membership in Committees of all the Directors are within the limits specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Name of other listed entities where Directors of the company are Directors and the category of Directorship:

S. No.	Name of the Director	Name of the other listed entities in which directorship is held	Category of directorship
1.	Smt Nethra J.S. Kumar	Nil	Nil
2.	Sri.N.Suryakumar	Nil	Nil
3.	Sri.Sanjay Jayavarthanavelu	1.Lakshmi Machine Works Limited	Chairman&Managing Director
		2.Super Sales India Limited	Chairman - Non-executive
		3. The Lakshmi Mills Company Limited	Non-Independent Director
		4. Carborundum Universal Limited	Independent Director
4.	Sri.D.Senthilkumar	Nil	Nil
5.	Sri.Ramesh Rudrappan	Nil	Nil
6.	Sri. A. Palaniappan	Nil	Nil
7.	Sri. Arun Selvaraj	Nil	Nil
8.	Sri N.R. Selvaraj	Nil	Nil

### Board Meetings and Attendance

During the period from 1st April, 2018 to 31st March, 2019 four Board Meetings were held and the details of attendance of each Director at the meetings of the Board are as follows.

Name of the Director	Attendance in Board meetings				Attendance in last AGM (AGM Date: 08.08.2018)
	21.05.2018	08.08.2018	26.10.2018	01.02.2019	
Sri. N. Suryakumar	✓	✓	✓	✓	✓
Sri. Sanjay Jayavarthanavelu	✗	✓	✓	✗	✓
Sri. D. Senthilkumar	✓	✓	✓	✓	✓
Sri. Ramesh Rudrappan	✓	✓	✓	✓	✓
Smt. Nethra J.S.Kumar	✓	✓	✓	✓	✓
Sri. A. Palaniappan	✓	✓	✓	✓	✓
Sri. Arun Selvaraj	✓	✓	✗	✓	✓
Sri.N.R. Selvaraj(w.e.f. 01.02.2019)	NA	NA	NA	✓	NA

Smt.Nethra J.S.Kumar, Sri.D.Senthilkumar and Sri.Sanjay Jayavarthanavelu are related to each other. Sri.Sanjay Jayavarthanavelu is Smt.Nethra J.S.Kumar's brother and Sri.D.Senthilkumar is Smt.Nethra J.S.Kumar's husband.

### Number of shares and convertible instruments held by Non-Executive Directors

Name of the Director	No. of Shares
1. Sri. N. Suryakumar	Nil
2. Sri. Sanjay Jayavarthanavelu	Nil
3. Sri. D. Senthilkumar	100
4. Sri. Ramesh Rudrappan	Nil
5. Sri. A. Palaniappan	Nil
6. Sri. Arun Selvaraj	Nil
7. Sri.N.R.Selvaraj	Nil

The Company has not issued any convertible instruments.

### Familiarisation Program for Independent Directors

The Company has conducted the Familiarisation programmes for Independent Directors during the financial year. The Programmes aim to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the processes, businesses and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The details of familiarisation programmes imparted to Independent Directors is posted in the website of the Company 'www.lecsindia.com'.

### Skills / expertise / competence of the Board of Directors

The Board of Directors has identified the following broad skills / expertise / competencies required for the Directors in the context of the Company's business in order to function effectively and the said skills, expertise and competencies are available with the Board of Directors

- Leadership skills,
- Board services and Corporate Governance,
- Business strategy,
- Technical / Professional skills,
- Financial and Management skills,
- Sales and marketing and
- Human resources / Soft skills.

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Confirmation - Independent Directors

The Board of Directors confirm that in their opinion, the independent directors fulfil the conditions specified in SEBI LODR and are independent of the management.

## Independent Directors - Resignation

There was no instance of resignation of any Independent Director during the financial year 2018-19.

## 3. Audit Committee:

The role, powers and functions of the committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this committee are as required under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee assure to the Board, compliance of adequate internal control system, compliance of Accounting Standards, financial disclosure and other issues confirming to the requirements specified by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars/Composition of Audit Committee and attendance of members for the committee meetings:

The Committee met four times during the Financial Year ended 31<sup>st</sup> March 2019.

Name of the Director	Attendance in Audit Committee meetings			
	21.05.2018	08.08.2018	26.10.2018	01.02.2019
Sri. N. Suryakumar - Chairman	✓	✓	✓	✓
Sri. Ramesh Rudrappan - Member	✓	✓	✓	✓
Sri. A. Palaniappan - Member	✓	✓	✓	✓

The Chairman of the Committee attended the AGM held on 08th August 2018. Company Secretary of the Company serves as the Secretary of the Committee.

## 4. Nomination and Remuneration Committee:

This Committee was formed for determining remuneration payable to Executive and Non-Executive Directors, selection and appointment of Directors and senior management.

The terms of reference of this committee has been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013.

The Committee has formulated performance evaluation criteria for Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of the non-executive directors, executive directors and independent directors shall carry out evaluation of every director's performance. Based on these Criteria, the evaluations have been carried out.

The Chairman of the Committee attended the AGM held on 08th August 2018.

Particulars/Composition of Nomination and Remuneration Committee and attendance of members for the committee meetings

Name of the Director	Date of Meeting(s)
	25.01.2019
Sri. N.Suryakumar - Chairman	✓
Sri. Arun Selvaraj - Member	✓
Sri. Ramesh Rudrappan - Member	✓

## 5. Remuneration of Directors

Remuneration and sitting fee paid to the Directors for the financial year 2018 - 2019: Amount in ₹

Name of the Directors	Salary	Other Perquisites	Sitting fee	Commission	Total
Sri. N.Suryakumar	-	-	2,50,000	-	2,50,000
Sri. Sanjay Jayavarthanavelu	-	-	50,000	-	50,000
Sri. D.Senthilkumar	-	-	1,75,000	-	1,75,000
Sri. Ramesh Rudrappan	-	-	3,00,000	-	3,00,000
Sri. A. Palaniappan	-	-	2,25,000	-	2,25,000
Sri. Arun Selvaraj	-	-	1,50,000	-	1,50,000
Sri.N.R.Selvaraj	-	-	25,000	-	25,000
Smt. Nethra J.S. Kumar #	54,20,380	-	-	-	54,20,380

#The amount excludes contribution to Provident Fund ₹ 6,60,000/-

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

No benefits, other than the above are given to the Directors. No Stock Option, Performance linked incentives and severance fees are given to the Directors. No service contracts were entered into with Directors.

## 6. Stakeholders Relationship Committee:

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR the Committee has been formed to specifically focus on the services to the stakeholders. The Committee periodically reviews the services rendered to the shareholders particularly redressal of complaints of the shareholders like 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.

### Particulars / composition of Stakeholders Relationship Committee meeting and attendance of members for the committee meetings

Name of the Director	Date of Meetings	
	03.08.2018	25.01.2019
Sri. Ramesh Rudrappan-Independent Director-Chairman	✓	✓
Sri. D. Senthilkumar - Member	✓	✓
Smt. Nethra J.S. Kumar - Member	✓	✓

Sri S.Sathyanarayanan, Company Secretary serves as the Compliance Officer.

The Chairman of the Committee attended the AGM held on 08th August 2018.

During the year no complaints were received from the Shareholders. The outstanding complaints as on 31.03.2019 was NIL.

Pursuant to Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from a Practising Company Secretary has been submitted to the Stock Exchange within stipulated time.

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## 7. 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	03.00 p.m	Wednesday	08.08.2018
-do-	03.00 p.m	Wednesday	02.08.2017
-do-	03.00 p.m	Monday	08.08.2016

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

1. At the AGM held on 08.08.2018, special resolution was passed for approval of continuation of office of Sri. N. Suryakumar, Non-executive Independent Director who has crossed the age of 75 years..
2. At the AGM held on 02.08.2017, no Special Resolution was passed.
3. At the AGM held on 08.08.2016, no Special Resolution was passed.

No Special Resolution was passed through Postal Ballot during the financial year 2018-19.

No Special Resolution is proposed to be passed through postal ballot.

## 8. MEANS OF COMMUNICATION

The financial results for the 4 quarters in the financial year 2018-19 were published in leading newspapers viz. Financial Express (English) and Dina Malar (Tamil). The Company files the quarterly financial results with the stock exchange in timely manner.

The Company Profile, Corporate Information, Shareholding Pattern, Code of Conduct for Directors and Officers, Financial Statements, Product Range and the details prescribed in regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is published in the Company's website: [www.lecsindia.com](http://www.lecsindia.com). There was no analyst or institutional investor meet and no presentation was made to them during the financial year 2018-19.

## 9. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

Day & Date	: Wednesday, 07th day of August 2019.
Time	: 2.45 P.M
Venue	: Nani Kalai Arangam Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

### Financial Calendar

Financial Year	: 1st April to 31st March
Announcement of Quarterly Results for the Financial Year 2019 - 2020 (Tentative)	: August 2019, November 2019, February 2020 and May 2020
Date of Book Closure	: Thursday, 01.08.2019 to Wednesday, 07.08.2019 (both days inclusive)
Dividend Payment Date	: On or before 06 <sup>th</sup> September 2019.
Listing on Stock Exchanges	: The equity shares of the Company are listed in BSE Limited, Mumbai.
Payment of Listing fees	: The listing fees have been paid to BSE Limited for the Financial Year 2019-2020.
Security Code	: 504258
Security ID	: LAKSELEC
ISIN No.	: INE284C01018

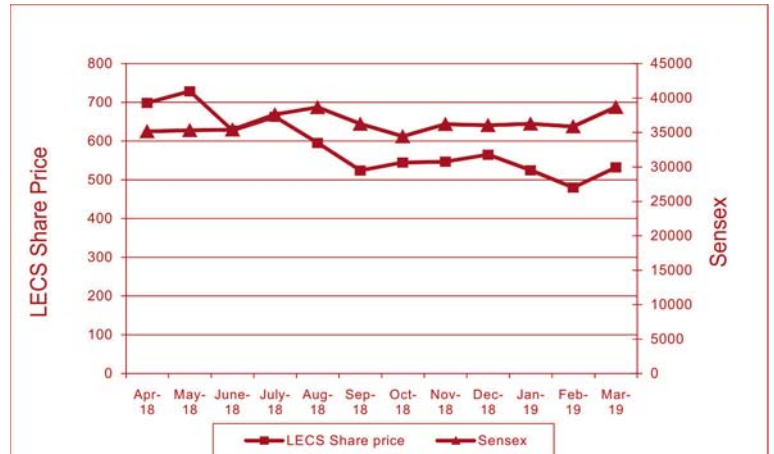


Market Price Data:

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

Month	Share Price (₹)	
	High	Low
Apr-18	714.00	595.00
May-18	762.00	590.35
Jun-18	742.00	590.00
Jul-18	670.00	598.35
Aug-18	704.00	580.00
Sep-18	614.00	511.00
Oct-18	565.00	475.00
Nov-18	571.90	530.00
Dec-18	589.80	511.60
Jan-19	580.00	505.00
Feb-19	539.70	462.00
Mar-19	550.05	484.00

#### Share Price Performance in Comparison with BSE Index



The equity shares of the Company are not suspended from trading in BSE Limited.

