



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

37th Annual Report 2017 - 2018



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

Sri. A. Thiagarajan	:	Chief Financial Officer
Sri. S. Sathyanarayanan	:	Company Secretary

Statutory Auditor

M/s. Subbachar & Srinivasan
Chartered Accountants
Coimbatore.

Secretarial Auditor

M/s. MDS & Associates
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 - 4958995, 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 : 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

Regd. Office 34-A, Kamaraj Road, Coimbatore - 641018, Tamil Nadu.

CIN: L31200TZ1981PLC001124

Phone: +91 422 3093500

Email: investorscell@lecsindia.com Website: www.lecsindia.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Seventh Annual General Meeting of the shareholders of Lakshmi Electrical Control Systems Limited will be held on Wednesday, the 08th day of August 2018 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 including Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2018, 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 2018.
3. To appoint a Director in the place of Sri. Sanjay Jayavarthnavelu (holding DIN: 00004505), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider the modification of terms of appointment of M/s. Subbachar & Srinivasan, Chartered Accountants (Firm Registration No. 004083S), Statutory Auditors of the Company.

RESOLVED THAT, in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on 8th August, 2016 and in accordance with the amended Section 139 of the Companies Act, 2013 read with relevant rules made thereunder, the approval of the shareholders be and is hereby accorded to continue the appointment of M/s. Subbachar & Srinivasan, Chartered Accountants, (Firm Regn. No. 004083S) as the Statutory Auditors of the Company, at such remuneration as may be decided by the Board of Directors as per the recommendations of the Audit Committee, till the conclusion of the Annual General Meeting to be held in the year 2021 and that the said appointment would not be subject to ratification at every subsequent Annual General Meeting.

Special Business:

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**.

"RESOLVED that pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the approval of the members of the Company be and is hereby accorded for the continuation of Sri. N. Suryakumar (DIN 00008316), who has crossed the age of 75 years, as an Independent Director of the Company for the remaining current tenure of his office.

RESOLVED FURTHER THAT save and except as aforesaid, the other terms and conditions of appointment of Sri. N. Suryakumar (DIN 00008316) as the Independent Director of the Company shall remain unaltered.

By order of the Board

Place : Coimbatore

S. Sathyanarayanan

Date : May 21, 2018

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. 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 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 Thursday, the 02nd August 2018 to Wednesday, the 08th August 2018 (both days inclusive) as per Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. Subject to the provisions of the Companies Act, 2013 ("the Act"), 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 01st August, 2018 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 01st August, 2018.
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). The members whose shareholding is in physical mode are requested to direct the above details to the Company's Registrar and Share Transfer Agents. Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends. The prescribed form is enclosed and the duly filled form shall be lodged with the Registrars and Share Transfer Agents, M/s. S.K.D.C. Consultants Limited for payment of dividend in future through NECS, if eligible.
12. Members are requested to address all correspondences, including change of address and dividend matters, to the Registrars 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-641006.
13. Members are requested to register / update their e-mail address in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents of the Company.
14. Members who are Non-resident Indian are requested to inform the Company or its Registrars and Share Transfer Agents or to the concerned depository participants, as the case may be, immediately:
 - (a) the change in the residential status on return to India for permanent settlement.
 - (b) the particulars of the bank account, if not furnished earlier.
15. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Registrars 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. As per Section 124 of the Companies Act, 2013 all shares in respect of which

dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund (IEPF) established under Ministry of Corporate Affairs. Subsequently, the members shall be entitled to claim the shares from IEPF in accordance with procedure and on submission of documents as may be prescribed by IEPF Authority from time to time. Hence, members are requested to encash the dividends which are unclaimed for the financial years 2010 -11 to 2016 -17.

16. As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individual(s) holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Registrars and Share Transfer Agents of the Company. Members holding shares in electronic form have to approach their depository participants for completing the nomination formalities.
17. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. 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.
19. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and bank account details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and bank account details to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details and bank account details to the Registrars and Share Transfer Agents of the Company. SEBI vide their circular dated 20th April 2018 has mandated that the dividend warrant / demand draft revalidation request can be processed only if the bank account details are registered with Depository Participants (for demat shareholders) and Registrars and Share Transfer Agents of the Company (for shareholders holding shares in physical form). Hence, the shareholders are requested to immediately register their PAN and bank account details.**
20. 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.
21. 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.
22. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
23. Members holding shares in electronic form may please note that as per the regulations of National Security Depository Services (India) Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the details on the Dividend Warrants as furnished by these Depositories to the Registrars and Share Transfer Agents/Company and the Company cannot entertain any request for deletion / change of bank details already printed on 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.
24. 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 financial year 2017-18 are sent through the permitted mode separately.
25. The notice of the Annual General Meeting and the Annual Report are also available on the website of the Company www.lecsindia.com. The route map of AGM is provided elsewhere in the Annual Report. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members can receive such communication in physical form, upon making a request for the same.

