



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

SEC/SE/24/2017-2018

August 5, 2017

The Manager,
Listing Department,
BSE Limited,
Floor 25
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir,

Sub: 36th Annual Report for the financial year 2016 – 2017

Ref: Security Id : LAKSELEC, Security Code : 504258.

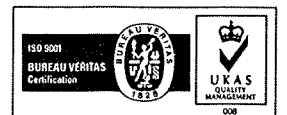
As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith 36th Annual Report 2016-17 of the company approved by the shareholders at the Annual General Meeting held on 2nd August 2017.

Kindly take on record the same.

Thanking you,

Yours faithfully,
For Lakshmi Electrical Control Systems Ltd

S. Sathyanarayanan
Company Secretary





LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

36th Annual Report 2016 - 2017



®

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

Auditors

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

Auditors

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 : investors@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

CIN: L31200TZ1981PLC001124

Phone: +91 422 3093500

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirty Sixth Annual General Meeting of the shareholders of Lakshmi Electrical Control Systems Limited will be held on Wednesday, the 02nd day of August 2017 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 2017, Balance Sheet as on that date, the Report of Board of Directors' and the Auditors' Report thereon.
2. To declare dividend for the financial year ended 31st March 2017.
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 ratify the appointment of M/s. Subbachar & Srinivasan, Chartered Accountants (Firm Registration No. 004083S), as the Statutory Auditors of the Company, for the financial year 2017-18 and to fix the remuneration payable to them for the said financial year.

By order of the Board

Place : Coimbatore

Date : May 29, 2017

S. Sathyanarayanan

Company Secretary

NOTE:

1. **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.**
2. **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.**
3. **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.**
4. Members / proxies should bring the duly filled attendance slip enclosed herewith to attend the AGM.
5. 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.



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 Thursday, the 27th July 2017 to Wednesday the 02nd August 2017 (both days inclusive) as per Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9. 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 26th July 2017 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 26th July 2017.
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. The prescribed form is enclosed and the dully 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.
11. 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.
12. 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.
13. 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.
14. 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 from time to time. Hence, members are requested to claim the dividends which are unclaimed.
15. As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individual 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.
16. 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.

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17. 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.
18. 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 Registrars and Share Transfer Agents.
19. 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.
20. 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.
21. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
22. 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.
23. 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 2016-17 are sent through the permitted mode separately.
24. The notice of the Annual General Meeting and this communication are also available on the website of the Company www.lecsindia.com. The Route Map of the venue of the AGM is provided in page no. 72.

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 36th Annual General Meeting scheduled to be held on Wednesday, the 02nd August, 2017 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 26.07.2017 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 30.07.2017 and ends on 01.08.2017 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 26.07.2017 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"> ı 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. ı 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> <p>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).</p>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.

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- (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.



Annexure to Notice of the AGM

Profile of the Director seeking re-appointment

Sri D.Senthilkumar (DIN: 00006172)

Date of Birth / Nationality : 02.12.1967 / Indian Date of Appointment in the board : 22.03.1997

Sri D. Senthilkumar holds a Bachelor's Degree in Mechanical Engineering and Master's Degree in Textile Technology.

Experience : He is having rich experience in managing Spinning Mills in all its facets such as Production, Marketing, Finance etc.,

He holds Directorships in the following companies:

1. Shri Ramalinga Builders Limited	2. Shri Ramalinga Mills Limited
3. Tamilnadu Jai Bharath Mills Limited	4. Supreme Dairy Products India (P) Limited
5. Aruppukottai Sri Jayavilas Finance (P) Limited	6. Sree Jeya Soundharam Textile Mills (P) Limited
7. Ramalinga Exports Limited	8. Lakshmi Electrical Drives Limited
9. Lakshmi Precision Tools Limited	10. Ramlakshmi Agro Farms (P) Limited
11. Harshni Textiles Limited	12. Integrated Electrical Controls India Limited
13. Ramlakshmi Agro Plantations (P) Limited	14. Ramlakshmi Plantations (P) Limited
15. Ramlakshmi Holdings (P) Limited	16. Sun Spintex India Ltd
17. Shri Ramalinga Leasing Company Private Limited	

No. of Shares held in the Company : 100

No. of Shares held in Subsidiary Company : NA

Membership in Committees:

Name of the Company	Name of the Committee	Member / Chairman
Harshni Textiles Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Chairman
Lakshmi Electrical Control Systems Limited	Corporate Social Responsibility Committee	Chairman
	Stakeholders Relationship Committee	Member
	Share Transfer Committee	Member
Lakshmi Precision Tools Limited	Stakeholders Relationship Committee	Member
	Share Transfer Committee	Member
Lakshmi Electrical Drives Ltd	Corporate Social Responsibility Committee	Chairman
Tamilnadu Jai Bharath Mills Ltd	Audit Committee	Member
	Stakeholders Relationship Committee	Member

Director's inter-se relationship:

None of the Directors of the Company is related to Sri. D.Senthilkumar except Smt. Nethra J.S. Kumar as wife. The sitting fees received and No. of Board Meetings attended are provided in the Corporate Governance Report.