#### Registrars & Share Transfer Agents:

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

#### Share Transfer System:

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

#### Distribution of Shareholding as on 31st March 2019

Range	No. of shares	% Held	No. of Shareholders	%
1 - 500	757931	30.835	9537	95.696
501 - 1000	176946	7.199	229	2.298
1001 - 2000	165803	6.745	121	1.214
2001 - 3000	87307	3.552	35	0.351
3001 - 4000	32764	1.333	9	0.090
4001 - 5000	29445	1.198	6	0.060
5001 - 10000	118327	4.814	16	0.161
10001 and above	1089477	44.324	13	0.130
Total	2458000	100.000	9966	100.000

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### Dematerialisation of Shares and liquidity:

23,56,409 shares constituting 95.867% of the total paid up capital of the Company has been dematerialized as on 31st March 2019.

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

### Commodity price risk or foreign exchange risk and hedging activities -

For Electricals segment the Company negotiates with its suppliers to meet the specifications of the Customers. The Company manages the price volatility through appropriate arrangements and commitments in line with customers demand and well planned procurement. The control panels has many number of components to be assembled into it. The Company in consultation with its customers has the policy to procure high value raw materials only from the Original Equipment Manufacturers to ensure quality and competitive price.

For Plastics segment the Company procures various grades of polymers as per the specifications of the Customers which are predominantly the derivatives of crude oil. Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other global currencies coupled with demand-supply scenario in the market affect the price and availability of requisite polymers.

Exposure of the Company to Commodities - Polymers:

Commodity Name	Exposure towards the particular commodity (₹ in Lakhs)	Exposure towards the particular commodity (in tons)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Polymer	1301.53	580.27	Nil	Nil	Nil	Nil	Nil

The Company does not have voluminous transactions which necessitates foreign exchange hedging.

### Plant Locations:

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

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

### Address for Correspondence:

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

### Credit Rating:

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad - Nil

## 10. OTHER DISCLOSURES

### a. Materially significant related party transactions:

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

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

**b. Strictures and Penalties**

The Company has complied with all the requirements regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets during the last three years.

**c. Vigil Mechanism and Whistle-Blower Policy**

The Company has adopted Vigil mechanism and Whistle Blower Policy. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company [www.lecsindia.com](http://www.lecsindia.com). Your Company hereby affirms that no complaints were received during the year under review.

**d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with all mandatory requirements laid down under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted the non-mandatory requirement of reporting of internal auditors to Audit Committee as recommended under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. The company has no subsidiary.

**f. Commodity price risks and Commodity hedging activities**

During the financial year ended 31st March, 2019 the company did not engage in commodity hedging activities.

g. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Nil

h. The Company has obtained certificate from a practising company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. Enclosed as annexure to this Corporate Governance Report.

i. The Board has accepted the recommendation of the committees of the Board wherever applicable.

j. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part - Rs. 2.08 lakhs.

k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee.

a. number of complaints filed during the financial year 2018-19 - Nil

b. number of complaints disposed of during the financial year 2018-19 - Nil

c. number of complaints pending as on end of the financial year 2018-19 - Nil

11. The Company has complied all the requirements as specified in sub para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in the Corporate Governance report to the extent applicable.

12. The Company complies with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constitution of Risk Management Committee is not applicable to the Company.

13. Management Discussion and Analysis Report forms part of this Annual Report.

14. Risk Management - Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

15. Certificate from the Statutory Auditors confirming the compliance with all the conditions of Corporate Governance as stipulated in Listing Regulations forms part of this report.

16. There are no unclaimed shares of the Company and hence the Company has not opened any unclaimed suspense account.

17. Share Transfer Committee:

Share Transfer Committee consists of the members of the Board, Company Secretary and Share Transfer Agents. At present there are 6 members in the Committee. The Committee reviews and approves transfers, transmission, split, consolidation, issue of duplicate share certificate, recording change of name, deletion of joint holder name, recording attainment of majority, transposition of names etc. in equity shares of the Company. The Committee had met 34 times during the Financial Year ended 31st March, 2019.

18. Independent Directors Meeting:

As required under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate meeting of Independent Directors of the Company was held on 01st February 2019. All the Independent Directors were present at the meeting.

19. Certificate from Chairperson and Managing Director (CMD) & CFO

The CMD and CFO certification of the financial statements for the financial year has been submitted to the Board of Directors, in its meeting held on 29th May 2019 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

For and on behalf of the Board

Place:Coimbatore  
Date: May 29, 2019

**Nethra J S Kumar**  
Chairperson and Managing Director  
(DIN: 00217906)

### 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 financial year 2018-2019.

Place: Coimbatore  
Date: May 29, 2019

**Nethra J S Kumar**  
Chairperson and Managing Director  
(DIN: 00217906)

**Annexure to Corporate Governance Report**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To**

**The Members of**

**LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED**

(CIN: L31200TZ1981PLC001124)

No 34 A, Kamaraj Road,

Coimbatore - 641 018

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED having CIN L31200TZ1981PLC001124 and having registered office at No 34 A, Kamaraj Road, Coimbatore - 641 018 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mrs. Nethra Jayavarthanelu Senthil Kumar (Chairman and Managing Director)	00217906	23/10/2000
2	Mr. Dinakaran Senthilkumar	00006172	22/03/1997
3	Mr. Sanjay Jayavarthanelu	00004505	21/06/1989
4	Mr. Suryakumar Narayanaswamy	00008316	30/09/1982
5	Mr. Ramesh Rudrappan	00008325	23/05/2011
6	Mr. Annamalai Palaniappan	00044022	28/01/2013
7	Mr. Arun Selvaraj	01829277	28/01/2013
8	Mr. Naidoor Ramachandran Selvaraj	00013954	01/02/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Coimbatore

Date: 29.05.2019

M D SELVARAJ

MDS & Associates

Company Secretaries

FCS No.: 960; C P No.: 411

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Auditor's Certificate on Corporate Governance

To  
The Members of  
LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED  
Coimbatore

We have examined the compliance of conditions of Corporate Governance by LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED ('the Company') for the year ended March 31, 2019 as per relevant Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditors' Responsibility

Our responsibility is limited to examining the 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.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, the standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, which requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

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 with the conditions of Corporate Governance as specified in the relevant Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable during the year ended 31st March 2019.

Based on representation received from the Registrar and Share Transfer Agents of the Company and based on the records maintained by the Stakeholders Relationship Committee of the Company, we state that no investor grievance is pending for a period exceeding one month.

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

Place: Coimbatore  
Date: May 29, 2019

**For M/s Subbachar & Srinivasan**  
Chartered Accountants  
Firm Registration No.0040835  
**(T.S.V.RAJAGOPAL)**  
Partner  
Membership No. 200380

## INDEPENDENT AUDITOR'S REPORT

To the Members of LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### Report on the audit of Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement and for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ["the Act"], in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters.

S.No	Key Audit Matter	Auditor's Response
1.	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company did not have material uncertain tax positions other than uncertain position of statutory dues of indirect taxes and electricity generation tax under dispute, which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b>Principal Audit Procedures:</b></p> <p>We obtained details of completed tax assessments, demands received and latest rulings of appellate forums from the management. We analysed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions and electricity generation tax. Additionally, we considered the effect of new information in respect of material uncertain tax positions and other uncertain position of statutory dues of indirect taxes and electricity generation tax under dispute, to evaluate whether any change was required to management's position on these uncertainties.</p>

We have determined that there are no other key audit matters to communicate in our report.



## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### **Information Other than the standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with governance for the standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

- e) on the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B" and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Companies Act 2013.

- h) With respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements - Refer note no. 39 to the IND AS financial statements.
  - ii The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M/s Subbchar & Srinivasan**  
Chartered Accountants  
Firm Registration No.004083S  
**(T.S.V.RAJAGOPAL)**  
Partner  
Membership No. 200380

Place : Coimbatore  
Date : May 29, 2019

## Annexure - "A" to the Independent Auditors' Report

(Referred to in Paragraph 1 under "Report on Other legal and regulatory requirements" section of our report to the members of LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED of even date).

We report that,

1. In respect of its Fixed Assets [Property, Plant and Equipment] :

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets [Property, Plant and Equipment].
- b. As explained to us, fixed assets [Property, Plant and Equipment] have been physically verified by the management at regular intervals, in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties are held in the name of the Company.

2. In respect of its inventories:

As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed.

3. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the financial year and hence sub-clauses (a) to (c) of clause (iii) of the Order are not applicable to the Company.
4. The Company has not granted loans or made investments or given guarantees and securities during the year and hence compliance with Section 185 and 186 are not applicable.
5. The Company has not accepted any deposits from the public during the year to which the provisions of sections 73 to 76 of the Act are applicable and as such clause 3(v) of the Order is not applicable.
6. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013, as applicable to the Company, and are of the opinion that prima - facie the specified cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us and on the basis of our examination of the records of the company in respect of the statutory dues:
  - a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State insurance, Income tax, duty of customs, Goods and Services Tax and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, the details of disputed statutory dues that have not been deposited on account of dispute is as under:

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Amount paid/ adjusted (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act / Service Tax Act	Excise Duty	1.44	Nil	April 2016 to June 2017	Deputy Commissioner
Central Excise Act / Service Tax Act	Service Tax	9.18	0.92	2011-12 to 2014-15	CESTAT
Central Excise Act / Service Tax Act	Service Tax	1.01	NIL	November 2016 to June 2017	Deputy Commissioner
The Tamilnadu Tax on Consumption or sale of Electricity Act, 2003	Electricity Tax	33.27	NIL	2007-08 and 2009-10 to 2012-13	High Court

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, government or dues to debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans or by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and belief and according to the information and explanations given to us during the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, no fraud on or by the Company was noticed or reported during the year that causes the Standalone financial statements to be materially misstated.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M/s Subbachar & Srinivasan**  
Chartered Accountants  
Firm Registration No.004083S

**(T.S.V.RAJAGOPAL)**  
Partner

Membership No. 200380

Place : Coimbatore  
Date : May 29, 2019

## **Annexure - "B" to the Independent Auditors' Report**

(Referred to in Paragraph 2(f) under "Report on Other legal and regulatory requirements" section of our report to the members of LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED of even date).

Report on the Internal Financial Controls over Financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Coimbatore  
Date : May 29, 2019

**For M/s Subbchar & Srinivasan**  
Chartered Accountants  
Firm Registration No.004083S  
**(T.S.V.RAJAGOPAL)**  
Partner  
Membership No. 200380



**Balance Sheet as at 31st March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>I. ASSETS</b>			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	2,467.90	2,507.47
(b) Capital Work-in-Progress	4	25.61	35.58
(c) Investment Properties	5	87.87	87.87
(d) Financial Assets			
i. Investments	6	9,960.68	10,331.02
ii. Other Financial Assets	7	36.74	34.83
(e) Income Tax Assets	21	81.10	31.10
<b>Total Non-Current Assets</b>		<b>12,659.90</b>	<b>13,027.87</b>
(2) Current Assets			
(a) Inventories	8	2,020.69	1,677.10
(b) Financial Assets			
i. Trade Receivables	9	4,067.91	5,007.22
ii. Cash and Cash Equivalents	10	5.25	5.67
iii. Bank balances other than (ii) above	11	1,109.08	810.91
iv. Other Financial Assets	12	47.40	32.36
(c) Other Current Assets	13	93.91	75.08
(d) Current Tax Assets	21	10.95	50.00
<b>Total Current Assets</b>		<b>7,355.19</b>	<b>7,658.34</b>
<b>Total Assets</b>		<b>20,015.09</b>	<b>20,686.21</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity Share Capital	14	245.80	245.80
(b) Other Equity	15	16,829.35	16,674.67
<b>Total Equity</b>		<b>17,075.15</b>	<b>16,920.47</b>
(2) Liabilities			
Non-Current Liabilities			
(a) Provisions	16	123.31	78.21
(b) Deferred Tax Liabilities (Net)	17	189.44	326.85
<b>Total Non-Current Liabilities</b>		<b>312.75</b>	<b>405.06</b>
(3) Current Liabilities			
(a) Financial Liabilities			
i. Borrowings	18	526.94	518.73
ii. Trade Payables	19		
(a) Total Outstanding dues of micro enterprises and small enterprises		468.83	621.09
(b) Total outstanding dues of Creditors other than micro and small enterprises		1,254.49	1,674.66
iii. Other Financial Liabilities	20	168.39	176.23
(b) Provisions	16	53.28	72.04
(c) Current Tax Liabilities	21	-	122.59
(d) Other Current Liabilities	22	155.26	175.34
<b>Total Current Liabilities</b>		<b>2,627.19</b>	<b>3,360.68</b>
<b>Total Liabilities</b>		<b>2,939.94</b>	<b>3,765.74</b>
<b>Total Equity and Liabilities</b>		<b>20,015.09</b>	<b>20,686.21</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN : 00217906)

**A. Thiagarajan**  
Chief Financial Officer

Place : Coimbatore  
Date : May 29, 2019

**Sanjay Jayavarthanavelu**  
Director  
(DIN : 00004505)

**S. Sathyanarayanan**  
Company Secretary

In terms of our report attached

For Subbachar & Srinivasan  
Chartered Accountants  
Firm Regn.No.004083S

**T.S.V.Rajagopal**  
Partner  
Membership No.200380

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Statement of Profit and Loss for the Year Ended 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>I. INCOME</b>			
Revenue from Operations	23	19,082.27	19,446.78
Other Income	24	412.56	314.59
<b>Total Income</b>		<b>19,494.83</b>	<b>19,761.37</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	25	15,175.24	14,733.49
Changes in Inventories of Finished Goods, Stock-in - Trade and Work-in-Progress	26	(193.59)	(94.72)
Excise Duty	-	596.94	
Employee Benefits Expense	27	1,741.25	1,616.43
Finance Costs	28	1.37	5.47
Depreciation and Amortisation Expense	29	211.82	207.86
Other Expenses	30	1,254.13	1,040.90
<b>Total Expenses</b>		<b>18,190.22</b>	<b>18,106.37</b>
<b>Profit before Exceptional Items and Tax</b>		<b>1,304.61</b>	<b>1,655.00</b>
<b>Exceptional Items</b>		-	-
<b>Profit before Tax after Exceptional Items</b>		<b>1,304.61</b>	<b>1,655.00</b>
Income Tax Expense	31		
Current Tax		238.58	452.56
Deferred Tax		45.43	28.36
<b>Profit for the period</b>		<b>1,020.60</b>	<b>1,174.08</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of post Employment Benefit Obligations		(58.62)	(43.70)
Change in fair value of FVOCI Equity Instruments		(693.82)	2,357.74
Income Tax relating to these items		182.84	(89.32)
<b>Items that will be reclassified to profit or loss</b>			
		-	-
<b>Other Comprehensive Income for the period, net of Tax</b>		<b>(569.60)</b>	<b>2,224.72</b>
<b>Total Comprehensive Income for the period</b>		<b>451.00</b>	<b>3,398.80</b>
<b>Earnings per Equity Share</b>			
Basic Earnings per Share (par value of ₹ 10/- each)	36	41.52	47.77
Diluted Earnings per Share (par value of ₹ 10/- each)	36	41.52	47.77

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN : 00217906)

**A. Thiagarajan**  
Chief Financial Officer

**Sanjay Jayavarthanavelu**  
Director  
(DIN : 00004505)

**S. Sathyanarayanan**  
Company Secretary

In terms of our report attached

For Subbachar & Srinivasan  
Chartered Accountants  
Firm Regn.No.004083S

**T.S.V.Rajagopal**  
Partner  
Membership No.200380

Place : Coimbatore  
Date : May 29, 2019

**Statement of Changes in Equity for the Year Ended 31st March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

**I. Equity Share Capital**

Particulars	Note No.	Amount
Balance as at 1 <sup>st</sup> April, 2017		245.80
Changes in equity share capital during the year	14	-
Balance as at 31 <sup>st</sup> March, 2018		245.80
Changes in equity share capital during the year	14	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>		<b>245.80</b>

**II. Other Equity**

Particulars	Reserves and surplus				Other reserves	Total
	Note No.	General Reserve	Securities premium	Retained earnings	FVOCI - Equity instruments	
Balance as at 1 <sup>st</sup> April, 2017		5,572.34	503.20	3,742.36	3,694.65	13,512.55
Profit for the period	15	-	-	1,174.08	-	1,174.08
Other comprehensive income(Net of taxes)	15	-	-	(43.70)	2,268.41	2,224.71
Dividends paid	15	-	-	(196.64)	-	(196.64)
Dividend distribution tax	15	-	-	(40.03)	-	(40.03)
Transfer to general reserve	15	100.00	-	(100.00)	-	-
Balance as at 31 <sup>st</sup> March, 2018		5,672.34	503.20	4,536.07	5,963.06	16,674.67
Profit for the period	15	-	-	1,020.60	-	1,020.60
Other comprehensive income(Net of taxes)	15	-	-	(42.31)	(527.29)	(569.60)
Dividends paid	15	-	-	(245.80)	-	(245.80)
Dividend distribution tax	15	-	-	(50.52)	-	(50.52)
Transfer to general reserve	15	-	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2019		5,672.34	503.20	5,218.04	5,435.77	16,829.35

- i) General reserve: Part of retained earnings was earlier utilised for declaration of dividends as per the erstwhile Companies Act, 1956. This is available for distribution to share holders.
- ii) Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.
- iii) Securities Premium: Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- iv) FVOCI - Equity instruments: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN : 00217906)

**A. Thiagarajan**  
Chief Financial Officer

**Sanjay Jayavarthanavelu**  
Director  
(DIN : 00004505)

**S. Sathyanarayanan**  
Company Secretary

In terms of our report attached

For Subbachar & Srinivasan  
Chartered Accountants  
Firm Regn.No.004083S

**T.S.V.Rajagopal**  
Partner  
Membership No.200380

Place : Coimbatore  
Date : May 29, 2019

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Income Tax	1,304.61	1,655.00
<b>Adjustments for:</b>		
Depreciation and amortisation expense	211.82	207.86
(Gain)/loss on disposal of property, plant and equipment	-	9.28
Dividend and interest income classified as investing cash flows	(109.71)	(99.85)
Finance costs	1.37	5.47
Net gain on financial assets mandatorily measured at fair value through profit or loss	(286.03)	(208.20)
<b>Operating Profit before working capital change</b>	<b>1,122.06</b>	<b>1,569.56</b>
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	939.31	(1,121.41)
(Increase)/Decrease in inventories	(343.59)	(254.56)
Increase/(Decrease) in trade payables	(572.42)	259.12
(Increase)/Decrease in other financial assets	(16.94)	1,065.87
(Increase)/Decrease in other current assets	(18.83)	363.08
Increase/(Decrease) in provisions	(32.28)	15.87
Increase/(Decrease) in other current liabilities	(20.08)	41.59
Increase/(Decrease) in Other financial liabilities	(7.84)	3.26
<b>Cash used in / generated from operations</b>	<b>1,049.39</b>	<b>1,942.38</b>
Income taxes paid	(372.12)	(428.83)
<b>Cash used in / generated from operations [A]</b>	<b>677.27</b>	<b>1,513.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(162.29)	(307.48)
Purchase of investments	(100.00)	(1,900.00)
Proceeds from sale of property, plant and equipment	-	1.90
Proceeds from sale of investments	62.54	-
Dividends received	35.52	31.46
Interest received	74.19	68.39
(Increase)/Decrease in other Bank balances not treated as cash and cash equivalents	(298.17)	2,496.50
<b>Net cash outflow from investing activities [B]</b>	<b>(388.21)</b>	<b>390.77</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance costs	(1.37)	(5.47)
Dividends paid	(245.80)	(193.14)
Dividend Tax paid	(50.52)	(40.03)
Availment/(Repayment) of Short Term Borrowings	-	(1,488.15)
Availment/(Repayment) of Working capital borrowings	8.21	(188.41)
<b>Net cash inflow / (outflow) from financing activities [C]</b>	<b>(289.48)</b>	<b>(1,915.20)</b>
Net Increase/(Decrease) in cash and cash equivalents (A + B + C)	(0.42)	(10.88)
Cash and Cash Equivalents at the beginning of the financial year	5.67	16.55
<b>Cash and Cash Equivalents at end of the year</b>	<b>5.25</b>	<b>5.67</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN : 00217906)

