



**LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED**

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35th Annual Report 2015 - 2016





# 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. B.K. Ravi Kumar	:	Chief Financial Officer
Sri. S. Sathyanarayanan	:	Company Secretary

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## Auditors

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

## Secretarial Auditor

Sri. M.D. Selvaraj  
Practising 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 - 6549995, 2539835 - 36, Fax : 2539837  
E-mail : [info@skdc-consultants.com](mailto: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](mailto: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

34-A, Kamaraj Road, Coimbatore - 641 018

CIN : L31200TZ1981PLC001124

Phone : +91 422 3093500 Fax : +91 422 3093555

E-mail : lecs@vsnl.com Website : www.lecsindia.com

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Fifth Annual General Meeting of the shareholders of Lakshmi Electrical Control Systems Limited will be held on Monday, the 8<sup>th</sup> day of August, 2016 at 03.00 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 viz., Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2016, Balance Sheet as on that date, the Report of Board of Directors' and the Auditor's Report thereon.
2. To declare dividend for the financial year ended 31st March 2016.
3. To appoint a Director in the place of Sri. Sanjay Jayavarthanavelu (holding DIN:00004505), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. N.R.Doraiswami & Co., Chartered Accountants as statutory auditors for the financial year 2016-17 and to appoint M/s. Subbachar & Srinivasan, Chartered Accountants as Statutory Auditors for a term of five years from 2016-17 to 2020-21.

RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. N.R.Doraiswami & Co., Chartered Accountants (Firm Regn. No. : 000771S) and M/s. Subbachar & Srinivasan, Chartered Accountants (Firm Regn. No. : 004083S) be and are hereby appointed as Statutory Auditors of the Company for the financial year 2016-17 at a remuneration of Rs. 2,00,000/- to M/s. N.R.Doraiswami & Co., Chartered Accountants and Rs. 2,00,000/- to M/s. Subbachar & Srinivasan, Chartered Accountants plus reimbursement of actual travelling expenses and taxes if any incurred by them.

RESOLVED FURTHER that M/s. Subbachar & Srinivasan, Chartered Accountants be and are hereby appointed as Statutory Auditor for a term of five years from the financial year 2016-17 to 2020-21, subject to ratification of appointment by the shareholders at each Annual General Meeting after this Annual General Meeting, and who will retire at the conclusion of the Annual General Meeting to be held in the year 2021 at a remuneration as may be decided by the Board of Directors from time to time.

#### Special Business:

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

RESOLVED that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any amendments and modifications thereof and the Articles of Association of the Company, approval of the Company be and is hereby accorded for the re-appointment of Smt.Nethra J.S. Kumar (DIN: 00217906) as Managing Director for a further period from 01.07.2017 to 31.03.2022 on the remuneration setout herein 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 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 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 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 month's salary for each completed year of service.

The 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 the 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.

By order of the Board

Place : Coimbatore

Date : July 1, 2016

**S. Sathyanarayanan**  
Company Secretary

**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 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. 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**

# LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

## **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 AGM.
6. 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.
7. 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.
8. 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.
9. The Register of Members and share transfer books of the Company will remain closed from Tuesday, the 2nd August, 2016 to Monday, the 8th August, 2016 (both days inclusive) as per Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. Subject to the provisions of the Companies Act, 2013, 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 1st August, 2016 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 1st August, 2016.
11. 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.
12. 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.
13. Members are requested to register / update their e-mail address in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with M/s. S.K.D.C. Consultants Limited, Registrar and Share Transfer Agents of the Company.
14. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary / Registrar 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.
15. 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.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent

17. 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.
18. A member who need 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.
19. Members are requested to bring their copy of the Annual Report with them to the AGM.
20. Members holding shares in electronic form may please note that as per the regulations of National Security Depository Services (India) Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Company is obliged to print the details on the Dividend Warrants as furnished by these Depositories to the Registrar and Share Transfer Agents / Company and the Company cannot entertain any request for deletion / change of Bank details already printed 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.
21. 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 2015-16 are sent through the permitted mode separately.
22. 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). The Route Map of the venue of the AGM is provided in page no. 10.