Place : Coimbatore
Date : May 29, 2017

By order of the Board
S. Sathyanarayanan
Company Secretary

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

DIRECTORS' REPORT

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

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

CIN: L31200TZ1981PLC001124

Phone: +91 422 3093500

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

Board of Directors' Report to Shareholders

Dear Shareholders,

The Board of Directors of your Company are pleased to present the Thirty Sixth annual report on the business and commercial operations of the company along with the summary of financial statements for the year ended 31st March, 2017.

1. The State of Affairs of the Company, Dividend & Reserve:

Financial summary/highlights & transfer to General Reserve:

Financial Results	Current Year Ended 31-03-2017 (Amount in ₹)	Previous Year Ended 31-03-2016 (Amount in ₹)
Sales and Other Income	1,64,62,27,935	1,89,30,87,475
Gross Profit	14,69,29,781	15,00,20,440
Less : Depreciation	2,01,92,837	1,90,00,347
Net Profit / (Loss)	12,67,36,944	13,10,20,093
Prior year taxes	(39,46,921)	19,155
Provision for Taxation	3,98,78,533	3,68,09,304
Provision for Deferred Tax	25,66,826	82,01,216
Add : Surplus brought forward	27,62,40,840	22,39,17,550
Available for appropriation	36,44,79,346	30,99,07,968
Appropriations:		
Proposed Dividend	1,96,64,000	1,96,64,000
Corporate tax on dividend	40,03,128	40,03,128
Transfer to general reserve	1,00,00,000	1,00,00,000
Balance carried forward	33,08,12,218	27,62,40,840
Total	36,44,79,346	30,99,07,968

Dividend:

The Board recommends a dividend of ₹ 8/- per equity share of the face value of ₹ 10/- each (80%) on the equity share capital of ₹ 2,45,80,000/- for the financial year ended on 31st March, 2017 aggregating to ₹ 1,96,64,000/- and to pay a dividend tax of ₹ 40,03,128/-. The total dividend payout works out to 26.82% of the net profit for the standalone results. The dividend on equity shares is subject to the approval of the shareholders at the Annual General Meeting.

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2009-10, is due for remittance on 28th August, 2017 to the Investor Education and Protection Fund established by the Central Government.

Transfer to reserves:

Your Company proposes to transfer ₹ 1,00,00,000/- (Rupees One Crore only) to the General Reserve.

Business and Operations

During the year under review, the Company has achieved a turnover of ₹ 16091.65 Lakhs as against ₹ 18703.82 Lakhs for the previous year.

The profit before interest and depreciation was ₹ 1469.80 Lakhs as against ₹ 1545.67 Lakhs for the previous year. The profit before tax was ₹ 1267.37 Lakhs as against ₹ 1310.20 Lakhs during the previous year.

During the year under review the turnover has decreased by 13.97 % over the previous year and the profit before tax has decreased by 3.27 % over the same period last year.

Industrial Relations

Relationship with employees was cordial throughout the financial year.

2. Extracts of Annual Return

As per requirements of the Companies Act, 2013, the extract of annual return in the prescribed Form MGT 9 is annexed hereto as Annexure 1 forming part of the report.

3. Number of Meetings of the Board

Details of number of meetings of Board of Directors and Committees thereof and the attendance of the Directors in such meetings are provided under the Corporate Governance Report.

4. Directors' Responsibility Statement

In terms of Section 134 of the Companies Act, 2013 the Directors, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- b. have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. have taken proper and sufficient care 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;
- d. have prepared the annual accounts on a going concern basis;
- e. have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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5. No Frauds reported by statutory auditors

There is no instance of frauds reported by the statutory auditors of the Company for the financial year under review under sub Section (12) of Section 143 of the Companies Act, 2013.

6. Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

7. Nomination and Remuneration Committee and Policy

As per the requirements of the provisions of the Companies Act, 2013, a Nomination and Remuneration Committee of directors was formed by the Board of Directors consisting of:

1. Sri N.Suryakumar, Chairman (Non-Executive – Independent)
2. Sri Ramesh Rudrappan, Member (Non-Executive – Independent)
3. Sri Arun Selvaraj, Member (Non-Executive – Independent)

The said committee has been empowered and authorised to exercise widest powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company has a policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178. The salient aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report and the policy is available on the company's website at www.lecsindia.com.

8. Auditors Comments

There are no adverse comments in the reports of Statutory Auditors (appearing elsewhere in the Annual Report) and that of the Secretarial Auditors (annexed hereto as Annexure 2).

9. Particulars of Loans/Guarantee/Investments

The Company has not given any Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

10. Particulars of Contracts with Related Party

The transactions entered by the Company with the related parties during the financial year 2016-17 are in the ordinary course of business and at arm's length basis. The particulars of material related party transactions is provided in the form AOC 2 and annexed to the Boards' Report as Annexure 3

11. Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company occurred between the end of financial year (March 31, 2017) to which this financial statements relate and the date of this Report.