**A. Thiagarajan**  
Chief Financial Officer

**Sanjay Jayavarthanavelu**  
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In terms of our report attached

For Subbachar & Srinivasan  
Chartered Accountants  
Firm Regn.No.004083S

**T.S.V.Rajagopal**  
Partner  
Membership No.200380

Place : Coimbatore  
Date : May 29, 2019

## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

### 1. Company overview

Lakshmi Electrical Control Systems Limited ('the Company') is a public limited company incorporated in India. The company's equity shares are listed on BSE. The address of its registered office and principal place of business are disclosed in the introduction to the Annual Report. The company is engaged in the manufacturing and selling of control panels and plastic components.

### 2. Significant Accounting Policies

#### 2.1 Statement of Compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

#### 2.2 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below:

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

#### 2.3 Going Concern

The board of directors have considered the financial position of the Company at 31st March, 2019 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

#### 2.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

#### 2.5 Revenue Recognition

The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk.

##### 2.5.1 Sale of goods

Revenue from sale of products is recognised when the products are delivered to the dealer / customer or when delivered to the carrier, when the Company transfers control of goods and services to the dealer / customer, as per terms of contract.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It includes excise duty but excludes Value Added Taxes, where applicable.

##### 2.5.2 Income from service

Income from services is accounted over the period of rendering of services.

## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

### 2.6. Foreign Currencies

#### 2.6.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency.

#### 2.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

### 2.7. Employee Benefits

#### 2.7.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

#### 2.7.2 Other long term employee benefit

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### 2.7.3 Post-employment obligation

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees, and
- b) Defined contribution plans such as provident fund.

##### **Defined contribution plan:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet



## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### **Defined benefit plan:**

The Company has a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Company has funded this with Life Insurance Corporation of India ('LIC'). The contributions made to the LIC are treated as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

### **2.7.4 Bonus plans**

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **2.8. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **2.8.1 Current tax**

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted.

#### **2.8.2 Deferred tax**

Deferred tax is provided in full, using the Balance Sheet approach, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **2.8.3 Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.



**ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019****2.9. Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1<sup>st</sup> April, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation methods, estimated useful lives and residual value :**

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

**Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:**

Particulars	Useful life in years (Nos.)
Buildings	30
Plant and equipments	15
Furniture and fixtures	10
Vehicles	10
Office Equipments	3

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

**2.10. Intangible assets**

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

**2.10.1 Deemed cost on transition to Ind AS**

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1<sup>st</sup> April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**2.11. Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

### 2.12. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses where considered necessary.

Cost is determined on weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure and also other costs incurred in bringing the inventories to their present location and condition. Overhead expenditures are being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-production inventory (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to profit or loss on consumption.

### 2.13. Provisions and contingencies

**Provisions:** Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.14. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

### 2.15. Financial assets

All purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 2.15.1 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

### 2.15.2 Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit or loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss.

### 2.15.3 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

### 2.15.4 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

### 2.15.5 Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model to the following:

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions

## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

### 2.15.6 Income recognition

Interest Income: Interest income from debt instruments is recognised using the effective interest rate method.

### 2.16. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

#### 2.16.1 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

#### 2.16.2 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 2.16.3 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### 2.17. Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer [CEO], who is the Chief Operating Decision Maker [CODM], to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under unallocated income / costs. Interest income and expenses are not allocated to respective segments. Inter segment pricing is determined on arm's length basis. The Company has three reportable segments viz., Electricals, Plastics and Wind Power generation. Geographic information is based on business sources from respective geographic regions.

### 2.18. Leases

Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining

## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **2.19. Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### **2.20. Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### **2.21. Earning Per Share**

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

### **2.22. Dividends**

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

### **2.23. New Amendments issued yet not effective:**

#### **2.23.1 Amendment to Ind AS 12-Income Taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is currently evaluation the effect of this amendment on the standalone financial statements.

#### **2.23.2 Amendments to Ind AS 12 Appendix C, Uncertainty over Income Tax treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their

## ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31st MARCH, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

### 2.23.3 Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity: ● to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and ● to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

### 2.23.4 Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect on adoption of Ind AS 116 would be insignificant in the standalone financial statements.



## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### 3. PROPERTY, PLANT AND EQUIPMENT

The changes in the carrying value of property, plant and equipment for the Year Ended 31st March, 2019 are as follows:

Asset Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 1 <sup>st</sup> April, 2018	Additions	Deletions / Adjustments	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	Depreciation for the year	Deletions	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019
Freehold land	10.29	-	-	10.29	-	-	-	-	10.29	10.29
Buildings	533.48	-	-	533.48	30.83	15.69	-	46.52	502.65	486.96
Plant and equipments	1,927.24	94.61	-	2,021.85	99.71	153.16	-	252.87	1,827.53	1,768.98
Furniture and fixtures	67.65	1.56	-	69.21	14.36	7.61	-	21.97	53.29	47.24
Vehicles	60.05	-	-	60.05	14.72	8.11	-	22.83	45.33	37.22
Office Equipments	133.12	76.08	-	209.20	64.74	27.25	-	91.99	68.38	117.21
<b>Total</b>	<b>2,731.83</b>	<b>172.25</b>	<b>-</b>	<b>2,904.08</b>	<b>224.36</b>	<b>211.82</b>	<b>-</b>	<b>436.18</b>	<b>2,507.47</b>	<b>2,467.90</b>

The changes in the carrying value of property, plant and equipment for the year ended 31<sup>st</sup> March, 2018 are as follows:

Asset Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	Deemed cost as at 1 <sup>st</sup> April, 2017	Additions	Deletions / Adjustments	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	Depreciation for the year	Deletions	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2018
Freehold land	10.29	-	-	10.29	-	-	-	-	10.29	10.29
Buildings	521.29	12.19	-	533.48	15.31	15.52	-	30.83	505.98	502.65
Plant and equipments	1,857.79	246.90	177.45	1,927.24	126.30	140.05	166.64	99.71	1,731.49	1,827.53
Furniture and fixtures	64.23	3.42	-	67.65	6.71	7.65	-	14.36	57.52	53.29
Vehicles	57.99	8.00	5.94	60.05	10.09	10.20	5.57	14.72	47.90	45.33
Office Equipments	123.49	9.63	-	133.12	30.30	34.44	-	64.74	93.19	68.38
<b>Total</b>	<b>2,635.08</b>	<b>280.14</b>	<b>183.39</b>	<b>2,731.83</b>	<b>188.71</b>	<b>207.86</b>	<b>172.21</b>	<b>224.36</b>	<b>2,446.37</b>	<b>2,507.47</b>



## Notes to the Financial Statements as at 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

### 4. CAPITAL WORK-IN-PROGRESS

Asset Description	As at 1 <sup>st</sup> April, 2018	Additions	Capitalized	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital work in progress	35.58	162.28	172.25	25.61	35.58

Asset Description	As at 1 <sup>st</sup> April, 2017	Additions	Capitalized	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Capital work in progress	8.25	307.47	280.14	35.58	8.25

### 5. INVESTMENT PROPERTY

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Land</b>		
Gross carrying amount		
Opening gross carrying amount / Deemed cost	87.87	87.87
Additions	-	-
Closing gross carrying amount	87.87	87.87
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	-	-
Net carrying amount	<b>87.87</b>	<b>87.87</b>
<b>(ii) Fair value</b>		
Investment property	111.96	106.63

The fair values of investment properties have been initially determined with reference to the market value as for the location at which the property is located by an independent third party valuer and subsequently determined annually based on a market comparable approach.

### 6. INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Units	Amount	Units	Amount
<b>Non-current investments</b>				
Investment in equity instruments (quoted) at FVOCI				
(i) Equity Shares of ₹10/- each fully paid in Lakshmi Machine Works Limited	88,800	5,410.63	88,800	6,103.14
(ii) Equity Shares of ₹10/- each fully paid in Indian Bank	6,289	17.51	6,289	18.83
Less: Provision for diminution in value of investments	-	-	-	-
<b>Investment in Mutual Funds (unquoted) at FVTPL</b>				
Franklin IBA Plan A (G)	5,27,671.070	349.72	5,27,671.070	323.43
Franklin Dyaccrual (G)	5,28,593.380	352.40	5,28,593.380	324.43
HDFC Income RP (G)	8,04,997.420	323.50	8,04,997.420	308.40
ICICI Pru Long Term MRP (G)	14,71,497.100	340.07	14,71,497.100	319.18
Reliance Income GR (G)	5,64,290.560	334.46	5,64,290.560	309.61
IDFC SSIF INVS (G)	7,42,491.550	330.92	7,42,491.550	306.48
IDFC SSIF MT (G)	10,81,962.250	337.84	10,81,962.250	314.71
HDFC Corp debt opp RP (G)	22,10,644.993	337.23	22,10,644.993	318.57
Reliance RS Debt (G)	13,22,448.116	340.78	13,22,448.160	320.13

