



Low Voltage Switching Control and Protection Equipment

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED
22nd ANNUAL REPORT 2002 - 2003



“Sprecher + Schuh”

Low Voltage Switchgear products

- Contactors, Control Relays
- Thermal overload relays
- And their accessories

LECS Motor Control Solutions

DOL & Star Delta Starters and Motor Control Panels

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

LECS Automatic Power Factor Correction (APFC) Panels

- For Industrial & Windmill applications

LECS Custom built Control Panels for Industrial Machinery

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

LECS Control Elements

- Limit Switches
- Solenoid Valves

Industrial Plastic Components

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

Manufactured by
LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED
Arasur, Coimbatore 641 407. Phone : 0422 - 2360306 Fax : 0422 - 2360307
Email : lecs@vsnl.com Website : www.lecsindia.com



**LAKSHMI
ELECTRICAL CONTROL
SYSTEMS LIMITED**

Board of Directors

Dr. D. JAYAVARTHANAVELU (Chairman)
Sri R. VENKATRANGAPPAN
Sri V.J. JAYARAMAN
Sri G. RANGASWAMY
Sri N. SURYAKUMAR
Sri SANJAY JAYAVARTHANAVELU
Sri D. SENTHIL KUMAR
Smt. NETHRA J.S. KUMAR
(Wholetime Director)

Auditors

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

Registrars and Share Transfer Agents

M/s. S.K.D.C. CONSULTANTS LTD.
11, S.N. LAYOUT, STREET No. 1
COIMBATORE - 641 012

Lakshmi Electrical Control Systems Limited

Registered Office

34-A, Kamaraj Road
Coimbatore 641 018.

Admn. Office and Works

Arasur - 641 407
COIMBATORE DISTRICT

Bankers

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

Subsidiary Company

Lakshmi Precision Tools Limited
Arasur - 641 407
COIMBATORE DISTRICT

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Notice of Annual General Meeting

Notice is hereby given that the Twenty Second Annual General Meeting of the Company will be held on Wednesday, the 30th July 2003 at 3.30 p.m. at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore – 641 037 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2003 and the Profit and Loss Account for the year ended 31st March 2003 and the Directors' and Auditors' Reports thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Sri N. Suryakumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri R. Venkatrangappan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Sri Sanjay Jayavarthanavelu, 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.

Place : Coimbatore
Date : June 4, 2003

By order of the Board
D. JAYAVARTHANAVELU
Chairman

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. PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT 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 Wednesday, the 16th July 2003 to Wednesday, the 30th July 2003 (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. S.K.D.C. Consultants Limited, No.11, S.N. Layout, Street No.1, Coimbatore – 641 012.

Lakshmi Electrical Control Systems Limited

5. Members are requested to intimate their Bank Account Number details for incorporating the same in Warrants/Cheques/Demand Drafts to our Registrars and Share Transfer Agents M/s. S.K.D.C. Consultants Limited, No.11, S.N. Layout, Street No.1, Coimbatore – 641 012.
6. 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 16th July 2003.
7. Pursuant to Section 205-A of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999 all unclaimed dividends shall be transferred to the “Investor Education and Protection Fund” of the Central Government after a period of 7 years from the date of declaration. *Shareholders who have not encashed the dividend warrants for the year 1995-1996, 1996-1997, 1997-1998, 2000-2001 & 2001-2002 are requested to write to our Registrars and Share Transfer Agents M/s. S.K.D.C. Consultants Limited, No.11, S.N.Layout, Street No. 1, Coimbatore – 641 012 for claiming the dividend before the aforesaid dates. The seven year period for the unclaimed dividend of the year 1995-96 comes to an end on 20th August 2003 and hence the amount will be transferred to the “Investors Education and Protection Fund” immediately after the said date. No claim can be made by the shareholders thereafter.*

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Directors' Report

Your Directors present the Twenty Second Annual Report of your Company together with the audited accounts for the year ended 31st March 2003.

