



Sprecher + Schuh
Low Voltage Switching
Control and Protection Equipment

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

28th Annual Report 2008-2009



“Sprecher + Schuh”

Low Voltage Switchgear products

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

LECS Motor Protection & Control Devices

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

LECS Motor Control Solutions

- DOL & Star Delta Starters and Motor Control Panels
- For all Industrial drivers, Customised executions
- For all Submersible pumps and Agricultural pumps
- For all Construction & Domestic applications

LECS Automatic Power Management Systems

- APFC Panels (Automatic Power Factor Correction Panels)
- ASCO Panels (Automatic Source Changeover Panels)
- ATS Controllers

LECS Custom Built Control Panels for Industrial Machinery

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

LECS Automation Devices & Elements

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

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 - 641 407, Coimbatore Dist, India. Phone : +91 422 3093500

Fax : +91 422 2360307 Email : lecs@vsnl.com 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)

Company Secretary

Sri. R. SIVASUBRAMANIAN

Auditors

M/s. N.R. Doraiswami & Co.,
Chartered Accountants
Coimbatore.

Registrars and Share Transfer Agents

M/s. S.K.D.C. Consultants Ltd.
P.B.No.2979, No.7 (Old No.11), S.N.Layout, Street No.1,
(West Power House Road), Coimbatore - 641 012

Registered Office

34-A, Kamaraj Road
Coimbatore 641 018

Admn. Office and Works

Arasur - 641 407
Coimbatore District

Bankers

Indian Bank
Bank of Baroda

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LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Eighth Annual General Meeting of the share holders of Lakshmi Electrical Control Systems Limited will be held on Friday, the 31st July 2009 at 12.05 p.m. at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore - 641 037 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Profit and Loss Account of the Company for the financial year ended 31st March 2009 and the Balance Sheet as at that date and the Report of Board of Directors' and the Auditor's Report thereon .
2. To declare a dividend.
3. To appoint a Director in the place of Dr.D.Jayavarthanavelu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri.D.Senthilkumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Sri G.Rangaswamy, 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 deemed fit to pass with or without modification the following resolution as a Special Resolution:

RESOLVED that subject to the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, Listing Agreement entered into with the Stock Exchanges, Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003 and subject to such other approvals, permissions and sanctions as may be required from the Stock Exchanges with which the Equity Shares of the Company are listed and / or any other relevant authority and subject to any conditions or modifications as may be imposed while granting such approvals, permissions and sanctions and mutually agreed to in the best interest of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of its equity shares from Madras Stock Exchange Limited, Chennai where the Company's shares are presently listed without giving an exit option to the shareholders of the region where the aforesaid Stock Exchange is situated.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or appropriate and make all such applications and execute deeds, agreements, documents and writings as it may consider necessary, usual , requisite or proper for giving effect to this resolution.

Place : Coimbatore
Date : May 21, 2009

By order of the Board
R. Sivasubramanian
Company Secretary



NOTE:

1. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**
3. Brief resume and details of shareholding of Non-Executive Directors who retire by rotation and seeking re-election as required under Clause 49 of the listing agreement are provided under the Corporate Governance Report.
4. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 16th July 2009 to Friday, the 31st July 2009 (both days inclusive).
5. Members holding shares in physical form are requested to communicate their change of address and their Bank Account details such as Bank Name, Branch with address and Account Number for incorporating the same in the Dividend Warrants, quoting their folio numbers to our Registrar and Share Transfer Agents, M/s. S.K.D.C. Consultants Limited, P.B.No.2979, No.7 (Old No.11), S.N.Layout, Street No.1, (West Power House Road), Coimbatore - 641 012. Members holding shares in dematerialized form shall intimate the above particulars to their Depository Participant with whom they have demat account.
6. The dividend as recommended by the Board, if sanctioned at the meeting, will be paid to those members or their mandatees whose name appear on the Register of Members on 31st July 2009, for those holding shares in physical form. In respect of the shares held in dematerialised form the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose at the end of the business hours on 15th July 2009.
7. Pursuant to Section 205-C of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999, all unclaimed dividends shall be transferred to the "Investors Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 are requested to write to our Registrar and Share Transfer Agents, M/s. S.K.D.C. Consultants Limited, P.B.No.2979, No.7 (Old No.11), S.N.Layout, Street No.1, (West Power House Road), Coimbatore - 641 012 for claiming the dividend. The seven year period for the unclaimed dividend of the year 2001-02 comes to an end on 22nd August 2009. The amount will be transferred to the Investors Education and Protection Fund immediately after that date and no claim can be made by the Shareholders thereafter.
8. With respect to payment of dividend, the Company provides the facility of Electronic Clearing Service (ECS) to shareholders residing in the following cities:
 Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, Pune and Thiruvananthapuram.
 Shareholders holding shares in the physical form, who wish to avail ECS facility, may authorise the Company with their ECS mandate in the prescribed form (enclosed) or can be obtained from the Registrar and Share Transfer Agents, M/s. SKDC Consultants Limited, on request. Requests for payment of dividend through ECS for the year 2008-09 should be lodged with M/s. SKDC Consultants Limited on or before 19.07.2009.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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

Item No.7

The equity shares of your Company are presently listed in two stock exchanges viz, Madras Stock Exchange Limited, Chennai and Bombay Stock Exchange Limited (BSE), Mumbai.

The shares of your Company are not being traded in MSE for a long time. Hence it is proposed to delist the equity shares from MSE.

The securities and Exchange Board of India (SEBI) had notified "Delisting of Securities Guidelines - 2003" on February 17,2003 (The Guidelines). As per the Guidelines, a company may seek voluntary delisting of its securities from all or some of the stock exchanges and further that an exit offer is not required to be provided in case where such securities continue to be listed at a Stock Exchange having nation wide trading terminals i.e., Bombay Stock Exchange Limited, Mumbai, National Stock Exchange of India Limited, Mumbai and any other Stock Exchange(s) that may be specified by SEBI in this regard.

BSE is offering trading terminals throughout the country and also offer on line trading in shares. Delisting from MSE will no way affect the trading in our shares by the shareholders of the Company in any region and hence no exit option is given to the shareholders of the region where MSE is situated. The shares shall continued to be listed on BSE.

Members approval is being accordingly sought by a special resolution to enable voluntary delisting of the Company's shares from MSE in accordance with SEBI Guidelines and Stock Exchange Rules.

Your Directors recommend the Resolution for your approval.

Interest of Directors:

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

Place: Coimbatore
Date : May 21, 2009

By order of the Board
R. Sivasubramanian
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Twenty Eighth Annual Report of your Company together with the audited accounts for the year ended 31st March 2009.

Financial Results	Current Year ended 31.03.2009 (Amount in Rs.)	Previous year ended 31.03.2008 (Amount in Rs.)
Sales and Other Income	1,03,15,11,405	1,19,84,94,600
Gross Profit	12,28,49,829	22,75,05,047
Less : Depreciation	3,84,58,830	4,77,67,097
Net Profit/Loss	8,43,90,999	17,97,37,950
Prior year Income	—	—
Excess provision for I.T for earlier years reversed	12,778	—
Less : Prior year expenses/extraordinary items	—	—
Provision for Taxation	3,30,57,954	5,84,04,651
Provision for deferred tax	-42,29,133	45,70,238
Income Tax for earlier years	15,90,382	—
Add : Surplus brought Forward	7,37,16,434	12,42,07,796
AVAILABLE FOR APPROPRIATION	12,77,01,008	24,09,70,857
Appropriations:		
Proposed Dividend	61,45,000	1,47,48,000
Provision for corporate tax on dividend	10,44,343	25,06,423
Transfer to General Reserve	1,00,00,000	15,00,00,000
Balance Carried Forward	11,05,11,665	7,37,16,434
Total	12,77,01,008	24,09,70,857

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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 31st July 2009 for those holding shares in physical form. In respect of the shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose at the end of the business hours on 15th July 2009.