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Notes to the Financial Statements as at 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Units	Amount	Units	Amount
Birla SL Short term (G)	4,81,216.515	344.78	4,81,216.515	319.75
HDFC Arbitrage Fund	23,57,036.140	516.97	25,15,212.03	522.86
IDFC Arbitrage Fund (G)	11,15,348.297	259.68	11,89,247.30	260.82
ICICI PEDIRG Equity Arbitrage Fund (G)	10,62,738.908	259.16	11,33,267.76	260.68
HDFC EquitySavingsRP (G)	71,610.667	26.35	-	-
ICICI Pru EqSaving (G)	1,91,717.791	26.40	-	-
Kotak Equity Savings (G)	1,84,901.669	26.25	-	-
Reliance EqSavings (G)	2,03,400.862	26.03	-	-
		4,532.54		4,209.05
<b>Total Non-Current Investments</b>		<b>9,960.68</b>		<b>10,331.02</b>
Aggregate amount of quoted investments and market value thereof		5,428.14		6,121.97
Aggregate amount of unquoted investments		4,532.54		4,209.05
<b>Total</b>		<b>9,960.68</b>		<b>10,331.02</b>

### 7. OTHER FINANCIAL ASSETS

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Non-Current</b>		
Security deposits	36.74	34.83
<b>Total Non-Current Other Financial Assets</b>	<b>36.74</b>	<b>34.83</b>

### 8. INVENTORIES

Raw materials and components	1,159.46	1,040.69
Work-in-progress	508.60	414.77
Finished goods	243.43	143.67
Stores & Spares	85.01	52.21
<b>Others</b>		
Scrap	1.79	1.66
Consumables	18.16	15.88
Packing materials	4.24	8.22
<b>Total Inventories</b>	<b>2,020.69</b>	<b>1,677.10</b>

Inventories are valued at the lower of cost and net realizable value.

The cost of inventories recognised as an expense amounted to ₹15,175.24 lakhs [Previous year ₹ 14,733.49 lakhs]

**Notes to the Financial Statements as at 31st March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>9. TRADE RECEIVABLES</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	4,067.91	5,007.22
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
<b>Total Trade Receivables</b>	<b>4,067.91</b>	<b>5,007.22</b>
* Includes due from Companies where Directors are interested	5.00	-
<b>10. CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
- in current accounts	4.45	4.59
Cash on hand	0.80	1.08
<b>Total Cash and Cash Equivalents</b>	<b>5.25</b>	<b>5.67</b>
<b>11. OTHER BANK BALANCES</b>		
Short term Bank Deposits (Deposits with original maturity more than 3 months but less than 12 months)	980.00	486.00
Bank Deposits (Deposits with original maturity more than 12 months)	100.00	299.00
Unpaid Dividend	29.08	25.91
<b>Total Other Bank Balances</b>	<b>1,109.08</b>	<b>810.91</b>
<b>12. OTHER FINANCIAL ASSET</b>		
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest accrued but not due	38.93	24.30
Employee Advances	8.47	8.06
<b>Total Current Other Financial Assets</b>	<b>47.40</b>	<b>32.36</b>
<b>13. OTHER CURRENT ASSETS</b>		
Advance for purchase	32.66	29.77
Indirect taxes recoverable	22.19	16.21
Prepaid expenses	39.06	29.10
<b>Total other current assets</b>	<b>93.91</b>	<b>75.08</b>
<b>14. SHARE CAPITAL</b>		
Authorised share capital		
50,00,000 - Equity shares of ₹ 10/- Each	500.00	500.00
20,000 - 13.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	20.00	20.00
<b>Equity Share Capital</b>		
Issued, subscribed and fully paid up capital		
24,58,000 - Equity Shares of ₹ 10/- Each	245.80	245.80

**Notes to the Financial Statements as at 31st March, 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- each. All these equity shares have the same rights and preferences with respect to payment of dividend, repayment of capital and carries one vote for every such class of shares held. In the event of liquidation, the excess assets shall be distributed amongst the members in proportion to the capital.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of shares	% holding	No. of shares	% holding
Smt.Nethra J.S.Kumar	6,70,193	27.27%	6,70,093	27.26%
Total	6,70,193	27.27%	6,70,093	27.26%

**15. OTHER EQUITY**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>RESERVES AND SURPLUS</b>		
General Reserve	5,672.34	5,672.34
Security Premium	503.20	503.20
Retained Earnings	5,218.04	4,536.07
Other Equity	5,435.77	5,963.06
<b>Total Reserves and Surplus</b>	<b>16,829.35</b>	<b>16,674.67</b>
<b>a) General Reserve</b>		
<b>Opening Balance</b>	<b>5,672.34</b>	<b>5,572.34</b>
Additions during the year	-	100.00
Deductions/Adjustments during the year	-	-
<b>Closing Balance</b>	<b>5,672.34</b>	<b>5,672.34</b>
<b>b) Securities Premium</b>		
Opening balance	503.20	503.20
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
<b>Closing Balance</b>	<b>503.20</b>	<b>503.20</b>
<b>c) Retained Earnings</b>		
Opening Balance	4,536.07	3,742.36
Net profit for the period	1,020.60	1,174.08
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	(42.31)	(43.70)
<b>Appropriations</b>		
General Reserve	-	(100.00)
Dividends and Taxes thereon	(296.32)	(236.67)
<b>Closing Balance</b>	<b>5,218.04</b>	<b>4,536.07</b>
<b>d) Other Equity</b>		
<b>FVOCI - Equity Instruments</b>		
Opening Balance	5,963.06	3,694.65
Change in fair value of equity instruments (Net of taxes)	(527.29)	2,268.41
<b>Closing Balance</b>	<b>5,435.77</b>	<b>5,963.06</b>

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>16. PROVISIONS</b>		
<b>Non-Current</b>		
<b>Provisions for Employee Benefits (Refer Note 32)</b>		
Compensated absences	37.02	44.94
Gratuity	53.02	-
<b>Other Provisions</b>		
Electricity Tax	33.27	33.27
<b>Total Non-Current Provisions</b>	<b>123.31</b>	<b>78.21</b>
<b>Current</b>		
Provisions for Employee Benefits (Refer Note 32)		
Compensated absences	13.55	38.03
Gratuity	39.73	33.03
Employee incentives	-	0.98
<b>Total Current Provisions</b>	<b>53.28</b>	<b>72.04</b>
<b>17. DEFERRED TAX LIABILITIES (NET)</b>		
The balance comprises temporary differences attributable to:		
Depreciation	245.26	237.04
Others including Fair valuation of Mutual Funds and Equity Shares	(5.88)	155.20
<b>Total Deferred Tax Liabilities</b>	<b>239.38</b>	<b>392.24</b>
Set-off of Deferred Tax Assets pursuant to set-off provisions		
Investment Property	(24.64)	(24.22)
Expenses eligible for deduction on payment basis and expenses eligible for deduction over multiple years	(23.47)	(39.34)
Carried forward Losses-Sale of Land	(1.83)	(1.83)
<b>Net Deferred Tax Liabilities</b>	<b>189.44</b>	<b>326.85</b>

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Notes to the Financial Statements as at 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

### Movement in Deferred Tax Liabilities/ (Assets)

Particulars	Depreciation	Others including Fair valuation of Mutual funds	Investment property	Expenses eligible for deduction on payment basis and expenses eligible for deduction over multiple years	Carried forward Losses- Sale of Land	Total
<b>At 1st April, 2017</b>	<b>269.04</b>	<b>5.86</b>	<b>(18.79)</b>	<b>(45.10)</b>	<b>(1.83)</b>	<b>209.18</b>
Charged/(credited):						
- to profit or loss	(32.00)	60.02	(5.43)	5.76	-	28.35
- to other comprehensive income	-	89.32	-	-	-	89.32
<b>As at 31st March, 2018</b>	<b>237.04</b>	<b>155.20</b>	<b>(24.22)</b>	<b>(39.34)</b>	<b>(1.83)</b>	<b>326.85</b>
Charged/(credited):						
- to profit or loss	8.22	21.76	(0.42)	15.87	-	45.43
- to other comprehensive income	-	(182.84)	-	-	-	(182.84)
<b>As at 31st March, 2019</b>	<b>245.26</b>	<b>(5.88)</b>	<b>(24.64)</b>	<b>(23.47)</b>	<b>(1.83)</b>	<b>189.44</b>

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
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### 18. BORROWINGS

#### Secured

#### Loans repayable on demand - From Banks

##### (i) Indian Bank-Limit Rs.10 Crores

526.94                      518.73

Security - Paripassu First charge on entire Current Assets of the Company with Bank of Baroda and HDFC Bank Ltd. Second charge by way of Equitable Mortgage by way of deposit of the title deeds of the properties of the Company situated at SF No.147 an extent of 3.35 acres of land, SF No.145/2 an extent of 1.37 acres of land & SF No.145/2B2 an extent of 1.33 acres of land

Interest Rate - 9.65 % p.a.

Period of default : Nil

##### (ii) Bank of Baroda - Limit Rs.2.5 Crores

-                                      -

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

Interest Rate - 9.50 % p.a.

Period of default : Nil

##### (iii) HDFC Bank Limited - Limit Rs.5 Crores

-                                      -

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

Interest Rate - 9.10 % p.a.

