



**LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED**

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34th Annual Report 2014 - 2015





## 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

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Sri. R. VENKATESH PRASAD	:	Executive Director and Chief Financial Officer
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#### Auditors

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

#### Registrars and Share Transfer Agents

M/s. S.K.D.C. Consultants Ltd.  
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,  
Ganapathy, Coimbatore - 641 006.  
Tel No. : 0422 - 6549995, 2539835-36, Fax : 2539837  
E-mail : info@skdc-consultants.com

#### Registered Office

34-A, Kamaraj Road  
Coimbatore - 641 018

#### Admn. Office and Works

Arasur - 641 407  
Coimbatore District  
Tel No.: 0422-3093500  
E-mail : secretary@lecsindia.com  
investorscell@lecsindia.com

#### Bankers

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

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# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Fourth Annual General Meeting of the share holders of Lakshmi Electrical Control Systems Limited will be held on Thursday, the 13th day of August 2015 at 03.05 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 Statement including Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2015, Balance Sheet as on that date and the Report of Board of Directors' and the Auditor's Report thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Sri.D.Senthilkumar (holding DIN 00006172), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the financial year 2015-16 and to fix their remuneration.

### Special Business:

5. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any amendment, modification or re-enactment thereof), consent of the share holders 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 and M/s. Lakshmi Precision Tools Limited for a period of Five years from the Financial Year 2015-2016."

6. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 197,198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification or amendment or re-enactment thereof and subject to such other approvals as may be necessary, consent of the shareholders be and is hereby accorded to the remuneration payable to Smt.Nethra J.S. Kumar (DIN:00217906) Chairperson and Managing Director for the period of 2 (two) years from 01.07.2015 to 30.06.2017 as set out below.

### REMUNERATION:

- i) Salary : Rs. 5,00,000/- per month
- ii) Commission: 4% of the net profits payable annually
- iii) Perquisites:

In addition to the salary and commission, the Chairperson and Managing Director shall also be entitled to interchangeable perquisites, like furnished accommodation and where accommodation is not provided HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees, medical



insurance, etc., in accordance with the rules of the Company, such perquisites being restricted to the amount equal to the salary drawn per annum. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.

The Chairperson and Managing Director shall be entitled to reimbursement of all actual expenses incurred in the course of the Company's business.

In addition to the Salary, Commission and Perquisites, the Chairperson and Managing Director shall also be entitled to Company's contribution to Provident Fund as per rules of the Company to the extent it is not taxable under the Income Tax Act, 1961 and shall not be included in the computation of the ceiling on remuneration or perquisites.

Gratuity payable shall not exceed half months salary for each completed year of service.

The Chairperson and Managing Director is entitled to encashment of leave at the end of tenure which shall not be included in the computation of the ceiling on remuneration or perquisites.

Provision of a Company car with driver for use of Company's business and telephone facility at her residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to Chairperson and Managing Director.

"RESOLVED FURTHER THAT the minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of office shall be as per Schedule V of the Companies Act, 2013."

Place : Coimbatore  
Date : May 22, 2015

By order of the Board  
**NETHRA J.S. KUMAR**  
Chairperson and Managing Director

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## NOTE:

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 AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING 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 MEETING. A 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.**
5. Members / proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. 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.
7. 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.
8. The Register of Members and share transfer books of the Company will remain closed from Friday, the 7th August 2015 to Thursday, the 13th August 2015 (both days inclusive) as per clause-16 of the Listing Agreement.
9. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting 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 6th August 2015 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 6th August 2015.
10. 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 are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends.
11. Members are requested to address all correspondences, including change of address and dividend matters, to the Registrar 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 - 641 006.
12. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary / 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.
13. Brief resume, details of shareholding and Directors inter-se relationship of Directors seeking election/re-election as required under Clause 49 of the Listing Agreement entered into with stock exchanges, are provided as Annexure to this notice.
14. 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.
15. 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.
16. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

17. 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 year 2014-15 are sent through the permitted mode separately.
18. The notice of the Annual General Meeting and this communication are also available on the website of the Company [www.lecsindia.com](http://www.lecsindia.com).