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 the members the facility to exercise their votes for all the resolutions detailed in the Notice of the 37th Annual General Meeting scheduled to be held on Wednesday, the 08th August, 2018 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., 01.08.2018 alone will be counted.

Sri. B. Krishnamoorthi, Chartered Accountant, "Kanapathy Towers" III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641006 is appointed 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 05.08.2018 and ends on 07.08.2018 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 01.08.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (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.
- (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 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).·</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 (v).

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- (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. Apple 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 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.
 - 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory statement pursuant to Section 102 of the Companies Act, 2013 for Item No.5.

As per the new Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April, 2019, every listed Company would require the approval of the shareholders, by way of passing a special resolution, to appoint or to continue the directorship of any person, who has attained the age of seventy five years, as a non-executive director of the Company.

Sri. N. Suryakumar (DIN: 00008316), presently aged 78 years, was appointed as an Independent Director of the Company for a period of five consecutive years with effect from 08th August 2014 by obtaining the approval of the shareholders at the Annual General Meeting held on 08th August, 2014. In order to ensure compliance with new Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is effective from 01st April, 2019, necessary special resolution has been set out under Item No.5 seeking the approval of the shareholders to continue the appointment of Sri. N. Suryakumar (DIN 00008316) as an Independent Director of the Company for the remaining tenure of his office upto 07th August, 2019.

Keeping in view the vast experience and skills possessed by Sri. N. Suryakumar, the Board considers that his continued association would immensely benefit the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the special resolution set out under Item No.5 for the approval of the shareholders. He is not liable to retire by rotation.

Date of appointment in the Board: 30.09.1982

Sri. N. Suryakumar, presently aged 78 years is a Science Graduate and holds a Degree in Textile Engineering (Philadelphia University, USA) and has submitted two thesis on Textile Technology to SITRA.

He holds Directorships in the following companies:

1. Sri Venkatram Fabricators Private Limited

2. Sova Private Limited

No. of shares held in the Company : NIL

No. of shares held in subsidiary company : NA

Membership in Committees:

Name of the Company	Name of the Committee	Member / Chairman
Lakshmi Electrical Control Systems Limited	Audit Committee Nomination & Remuneration Committee	Chairman Chairman

Inter-se relationship:

None of the Directors and Key Managerial Personnel of the Company are relatives of Sri. N. Suryakumar. None of the Directors and Key Managerial Personnel of the Company or their relatives is, financially or otherwise, concerned or interested in this resolution except Sri. N. Suryakumar, whose term for continuation as an Independent Director is considered.

Annexure to Notice of the AGM

Profile of Directors - Item No. 3

Sri. Sanjay Jayavarthanavelu (DIN: 00004505).

Date of Birth / Nationality: 15.6.1968 / Indian

Date of appointment in the Board: 21.06.1989

Sri. Sanjay Jayavarthanavelu aged 50 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, presently Deputy Chairman 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 24 years of experience in Finance, Administration and in the fields of Textile, Textile Engineering, Machine Tools, Foundry and Logistics. He has gained considerable experience in Aerospace Industry also.

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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	12. Coimbatore Rifle Club

No. of Shares held in the Company: NIL

No. of Shares held in Subsidiary Company: NA

Membership in Committees:

Name of the Company	Name of the Committee	Member / Chairman
Lakshmi Machine Works Limited	Shares & Debentures Committee Corporate Social Responsibility Committee	Chairman Chairman
Super Sales India Limited	Share Transfer Committee	Member
Carborundum Universal Limited	Audit Committee Nomination & Remuneration Committee	Member Member
Lakshmi Cargo Company Limited	Corporate Social Responsibility Committee Audit Committee	Chairman Member
Lakshmi Life Sciences Limited	Corporate Social Responsibility Committee	Chairman

Inter-se relationship:

None of the Directors of the Company is related to Sri.Sanjay Jayavarthanavelu except Smt.Nethra J.S.Kumar as sister. None of the other KMPs of the Company or their relatives are relative of Sri. Sanjay Jayavarthanavelu, financially or otherwise, concerned or interested in this resolution. The sitting fees received and number of Board Meetings attended are provided in the Corporate Governance Report.

Place : Coimbatore

Date : May 21, 2018

By order of the Board

S. Sathyanarayanan

Company Secretary