Period of default : Nil

Total borrowings

**526.94                      518.73**

\* There is no non cash transactions in borrowing, for net cash transactions refer cash flow statement

### 19. TRADE PAYABLES

Dues to Micro and Small Enterprises (Refer Note No.41)

468.83                      621.09

Dues to enterprises other than Micro and Small Enterprises

1,254.49                      1,674.66

Total Trade Payables

**1,723.32                      2,295.75**

**Notes to the Financial Statements as at 31st March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>20. OTHER FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Salaries and wages	0.45	10.67
Bonus	120.09	118.45
Other employee benefits	18.77	21.20
Unpaid dividends	29.08	25.91
<b>Total Other Current Financial Liabilities</b>	<b>168.39</b>	<b>176.23</b>
<b>21. CURRENT TAX LIABILITIES (Net)</b>		
Opening balance	41.49	17.76
Add: Current tax payable for the year	238.58	452.56
Less: Taxes paid	372.12	428.83
<b>Closing Balance</b>	<b>(92.05)</b>	<b>41.49</b>
Current and Non Current Tax Liability / (Asset)		
Current Tax Liability / (Asset)	(10.95)	122.59
Tax Asset		
Non Current Tax Liability / (Asset)	(81.10)	(31.10)
Current Tax Liability / (Asset)	-	(50.00)
Current tax liabilities represent tax payments to be made within next financial year, Tax assets has been bifurcated into current and non current based on expected realisation date.		
<b>22. OTHER CURRENT LIABILITIES</b>		
Advance from Customers	77.15	64.29
Statutory Liabilities	78.11	111.05
<b>Total Other Current Liabilities</b>	<b>155.26</b>	<b>175.34</b>



# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Notes to the Financial Statements for the Year Ended 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>23. REVENUE FROM OPERATIONS</b>		
Sale of products (including excise duty Rs.596.94 Lakhs for year ended 31.03.18)	19,009.12	19,378.96
Sale of services	49.91	48.81
Other Operating Revenue	23.24	19.01
<b>Total Revenue</b>	<b>19,082.27</b>	<b>19,446.78</b>
<b>24. OTHER INCOME</b>		
Interest income from financial asset held at amortised cost	74.19	68.39
Dividend income from equity instruments designated as FVOCI	35.52	31.46
Effect of foreign currency exchange differences	11.86	6.16
Profit on sale of property, plant and equipment	-	0.36
Net gain on financial assets mandatorily measured at fair value through profit or loss	290.20	208.20
Miscellaneous Income	0.79	0.02
<b>Total Other Income</b>	<b>412.56</b>	<b>314.59</b>
<b>25. COST OF MATERIALS CONSUMED</b>		
Raw materials at the beginning of the year	1,048.91	958.83
Add: Purchases	15,290.03	14,823.57
Less: Raw materials at the end of the year	1,163.70	1,048.91
<b>Total Cost of Materials Consumed</b>	<b>15,175.24</b>	<b>14,733.49</b>
<b>26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Opening Balance</b>		
Work-in-progress	414.77	330.82
Finished goods	143.67	132.90
<b>Total Opening Balance</b>	<b>558.44</b>	<b>463.72</b>
<b>Closing Balance</b>		
Work-in-progress	508.60	414.77
Finished goods	243.43	143.67
<b>Total Closing Balance</b>	<b>752.03</b>	<b>558.44</b>
<b>Total Changes in Inventories of Finished Goods and Work-in-Progress</b>	<b>(193.59)</b>	<b>(94.72)</b>
<b>27. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	1,550.04	1,425.90
Contribution to provident and other funds	80.77	88.94
Contribution to gratuity fund	27.44	17.21
Staff welfare expenses	83.00	84.38
<b>Total Employee Benefits Expense</b>	<b>1,741.25</b>	<b>1,616.43</b>
<b>28. FINANCE COSTS</b>		
Interest on financial liabilities	1.37	5.47
<b>Finance Costs Expenses in Profit or Loss</b>	<b>1.37</b>	<b>5.47</b>

**Notes to the Financial Statements for the Year Ended 31st March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>29. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment	211.82	207.86
<b>Total Depreciation</b>	<b>211.82</b>	<b>207.86</b>
<b>30. OTHER EXPENSES</b>		
Consumption of stores and spare parts	156.07	139.96
Consumption of Packing materials	49.32	45.57
Power and fuel	89.64	76.11
Repairs & maintenance		
Machinery	118.03	107.88
Vehicles	11.30	10.76
Buildings	242.85	136.24
Others	54.87	72.04
Machining charges paid	103.85	60.87
Insurance	12.09	9.15
Rates and taxes, excluding, taxes on income	25.20	22.48
Audit fees		
i) Statutory audit	2.00	2.00
ii) For other services	0.08	-
Communication expenses	10.43	9.70
Postage, printing & stationery	11.27	9.47
Sitting fees	11.75	11.35
Legal & professional charges	68.25	60.80
Travelling & conveyance expenses	105.23	96.69
CSR expenses (Refer Note No. 43)	27.88	26.14
Miscellaneous expenses	154.02	143.69
<b>Total Other Expenses</b>	<b>1,254.13</b>	<b>1,040.90</b>
<b>31. INCOME TAX EXPENSE</b>		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	242.08	449.82
Adjustments for current tax of prior periods	(3.50)	2.74
<b>Total Current Tax Expense</b>	<b>238.58</b>	<b>452.56</b>
Deferred tax		
Decrease/(Increase) in deferred tax assets	15.45	0.34
(Decrease)/Increase in deferred tax liabilities	29.98	28.02
<b>Total Deferred Tax Expense/(Benefit)</b>	<b>45.43</b>	<b>28.36</b>
<b>Income Tax Expense</b>	<b>284.01</b>	<b>480.92</b>

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
<b>Profit before Income Tax Expense - (Business Income)</b>	<b>1,304.61</b>	<b>1,655.00</b>
Capital Gain	4.17	-
Tax at the Indian tax rate of 27.82% (2017-2018 – 34.608%)	27.82%	34.608%
Tax at the Indian tax rate of for Long Term Capital Gain 11.3%	11.13%	0.00%
Computed expected tax expense at enacted tax rate	362.94	572.76
Computed expected tax expense at enacted tax rate for capital gain	0.11	-
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax effect on exempted income	(9.88)	(10.90)
Corporate Social Responsibility expenditure disallowed	7.76	9.05
Tax effect on account of tax deductions	(49.75)	(69.16)
Adjustments for current tax of prior periods	(3.50)	2.74
Tax effect of other adjustments	(69.10)	(51.93)
<b>Income tax expense</b>	<b>238.58</b>	<b>452.56</b>

**32. EMPLOYEE BENEFIT OBLIGATIONS**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	13.55	37.02	50.57	38.03	44.94	82.97
Gratuity	39.73	53.02	92.75	33.03	-	33.03
Total employee benefit obligations	53.28	90.04	143.32	71.06	44.94	116.00

**(i) Compensated absences**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current leave obligations expected to be settled within the next 12 months	13.55	38.03

**(ii) Post employment benefit obligation**
**Gratuity**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at 1<sup>st</sup> April, 2017</b>	304.69	(323.18)	(18.49)
Current service cost	19.00	-	19.00
Interest expense/(income)	23.03	(24.82)	(1.79)
<b>Total amount recognised in profit or loss</b>	<b>42.03</b>	<b>(24.82)</b>	<b>17.21</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Actuarial (gains)/losses due to experience	41.77	1.93	43.70
<b>Total amount recognised in other comprehensive income</b>	<b>41.77</b>	<b>1.93</b>	<b>43.70</b>
Employer contributions	-	(9.39)	(9.39)
Benefit payments	(13.76)	13.76	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>374.73</b>	<b>(341.70)</b>	<b>33.03</b>

**Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at 1<sup>st</sup> April, 2018</b>	374.73	(341.70)	33.03
Current service cost	25.99	-	25.99
Interest expense/(income)	27.31	(25.86)	1.45
<b>Total amount recognised in profit or loss</b>	<b>53.30</b>	<b>(25.86)</b>	<b>27.44</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Actuarial (gains)/losses due to experience	60.97	(2.35)	58.62
<b>Total amount recognised in other comprehensive income</b>	<b>60.97</b>	<b>(2.35)</b>	<b>58.62</b>
Employer contributions	-	(26.34)	(26.34)
Benefit payments	(1.33)	1.33	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>487.67</b>	<b>(394.92)</b>	<b>92.75</b>

(iii) The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Present value of funded obligations	487.67	374.73
Fair value of plan assets	(394.92)	(341.70)
Deficit of funded plan	92.75	33.03

 The Company expects to make the contribution of Rs.39.73 lakhs (as at 31<sup>st</sup> March, 2018 Rs.33.03 lakhs) to the defined benefit plan during the next financial year.

**(iv) Post-Employment benefits**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Discount rate	7.30%	7.73%
Salary growth rate	11.00%	11.00%
Attrition rate	31.60%	3.00%
Expected return on assets	7.30%	7.73%

**(v) Brief description of the Plans & risks**

These plans typically expose the Company to actuarial risks such as : Investment risk, interest risk, longevity risk and salary risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount which is determined with reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, other debt instruments and equity shares of listed companies.

**Interest risk:**

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt instruments, if any.

**Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

**(vi) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: Impact on defined benefit obligation

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Discount rate	1.00%	1.00%	(5.90%)	(9.00%)	6.49%	10.32%
Salary growth rate	1.00%	1.00%	5.93%	9.31%	(5.55%)	(8.33%)
Attrition rate	1.00%	1.00%	(0.41%)	(2.28%)	0.43%	2.56%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**
**33. FAIR VALUE MEASUREMENTS**

Financial instruments by category

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	-	5,428.14	-	-	6,121.96	-
- Mutual funds	4,532.54	-	-	4,209.05	-	-
Trade receivables	-	-	4,067.91	-	-	5,007.22
Cash and cash equivalents	-	-	5.25	-	-	5.67
Other bank balances	-	-	1,109.08	-	-	810.91
Security deposits	-	-	36.74	-	-	34.83
Interest receivable	-	-	38.93	-	-	24.30
Employee advances	-	-	8.47	-	-	8.06
<b>Total financial assets</b>	<b>4,532.54</b>	<b>5,428.14</b>	<b>5,266.38</b>	<b>4,209.05</b>	<b>6,121.96</b>	<b>5,890.99</b>
<b>Financial liabilities</b>						
Borrowings	-	-	526.94	-	-	518.73
Trade payables	-	-	1,723.32	-	-	2,295.75
Salaries and wages	-	-	0.45	-	-	10.67
Bonus	-	-	120.09	-	-	118.45
Other employee benefits	-	-	18.77	-	-	21.20
Unpaid dividends	-	-	29.08	-	-	25.91
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,418.65</b>	<b>-</b>	<b>-</b>	<b>2,990.71</b>

## Notes to the Financial Statements for the Year Ended 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Note No.	Level 1	Level 2	Level 3	Total
<b>As at 31<sup>st</sup> March, 2019</b>					
Financial Investments at FVOCI:	6	5,428.14	-	-	5,428.14
Financial Investments at FVTPL:	6	4,532.54	-	-	4,532.54
Total financial assets		9,960.68	-	-	9,960.68
<b>As at 31<sup>st</sup> March, 2018</b>					
Financial assets					
Financial Investments at FVOCI:	6	6,121.96	-	-	6,121.96
Financial Investments at FVTPL:	6	4,209.05	-	-	4,209.05
Total financial assets		10,331.01	-	-	10,331.01

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments. The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

## 34. CAPITAL MANAGEMENT

### (a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, The company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Company is debt free currently and it intends to maintain a optimal gearing ratio for optimising shareholder value.