Business and Operations

Your Directors inform you that the Turnover including other income for the year under review is Rs.10,315.11 Lakhs as against Rs.11,984.95 Lakhs for the preceding year.

The profit before depreciation and tax for the year under review is Rs.1,228.49 Lakhs as against Rs.2,275.05 Lakhs. The profit before tax is Rs.843.91 Lakhs as against Rs.1,797.38 Lakhs.

Our business volumes have been very good in the first half year as a continuing trend in the previous year. But, we were stunningly knocked off balance by the financial crisis that epicentered in the economically powerful countries that crippled our performance for the entire second half of the year to less than a fraction of the normal.

Industrial Relations

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

Subsidiary Company

M/s. Harshni Textiles Ltd, a wholly owned subsidiary of the company, ceased to be so with effect from 01.12.2008.

Fixed Deposits

The Company has not accepted any fixed deposits.

Directors

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

1. Dr. D.Jayavarthanavelu
2. Sri D.Senthilkumar
3. Sri G.Rangaswamy

Corporate Governance

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

Listing

Your Company's shares are listed in Madras Stock Exchange Limited, Chennai and Bombay Stock Exchange Limited, Mumbai and the listing fees have been paid up to the financial year 2009-10.

Auditors

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

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

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



Information in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 2009 is given in Annexure - II of this Report.

Directors' Responsibility Statement

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

- all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure;
- such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

General

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

Acknowledgements

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

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

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 21, 2009

D. Jayavarthanavelu
Chairman

Annexure I

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

A) CONSERVATION OF ENERGY :

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

B) FORM B (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

a. Research and Development :

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Specific areas in which R & D carried out by the Company | <ol style="list-style-type: none"> a) Continuous improvement and upgradation of technology and design of components of the Low Voltage Switchgear & Controlgear. b) Manufacturing process improvements and testing methods & devices. c) Further development in Electronic Motor Protection Relay for various applications. |
|---|--|

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

2. Benefits derived as a result of the above R & D
 - a) To conform to the latest relevant IS 13947/ IEC 947 standards and UL approvals.
Reduction in cost through identification of alternative material / substitution of components
 - b) Additional products are developed for commercial production to add to the mix - Capacitor Duty Contactor, Electronic Timer, Thermister Protection Relays and Voltage Monitoring Relays.
3. Future plans of action
 - a) Development of new products like Automatic Transfer Switch Controller, Electronic Coil for Higher Amps, Contactor, Electronic Motor Protection Relay for Lower Amps and extend the range of Low Voltage switchgear & controlgear.
4. Expenditure on R & D
 - a) Capital : NIL
 - b) Recurring : Rs.3.55 Lakhs
 - c) Total : Rs.3.55 Lakhs
 - d) Total R&D expenditure as a percentage of total turnover: 0.03%

b. Technology absorption, adaptation & innovation :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
No technology or know-how is bought from external bodies or imported.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

c. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) Foreign Exchange Earnings during the year : Nil
- b) Foreign Exchange used : Rs.1,45,54,071

For and on behalf of the Board of Directors

Place : Coimbatore
Date : May 21, 2009

D.Jayavarthanavelu
Chairman

Annexure II

Statement appended to the Directors' Report pursuant to Section 217(2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 & forming part of the Directors' Report for the year ended 31st March, 2009.

Sl. No.	Name	Age/ Yrs	Designation/ Nature of Duties	Remune- ration	Qualification	Experience in years	Date of Commence- ment of employment	Last employ- ment before joining the Company
1.	Smt. Nethra J.S. Kumar	37	Wholetime Director	Rs.52,66,396/-	Management Degree Holder	9	01.07.02	-

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

2) Smt.Nethra J S Kumar, Wholetime Director is related to Dr.D.Jayavarthanavelu, Chairman, Sri. Sanjay Jayavarthanavelu, Director and Sri. D.Senthilkumar, Director.