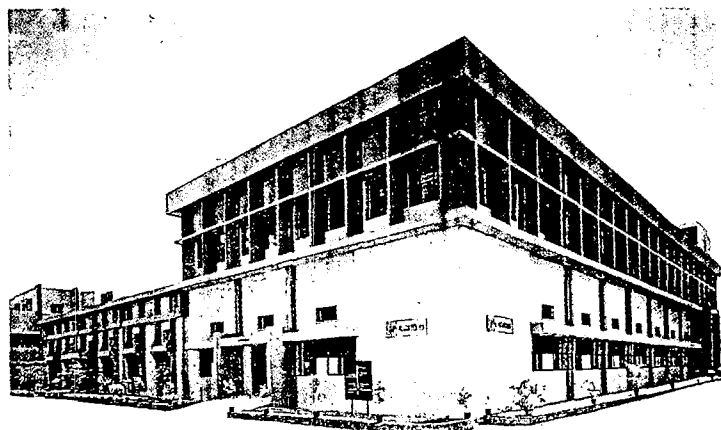
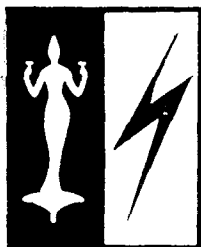


MD		BEC
CS		DPY
RO		DIV
TRA		AC
AGMI		SH
YE		



Report  junction.com



**LAKSHMI
ELECTRICAL CONTROL
SYSTEMS LIMITED**

Board of Directors

Dr. D. JAYAVARTHANAVELU (Chairman)
Sri G. RANGASWAMY
Sri N. SURYAKUMAR
Sri P. JAGATHEESAN
Sri V.J. JAYARAMAN
Sri K.V. BALASUBRAMANIAM
Sri R. VENKATRANGAPPAN
Sri SANJAY JAYAVARTHANAVELU
Sri R.V.M. KESAVACHANDRA RAU
Sri D. SENTHIL KUMAR

Company Secretary

Sri R. SRIDHAR

Report  junction.com

Auditors

M/s. N.R. DORAISWAMI & CO.,
CHARTERED ACCOUNTANTS
COIMBATORE.

Registrars and Share Transfer Agents

M/s. SREE KRISHNA DATA CENTRE
11, S.N. LAYOUT, STREET No. 1
COIMBATORE - 641 012

Lakshmi Electrical Control Systems Limited

Registered Office

695 Avanashi Road
COIMBATORE - 641 037

Admn. Office and Works

Arasur - 641 407
COIMBATORE DISTRICT

Bankers

Indian Bank
Bank of Baroda
Bank of India
The South Indian Bank Ltd.

Report  junction.com

Contents	Page No.
Notice of Annual General Meeting	3
Directors' Report	6
Auditors' Report	12
Accounts	16
Schedules	18
Notes	23
Balance Sheet Abstract	27
Cash Flow Statement	29



Notice of Annual General Meeting

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Friday, 22nd August 1997 at 3.00 p.m. at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore - 641 037 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit and Loss Account for the year ended 31st March, 1997 and the Directors' and Auditors' Reports thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri G. Rangaswamy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri N. Suryakumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Sri P. Jagatheesan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

7. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution of which notice has been received by the Company from a member :

"RESOLVED that Sri D. Senthil Kumar be and is hereby appointed as a Director of the Company".

Lakshmi Electrical Control Systems Limited**Explanatory Statement under section 173 of the Companies Act 1956.**

"Sri D. Senthil Kumar was appointed as an Additional Director of the Company on 22nd March, 1997 in accordance with the Articles of Association of the Company under section 260 of the Companies Act 1956. He holds Office only upto the date of 16th Annual General Meeting of the Company.

In terms of Section 257 of the Companies Act 1956, the Company has received a notice from a member on his intention to propose at the ensuing Annual General meeting, the appointment of Sri. D. Senthil Kumar as a Director of the Company along with a deposit of Rs. 500/- to move the resolution as said in item No.7.

Interest of Directors :

None of the Directors other than Sri D. Jayavarthanelu, Sri Sanjay Jayavarthanelu, and Sri D. Senthil Kumar are concerned or interested in this resolution.