**(b) Dividends**

Particulars	(Amount in ₹)
Final Dividend for the year ended 31 <sup>st</sup> March, 2018 of ₹ 10/- per fully paid share (For year ended 31 <sup>st</sup> March, 2017: ₹ 8.00)	10.00
Final Dividend for the year ended 31 <sup>st</sup> March, 2017 of ₹ 10/- per fully paid share (For year ended 31 <sup>st</sup> March, 2016 : ₹ 8.00)	8.00

**35. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to market risk, liquidity risk and credit risk.

**(A) Credit risk**

Company faces credit risk from cash and cash equivalents, deposits with banks and financial institutions and unsecured trade receivables. The Company doesn't face any credit risk with other financial assets

**(i) Credit risk management**

Credit risk on deposit is mitigated by the depositing the funds in Scheduled Commercial Banks.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment.

**(ii) Provision for expected credit losses for trade receivables**

The company provides for expected credit loss based on the following:

Year Ended 31<sup>st</sup> March, 2019

Expected credit loss for trade receivables under simplified approach:

Ageing	Not due	0-60 days past due	61-180 days past due	More than 180 days past due	Total
Gross carrying amount	2,000.45	1,861.01	142.82	63.63	4,067.91
Expected loss rate	0%	0%	0%	0%	
Expected credit losses	-	-	-	-	-
Loss provision specifically identified and provided	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	2,000.45	1,861.01	142.82	63.63	4,067.91

**(B) Liquidity risk**

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal requirements.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Floating rate</b>		
- Expiring within one year (bank overdraft and other facilities)	1,223.06	1,231.27



**Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year.

**(ii) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Maturing within 3 months	Maturing after 3 months but within a year	Total	Maturing within 3 months	Maturing after 3 months but within a year	Total
<b>Non-derivatives</b>						
Borrowings	526.94	-	526.94	518.73	-	518.73
Trade payables	1,723.32	-	1,723.32	2,295.75	-	2,295.75
Salaries and wages	0.45	-	0.45	10.67	-	10.67
Bonus	-	120.09	120.09	-	118.45	118.45
Other employee benefits	18.77	-	18.77	21.20	-	21.20
Unpaid dividends	-	29.08	29.08	-	25.91	25.91
<b>Total non-derivative liabilities</b>	<b>2,269.48</b>	<b>149.17</b>	<b>2,418.65</b>	<b>2,846.35</b>	<b>144.36</b>	<b>2,990.71</b>

**(C) Market risk**
**(i) Foreign currency risk**

The Company activities exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
	USD	USD
<b>Financial assets</b>		
Trade receivables	5.96	-
Exposure to foreign currency risk (assets)	5.96	-
<b>Financial liabilities</b>		
Trade payables	9.20	155.75
Exposure to foreign currency risk (liabilities)	9.20	155.75
<b>Net exposure to foreign currency risk</b>	<b>3.24</b>	<b>155.75</b>

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Notes to the Financial Statements for the Year Ended 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

### 36. EARNINGS PER SHARE

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Basic</b>		
Profit attributable to equity holders of the Company	1,020.60	1,174.08
Number of Shares (par value of ₹ 10/- each)	24,58,000	24,58,000
Basic Earnings Per Share (in ₹)	41.52	47.77
<b>Diluted</b>		
Profit attributable to equity holders of the Company	1,020.60	1,174.08
Number of Shares (par value of ₹ 10/- each)	24,58,000	24,58,000
Diluted Earnings Per Share (in ₹)	41.52	47.77

### 37. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31st MARCH, 2019

Description of the relationship	Names of related parties
Key Management Personnel	Smt.Nethra J.S.Kumar (Chairperson and Managing Director) Sri. A.Thiagarajan (Chief Financial Officer) Sri. S.Sathyanarayanan (Company Secretary)
Post employment benefit plans	Lakshmi Electrical Control Systems Limited Employees' Gratuity Fund
Enterprises over which Key Managerial Personnel and relatives are able to exercise significant influence	Lakshmi Machine Works Limited LMW Textile Machinery (SUZHOU) Co. Ltd Lakshmi Electrical Drives Limited Lakshmi Ring Travellers (Coimbatore) Limited Lakshmi Precision Tools Limited Starline Travels Limited Chakradhara Cargo and Aerospace Private Limited Venkatavaradhaa Agencies Private Limited Quattro Engineering India Limited* *[Merged with Lakshmi Life Sciences Limited in YE 31.03.2019] Supreme Dairy Products India Pvt Limited Lakshmi Life Sciences Limited Sri Kamakoti Kamakshi Enterprises Pvt Limited Super Sales India Limited Eshaan Enterprises Limited Harshni Textiles Limited Integrated Electrical Controls India Limited LCC Cargo Holding Limited Mahalakshmi Engineering Holding Limited Sun Spintex Limited

**37. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31st MARCH, 2019 (CONTD.)**

(All amounts in ₹ Lakhs, unless otherwise stated)

Name of the Related Party	Purchase of Goods		Sale of goods		Sale of Fixed Assets		Receiving of Services		Rendering of Services		Remuneration to KMP		Accounts Payable		Accounts Receivable	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Lakshmi Machine Works Limited	1,020.23	3,208.42	19,139.73	20,091.24	-	-	-	0.04	4.30	3.62	-	-	246.14	718.91	3,176.73	4,163.73
LMW Textile Machinery (SUZHOU) Co. Ltd	-	-	40.26	-	-	-	-	-	-	-	-	-	-	-	5.96	-
Lakshmi Electrical Drives Limited	3.60	0.16	0.90	0.01	-	-	4.61	4.48	-	-	-	-	-	-	-	-
Lakshmi Ring Travellers (Coimbatore) Limited	-	-	26.71	24.89	-	-	-	-	-	-	-	-	-	-	3.97	1.59
Lakshmi Precision Tools Limited	2,237.69	2,002.12	119.51	24.91	-	0.09	0.49	-	58.22	50.23	-	-	298.22	72.22	67.91	4.87
Lakshmi Cargo Company Limited	0.15	0.15	-	-	-	-	55.83	62.11	-	-	-	-	-	1.81	-	-
Starline Travels Limited	-	-	-	-	-	-	59.05	56.80	-	-	-	-	4.83	3.24	-	-
Lakshmi Technology and Engineering Industries Limited	-	-	-	-	-	-	-	-	24.07	33.27	-	-	-	-	3.14	2.56
Venkatavaradhaa Agencies Private Limited	0.14	2.26	-	-	-	-	-	-	-	-	-	-	-	0.34	-	-
Quattro Engineering India Limited	-	-	136.28	241.74	-	-	-	-	-	-	-	-	-	-	-	75.09
Supreme Dairy Products India Pvt Limited	21.20	7.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lakshmi Life Sciences Limited	0.21	1.58	292.78	0.73	-	-	2.56	0.43	-	-	-	-	0.17	-	169.24	-
Sri Kamakoti Kamakshi Enterprises Pvt Limited	0.51	5.95	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-
Super Sales India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eshann Enterprises Limited	4.62	-	-	-	-	-	-	-	-	-	-	-	0.76	-	-	-
Chakradhara Aerospace and Cargo Private Limited	-	-	-	-	-	-	37.42	-	7.97	-	-	-	6.60	-	5.00	-
Smt.Nehra J.S.Kumar (Chairperson and Managing Director)	-	-	-	-	-	-	-	-	-	-	57.92	105.53	0.45	10.67	-	-
Sri. A.Thiagarajan (CFO) (From 31.01.2018)	-	-	-	-	-	-	-	-	-	-	20.49	3.12	-	-	-	-
Sri.B.K.Ravi Kumar (CFO) (Upto 16.12.2017)	-	-	-	-	-	-	-	-	-	-	-	15.81	-	-	-	-
Sri. S.Sathyarayanan (Company Secretary)	-	-	-	-	-	-	-	-	-	-	18.17	16.17	-	-	-	-

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## Notes to the Financial Statements as at 31st March, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

### 38. SEGMENT REPORTING FOR THE YEAR ENDED 31st MARCH, 2019

PRIMARY-BUSINESS SEGMENT	Electricals		Plastics		Wind Power Generation		TOTAL	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>Revenue</b>								
External Sales	15,731.16	15,262.35	3,239.22	3,476.31	38.74	43.36	19,009.12	18,782.02
Inter segment transfers	-	-	-	-	76.97	90.82	76.97	90.82
Allocable other income	62.47	64.53	35.00	9.82	-	-	97.47	74.35
Total Revenue	15,793.63	15,326.88	3,274.22	3,486.13	115.71	134.18	19,183.56	18,947.19
Less: Inter unit transfers							76.97	90.82
Add: Unallocable other income							399.91	308.05
Enterprise Revenue							19,506.50	19,164.42
<b>Result</b>								
Segment results	929.10	1,140.23	16.87	284.98	74.72	89.46	1,020.69	1,514.67
Unallocable expenses							107.76	151.70
Operating profit							912.93	1,362.97
Less: Interest expenses							1.37	5.47
Bank Charges							6.86	10.55
Incometax expenses							284.01	480.92
Add: Unallocable income								
Interest receipts							74.19	68.39
Dividend receipts							35.52	31.46
Net gain on financial assets mandatorily measured at fair value through profit or loss							290.20	208.20
Net Profit after Tax							1,020.60	1,174.08
<b>Other information</b>								
Segment assets	7,049.40	7,298.22	2,556.35	2,619.15	268.74	268.84	9,874.49	10,186.21
Add: Unallocated corporate assets							10,140.60	10,500.00
Enterprise Assets							20,015.09	20,686.21
Segment liabilities	2,491.10	2,906.94	226.13	376.09	33.27	33.27	2,750.50	3,316.30
Add: Unallocated corporate liabilities							17,264.59	17,369.91
Enterprise Liabilities							20,015.09	20,686.21
Capital expenditure	112.36	77.42	59.89	202.72	-	-	172.25	280.14
Depreciation	107.15	113.58	92.20	81.81	12.47	12.47	211.82	207.86