| Financial Results | Current Year ended 31.3.2003 (Amount in Rs.) | Previous year ended 31.03.2002 (Amount in Rs.) |
|--|---|---|
| Sales and Other Income | 22,56,55,579 | 18,27,17,043 |
| Gross Profit | 4,09,34,467 | 3,10,93,042 |
| Less : Depreciation | 1,15,17,401 | 1,22,25,699 |
| Net Profit/Loss | 2,94,17,066 | 1,88,67,343 |
| Add : Prior year income | 12,213 | 78,718 |
| Provision no longer required | — | 3,12,387 |
| | 2,94,29,279 | 1,92,58,448 |
| Less : Prior year expenses/extraordinary items | 80,860 | 52,768 |
| Income tax for earlier years | 6,39,993 | 7,22,212 |
| Provision for Income Tax | 1,15,18,046 | 69,01,991 |
| Provision for deferred tax | 1,57,872 | 6,52,929 |
| | 1,70,32,508 | 1,09,28,548 |
| Add : Surplus Brought Forward | 96,70,654 | 61,58,106 |
| AVAILABLE FOR APPROPRIATION | 2,67,03,162 | 1,70,86,654 |

Directors' Recommendation for Appropriations

| | | |
|---|-------------|-------------|
| Proposed Equity Dividend | 61,45,000 | 49,16,000 |
| Provision for Corporate tax on dividend | 7,68,125 | — |
| General Reserve | 74,96,504 | 25,00,000 |
| Balance Carried Forward | 1,22,93,533 | 96,70,654 |
| | 2,67,03,162 | 1,70,86,654 |

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Dividend:

Your Directors have pleasure in recommending a dividend of Rs.2.50 per Equity Share of Rs.10.00 each.

The above dividend, if approved by the shareholders at the forthcoming Annual General Meeting will absorb Rs.61,45,000/- and will be paid to those members or their mandatees whose name appear on the Register of Members as on 16th July 2003.

Performance:

Your Directors are pleased to inform you that the Turnover including other income have increased to Rs.2256.55 Lakhs as against Rs.1827.17 Lakhs for the preceding year. This represents an increase of 23.50% over the previous year.

The profit before depreciation and tax for the year under review is Rs.409.34 Lakhs as against Rs.310.93 Lakhs representing an increase of 31.65% over the previous year. The profit before tax is Rs.294.17 Lakhs as against the previous year figure of Rs.188.67 Lakhs during the year under review. The company has improved the sales growth rate in all its products resulted in better profit to the company. The Company has been focusing continuously on effective utilisation of its resources.

Prospects:

Many new products that were launched and taken for development are getting to be commercialised and yielding revenue

- Limit switches & Electro Valves
- APFC Panels for windmills and industrial applications

Even in the area of switchgear some products are under development to bridge gaps.

These additions together with the progressive growth in the existing activities should ensure our healthy anticipated climb.

Industrial Relations:

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

Subsidiary Company:

The accounts of the subsidiary Company M/s. Lakshmi Precision Tools Limited form part of the Annual Report.

In accordance with the Accounting Standards (AS21) issued by the Institute of Chartered Accountants of India, the audited consolidated financial statements are annexed.

**Fixed Deposits:**

There were no unclaimed Fixed Deposits as on 31st March 2003 and the Company is not accepting any fresh deposits.

Directors:

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

1. Sri N. Suryakumar
2. Sri R. Venkatrangappan
3. Sri Sanjay Jayavarthanavelu

Listing:

Your Company's shares are listed in Madras and Mumbai Stock Exchanges and the listing fees have been paid.

Auditors:

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

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:

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

During the year under report, no employee, throughout the year or part of the year was in receipt of remuneration of Rs.24,00,000/- per annum or Rs.2,00,000/- per month or in excess thereof respectively.

Directors' Responsibility Statement:

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm:

- That all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure;
- That such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2003 and of the profit of the Company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate

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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;

- That the annual accounts have been prepared on a going concern basis.

General :

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

Acknowledgements :

Your Directors wish to convey their thanks to the Company's bankers, distributors and collaborators for their continuing support to the Company.

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

For and on behalf of the Board of Directors

Place : Coimbatore

D. JAYAVARTHANAVELU

Date : June 4, 2003

Chairman

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