Place : Coimbatore

Date : June 2, 1997

By Order of the Board

R. SRIDHAR

Company Secretary

Report  junction.com



NOTE :

1. A member who is entitled to attend and vote at the above meeting is entitled to appoint a proxy and vote instead of himself and such proxy need not be a member of the Company.
2. Proxy should be lodged with the Company not less than fortyeight hours before the scheduled commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company relating to Equity Shares will be closed from Friday, 1st August, 1997 to Friday, 22nd August, 1997 (both days inclusive).
4. Members are requested to communicate their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, M/s. Sree Krishna Data Centre, No.11, Street No. 1, S.N. Layout, Coimbatore - 641 012.
5. The Dividend as recommended by the Board, if sanctioned at the Meeting, will be paid to those Members (or their Mandatees) whose names appear on the Register of Members as on 22nd August, 1997.
6. Pursuant to Section 205-A of the Companies Act, 1956, the unclaimed dividend for the financial year ended 31st March 1994 will be transferred to the General Revenue Account of Central Government before 14th September, 1997.

Lakshmi Electrical Control Systems Limited

Directors' Report

Your Directors have great pleasure in submitting the Sixteenth Annual Report of your Company together with the audited accounts for the year ended 31 March, 1997.

Financial Results	Current Year ended 31-03-1997	Previous Year ended 31-03-1996
	(Amount in Rs.)	(Amount in Rs.)
Sales and other Income	30,97,33,977	37,04,91,969
Gross Profit	5,12,79,825	6,99,10,143
Less : Depreciation	2,24,97,001	1,87,73,557
Net Profit	2,87,82,824	5,11,36,586
Add : Excess Provision in earlier years	3,32,396	23,606
Excess Provision in earlier year for Taxation reversed	1,06,862	---
Transferred from Investment allowance (utilised) reserve	1,00,456	22,82,517
	2,93,22,538	5,34,42,709
Less : Provision for Income Tax	1,33,00,000	2,10,00,000
Income Tax for prior years	---	4,995
	1,60,22,538	3,24,37,714
Add : Surplus brought forward	63,69,368	62,21,654
AVAILABLE FOR APPROPRIATION	2,23,91,906	3,86,59,368

Directors' Recommendation for Appropriations

Proposed Equity Dividend	73,74,000	1,22,90,000
General Reserve	1,00,00,000	2,00,00,000
Balance Carried Forward	50,17,906	63,69,368
	2,23,91,906	3,86,59,368

**Dividend :**

Your Directors have pleasure in recommending for the consideration of the shareholders the declaration of dividend of Rs.3/- per Equity Share of Rs. 10.00 each.

The above dividend, if approved by the Shareholders at the forth coming Annual General Meeting, will absorb Rs. 73,74,000.

Performance :

During the year under review, the Company's sales and other income have recorded at Rs. 3097.33 Lakhs as against Rs. 3704.92 Lakhs during the preceding year. The reduction in turnover was mainly due to industrial recession.

The profit before depreciation and tax for the year under review is Rs. 512.79 Lakhs as against Rs. 699.10 Lakhs for the preceding year. The profit after tax for the year under review is Rs. 154.83 Lakhs as against Rs. 301.36 Lakhs. The profit for the year under review has reduced as compared to the preceding year is due to the reduction in volume of sales.

Prospects:

LECS has entered into strategic alliance with Allen Bradley India Limited, part of Rock well Automation for the supply of Contactors, Overload Relays and Control Relays. The latest technology in this area is being provided by Rockwell Automation, Switzerland and this will enable our Switchgear products to be competitive in the Global Market. This will give scope for increase in the volume of business in the coming years. Rockwell Automation has also identified certain other products as potential areas for future co-operation.

Industrial Relations:

Your Directors are pleased to inform that the industrial relations during the year under review were very cordial.

Fixed Deposits:

Four Fixed Deposits for a total amount of Rs. 1,21,000/- have not been repaid till 31st March 1997, as the Company did not receive the discharged Fixed Deposit Receipts.

Directors :

Sri G. Rangaswamy, Sri N. Suryakumar and Sri P. Jagatheesan are due to retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors :

M/s N.R. Doraiswami & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.