### Other Information

#### Segment Assets and Liabilities

Operating Segment	Segment Assets		Segment Liabilities	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Electricals	7,049.40	7,298.22	2,491.10	2,906.94
Plastics	2,556.35	2,619.15	226.13	376.09
Wind Power Generation	268.74	268.84	33.27	33.27
Total Segment Assets & Segment Liabilities	9,874.49	10,186.21	2,750.50	3,316.30
Adjustments for Unallocated Assets and Liabilities :				
Investment Properties	87.87	87.87	-	-
Investments	9,960.68	10,331.02	-	-
Income Tax Asset	92.05	81.11	-	-
Equity Share Capital	-	-	245.80	245.80
Other Equity	-	-	16,829.35	16,674.67
Deferred Tax	-	-	189.44	326.85
Current Tax Liabilities	-	-	-	122.59
Total Assets & Liabilities as per Balance Sheet	20,015.09	20,686.21	20,015.09	20,686.21

**Notes to the Financial Statements as at 31st March, 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

**OTHER DISCLOSURES**

**39. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Contingent liabilities		
Central Excise/ Service Tax	11.63	215.20
Income Tax	-	229.22

**40. COMMITMENTS**

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Property, plant and equipment	0.59	-

**41. DISCLOSURE AS PER SCHEDULE III**

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2019 has been made in the financial statements based on information received and available with the Company.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
The Principal amount and the Interest due there on remaining unpaid to any supplier as at the end of each accounting year		
- Principal	468.83	621.09
- Interest	-	-
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.	-	-
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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the Interest dues above are actually paid to the Small Enterprises for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

42. The Company has ensured the health and safety of the employees as prescribed under the Factories Act, 1948. The Company has incurred the following expenditure during the year in this regard.

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Health related expenses	0.89	0.70
Safety related expenses	3.82	1.08
<b>Total</b>	<b>4.71</b>	<b>1.78</b>

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

### 43 Corporate Social Responsibility Expenditure

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Amount spent through approved trusts and institutions	24.00	15.10
Amount spent directly	3.88	11.04
Total	27.88	26.14
Amount required to be spent as per Sec.135 of the Act	27.45	26.00
<b>Amount spent during the year on :</b>		
- Construction / acquisition of an asset	-	-
- On purposes other than above	27.88	26.14
Total	27.88	26.14

44 The financial statements were approved for issue by the Board of Directors on 29th May, 2019.

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

**Nethra J.S. Kumar**  
Chairperson and Managing Director  
(DIN : 00217906)

**A. Thiagarajan**  
Chief Financial Officer

Place : Coimbatore  
Date : May 29, 2019

**Sanjay Jayavarthanelu**  
Director  
(DIN : 00004505)

**S. Sathyanarayanan**  
Company Secretary

In terms of our report attached

For Subbachar & Srinivasan  
Chartered Accountants  
Firm Regn.No.0040835

**T.S.V.Rajagopal**  
Partner  
Membership No.200380

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

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

1. Particulars of the shareholder

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

2. Particulars of the Bank

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

e) Account Type : \_\_\_\_\_ Please Tick relevant box  
 (Savings account, Current account or Cash Credit)

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

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

--	--	--	--	--	--	--	--	--

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

**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

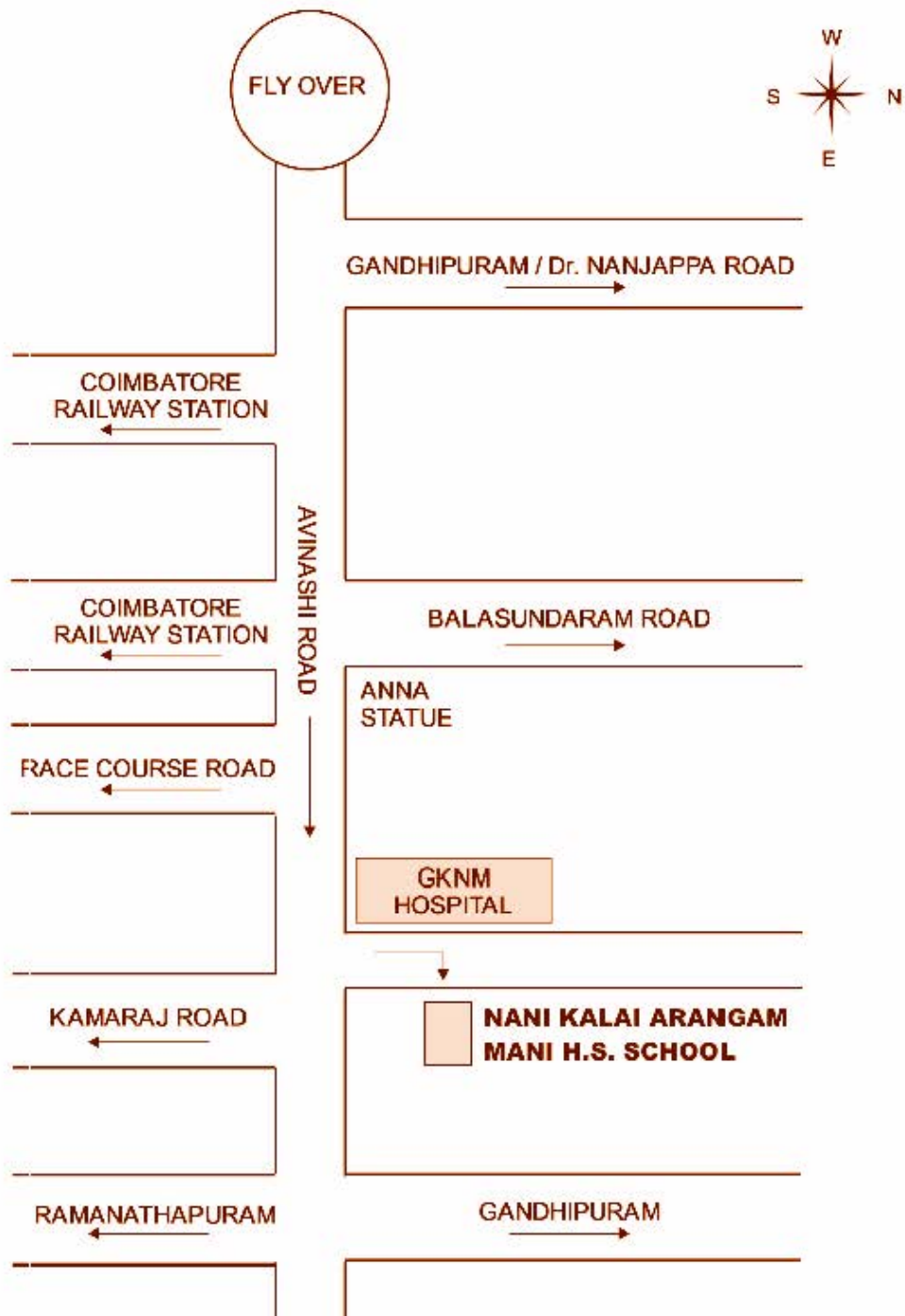
Place : \_\_\_\_\_ (Signature of the first Regd.holder)  
 Date : \_\_\_\_\_ as per specimen signature with the Company

Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Pincode \_\_\_\_\_

- Note : 1. Please send the form to the address mentioned above.  
 2. 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.



**Route Map to the AGM Venue**



**LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED**

Arasur - 641 407, Coimbatore Dist, India.

Phone : +91 422 3093500.

Email : [contact@lecsindia.com](mailto:contact@lecsindia.com) Website : [www.lecsindia.com](http://www.lecsindia.com)

CIN : L31200TZ1981PLC001124



# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN: L31200TZ1981PLC001124

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

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

## FORM NO. MGT - 11 PROXY FORM

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

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

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

1) Name :	
Address :	
Email ID :	Signature
or failing him/her	
2) Name :	
Address :	
Email ID :	Signature
or failing him/her	
3) Name :	
Address :	
Email ID :	Signature

P.T.O.

✂ -Cut here -

### Electronic Voting Particulars

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

EVSN (Electronic Voting Sequence Number)	* Default PAN /Sequence No
<b>190625019</b>	

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

✂ -Cut here -



**ATTENDANCE SLIP**

### LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN: L31200TZ1981PLC001124

Registered Office:34-A, Kamaraj Road, Coimbatore -641018

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

**PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF Nani Kalai Arangam, Mani Higher Secondary School,P.N. Palayam, Coimbatore – 641037**

Name and address of the Shareholder

Folio No. / Demat ID :

No. of Shares held :

I hereby record my presence at the 38th ANNUAL GENERAL MEETING at 'Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 on Wednesday the 07<sup>th</sup> August, 2019 at 02.45 PM

\* Strike out whichever is not applicable

Signature of Member / Proxy\*

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the company, to be held on Wednesday the 07<sup>th</sup> August, 2019 at 02.45 PM at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037 and at any adjournment thereof in respect of such resolutions as are indicated below :

S. No.	Subject	
1	Adoption of Annual Financial Statements.	
2	Declaration of Dividend for the year ended 31 <sup>st</sup> March, 2019.	
3	Reappointment of Sri.D.Senthilkumar (holding DIN: 00006172), Director retiring by rotation.	
4	Approval of appointment of Sri.N.R.Selvaraj DIN No: 00013954.	
5.	Approval of related party transactions with Lakshmi Machine Works Limited pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	
6.	Approval of related party transactions with Lakshmi Precision Tools Limited pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	
7.	Appointment of Sri. N. Suryakumar (DIN: 00008316) as an Independent Director for second term.	
8.	Appointment of Sri.Ramesh Rudrappan (DIN: 00008325) as an Independent Director for second term.	
9.	Appointment of Sri.A.Palaniappan (DIN: 00044022) as an Independent Director for second term.	
10.	Appointment of Sri.Arun Selvaraj (DIN: 01829277) as an Independent Director for second term.	
11.	Amendment to the Articles of Association of the Company.	

Signed this ..... day of ..... 2019

Signature of shareholder : .....

Signature of Proxy holder (s) : .....

Affix  
Revenue  
Stamp

**Note :**

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