### **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, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 34th Annual General Meeting scheduled to be held on Thursday, the 13th August 2015 at 3.05 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 proxy, can vote through the ballot 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.

In case of Members casting their vote by remote e-voting, then voting done through remote e-voting shall prevail. A member present at the AGM and voted 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. 06.08.2015 alone will be counted.

The Board has appointed Sri. B. Krishnamoorthi, "Kanapathy Towers", III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006 as Scrutinizer for conducting the e-voting process and ballot at AGM.

The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period begins at 09.00 AM on 10.08.2015 and ends on 12.08.2015 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 06.08.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. 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.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. 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.
- vii. If you are a first time user follow the steps given below:

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number provided at the attendance slip enclosed herewith in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in electronic 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the Company Name, Choose 'Lakshmi Electrical Control Systems Limited' to vote.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution Details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. 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.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

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](mailto:helpdesk.evoting@cdslindia.com)

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

### **Item No. 5**

As per Clause 49 of the Listing Agreement, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Members by a Special Resolution.

Company is purchasing Control Panel Components and Selling Control Panels and Engineering Plastics Components assembled / 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.

Company is purchasing Control Panel Components and Selling Engineering Plastics Components 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 to these companies individually exceeds the 10% of Annual Consolidated Turnover of the company in a financial year. As per clause 49 of the Listing Agreement, all related party transactions which exceeds 10% of the Annual Turnover needs to be approved by the shareholders by way of a Special Resolution.

Directors recommend the resolution at item No.5 for the acceptance by 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.R.Venkatesh Prasad, Executive Director and Chief Financial Officer is concerned or interested in the resolution.

### **Item No. 6**

Smt. Nethra J.S. Kumar was reappointed as Managing Director of the Company for a period of 5 years from 01.07.2012 to 30.06.2017 in conformity with Schedule XIII of the Companies Act, 1956 and the remuneration payable was fixed for a period of three years from 01.07.2012 to 30.06.2015 and the same was approved by the Shareholders in the 31st Annual General Meeting held on 23.08.2012.

The Nomination and Remuneration Committee at its meeting held on 21.05.2015 had fixed the remuneration as set out in the resolution. In accordance with Schedule V of the Companies Act, 2013 the remuneration is fixed for a period of two years from 01.07.2015 to 30.06.2017.

Smt. Nethra J.S. Kumar is also a Managing Director in M/s. Harshni Textiles Limited and does not draw any remuneration in that Company.

Accordingly the said resolution is submitted for your approval.

#### **Interest of Directors :**

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

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## STATEMENT OF DISCLOSURES PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO.6 OF THE NOTICE.

### I. General Information

1. Nature of the Industry : Manufacturing & Engineering
2. Date of commencement of commercial production : 01.11.1984
3. In case of new companies expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus : Not applicable
4. Financial Performance based on given indicators.

(Rupees in Lakhs)

Financial Performance	2014-15	2013-14	2012-13	2011-12	2010-11
Turnover - Total Income	18606.45	16469.55	13496.99	16808.50	14770.99
Profit / (Loss) as per P&L - Before Tax	1230.69	933.96	541.85	1500.61	1367.46
Profit / (Loss) as per P&L - After Tax	823.58	636.53	380.46	1036.44	901.49
Dividend Paid		122.90	49.16	122.90	110.61
Rate of Dividend (in %)		50	20	50	45
Dividend paid including Dividend Tax		143.79	57.51	142.84	128.55

5. Foreign Investments or Collaborators, if any - Nil

### II. Information about the appointee

1. Background details : Smt.Nethra J.S.Kumar, a Management Degree holder is a Director since 23.10.2000.

2. Past Remuneration : (Amount in ₹)

Particulars	2014-15	2013-14	2012-13
Salary	60,00,000	42,00,000	42,00,000
Perquisites	-	-	-
Commission	5,62,685	8,26,819	-

3. Recognition or awards - Nil
4. Job Profile and suitability - Smt. Nethra J.S. Kumar was a Whole Time Director since 01.07.2002 and she was re-designated as Managing Director from 01.07.2010. She has a sound business acumen and has gained good experience in the manufacturing, administration, finance, etc.