### **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 members facility to exercise their votes for all the resolutions detailed in the Notice of the 35th Annual General Meeting scheduled to be held on Monday, the 8th August, 2016 at 3.00 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 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., 01.08.2016 alone will be counted.

The Board has appointed Sri. B. Krishnamoorthi, Chartered Accountant, "Kanapathy Towers" III Floor, No. 1391/ A-1, Sathy Road, Ganapathy, Coimbatore – 641006 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 05.08.2016 and ends on 07.08.2016 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 01.08.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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- (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	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 in the Attendance slip enclosed herewith, in the PAN field.
Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	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.  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 (iv).

- (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. iPhone 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.
  - | 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 linked in the login should be emailed 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.
- (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](mailto:helpdesk.evoting@cdslindia.com).

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

### **Item No. 5**

Smt. Nethra J.S. Kumar was re-appointed as Managing Director of the Company for a period of 5 years from 01.07.2012 to 30.06.2017 by the Shareholders in the 31st Annual General Meeting held on 23rd August 2012.

The current tenure of her office is valid up to 30th June 2017. As per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of the Board of Directors of the Company at the meeting held on 1st July, 2016 had, in the best interest and progress of the Company, proposed to re-appoint Smt. Nethra J.S. Kumar as Managing Director of the Company for a further period commencing from 1st July, 2017 to 31st March, 2022, determined her remuneration as set out in the resolution and recommended to the Board for appointment. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013 and the Schedules and Rules made there under.

Pursuant to the provisions of the Regulation 23 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Audit Committee of the Board of Directors of the Company at the meeting held on 1st July,

## LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

2016 had also approved the proposed re-appointment of Smt. Nethra J.S. Kumar as Managing Director of the Company for the period from 1st July, 2017 to 31st March, 2022 and recommended to the Board for appointment.

The proposed transaction of availing the services of Smt. Nethra J.S. Kumar as Managing Director and the payment of remuneration to her during the proposed tenure is an arm length transaction and taking place in the ordinary course of business and it is not a material related party transaction. Hence the provisions of Section 188 of the Companies Act, 2013 and the Regulation 23(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are not attracted.

The Board of Directors of the Company at their meeting held on 1st July, 2016 had approved the re-appointment and remuneration payable to Smt. Nethra J.S. Kumar for the period from 1st July, 2017 to 31st March, 2022 subject to the approval of the shareholders.

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.

Board of Directors recommend this resolution for your approval.

### Interest of Directors:

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

### Annexure to Notice of the AGM

#### Profile of Directors seeking appointment / re-appointment:

##### 1. Profile of Sri.Sanjay Jayavarthanavelu (DIN:00004505)

Sri.Sanjay Jayavarthanavelu aged 48 years, is a Post Graduate in Business Administration from Philadelphia University, U.S.A with specialization in Management and Finance. He was the past Chairman of the Textile Machinery Manufacturers Association of India, past Chairman of Tamil Nadu State Council of CII, present member of Southern Regional Council of CII, Member - Executive Committee - FICCI, past Chairman of the India ITME Society. He is also Managing Trustee / Trustee of a couple of leading trusts contributing to the promotion of health, education, sports and public welfare.

He has more than 23 years of experience in Finance, Administration and in the fields of Textile, Textile Engineering, Machine Tools, Foundry and Logistics.

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

1.	Carborundum Universal Limited	2.	Quattro Engineering India Limited
3.	Lakshmi Cargo Company Limited	4.	Lakshmi Life Sciences Limited
5.	Lakshmi Electrical Control Systems Limited	6.	Lakshmi Machine Works Limited
7.	Lakshmi Ring Travellers (Coimbatore) Limited	8.	Alampara Hotels and Resorts Private Limited
9.	Lakshmi Technology and Engineering Industries Limited	10.	Super Sales India Limited
11.	The Lakshmi Mills Company Limited		