12. Conservation of Energy, Technology Absorption & Foreign Exchange

The disclosures under Rule 8(3) of Companies (Accounts) Rules, 2014 are as under:

CONSERVATION OF ENERGY

SI No.	Particulars	Disclosures
A	Conservation of Energy	
(i)	Steps taken or impact on conservation of energy	<p>I. LED and Induction Lamps are introduced in the lighting systems wherever possible based on the requirement. The existing lamps were replaced with suitable LED lamps with optimum solution, when it is called for repair / replacement.</p> <p>II. Renewable energy sources are planned for canteen cooking system as a supplementary source.</p> <ul style="list-style-type: none"> ✓ Solar water heater system for boiler feed water and steam cooking vessels. ✓ Bio-gas system from food and other wastes recycling method.
(ii)	Steps taken by the company for utilising alternate sources of energy	Power generated from 1 Wind energy generator is utilized for captive consumption from August 2016 onwards.
(iii)	Capital investment on energy conservation equipments	<ul style="list-style-type: none"> ✓ VFD is installed for energy conservation of screw Air Compressor. ✓ Low cost automation vacuum blower loader system is developed in-house for conveying the raw materials. ✓ APFC panel made based on in-house design and installed for harmonics mitigation and catering quality power.

TECHNOLOGY ABSORPTION

SI No.	Particulars	Disclosures
(i)	Efforts made towards technology absorption;	No technology or knowhow is brought from external bodies or imported
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	<p>In house developmental and operational research activities are carried out on regular basis.</p> <p>Innovations in processes and tool designs have contributed to cost reduction in the operations.</p>

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(iii)	<p>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):</p> <p>(a) the details of technology imported;</p> <p>(b) the year of import</p> <p>(c) whether the technology has been fully absorbed</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;</p>	<p>No technology was imported during the last three years</p>
(iv)	<p>The expenditure incurred on Research and Development</p>	<p>Capital Expenditure : ₹ 7.85 Lakhs</p> <p>Revenue Expenditure: ₹ 25.57 Lakhs</p> <p>Total Expenditure : ₹ 33.42 Lakhs</p>

FOREIGN EXCHANGE OUTGO AND EARNINGS:	₹ in Lakhs
Foreign Exchange earned through exports amount to:	3.86
Foreign Exchange used	472.26

13. Risk Management

The Company follows a comprehensive and integrated risk appraisal, mitigation and management process. The risk management process of the Company is being periodically reviewed for improvement by the Board of Directors.

14. Corporate Social Responsibility (CSR):

The Company has constituted a CSR committee of Board of Directors and has adopted a CSR Policy. The same is posted in the company's website www.lecsindia.com. A report in prescribed format detailing the CSR spend for the year 2016-17 is attached herewith as Annexure 4 forming a part of this report.

15. Evaluation of Board's Performance:

On the advice of the Board of Directors, the Nomination and Remuneration Committee of Board of Directors of the Company have formulated the criteria for the evaluation of the performance of Board of Individual Directors, Board as a whole, Committees of Directors, Independent Directors, Non-Independent Directors and the Chairperson of the Board. Based on that performance evaluation has been undertaken. The Independent Directors of the company have also convened a separate meeting for this purpose. All the results and evaluation has been communicated to the Chairperson of the Board of Directors.

16. Additional Disclosures:

As per Rule 8(5) of the Companies (Accounts) Rule, 2014, the following additional information is provided:

Sl No.	Particulars	Disclosures
(i)	The financial summary or highlights.	The financial highlights including State of Affairs of the Company, Dividend & Reserve is provided in this Report.
(ii)	The change in the nature of business, if any.	There is no change in the business line of the company.
(iii)	The details of directors or Key Managerial Personnel who were appointed or have resigned during the year.	Nil
(iv)	The names of companies which have become or ceased to be its Subsidiaries, Joint ventures or associate companies during the year.	Nil
(v)	The details relating to deposits, covered under Chapter V of the Act.	The company has not accepted deposits.
(vi)	The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	Not Applicable.
(vii)	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.	Nil
(viii)	The details in respect of adequacy of internal financial controls with reference to the Financial Statements.	<p>The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance.</p> <p>The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.</p>

17. Internal Control systems and their Adequacy:

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations.

The accounting transactions and operations are audited by the Internal Auditor vis.a.vis the internal controls, policies and procedures and the deviations, if any, are reported and corrective actions are taken appropriately.

18. Re-appointment of retiring directors:

Sri. D.Senthilkumar, Director, (DIN: 00006172) who retires by rotation at the ensuing Annual General Meeting, being eligible offers himself for re-appointment. The Board recommends his re-appointment in the forthcoming Annual General Meeting.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

19. Resignation of Director

There was no incidence of resignation of Director.

20. Composition of Audit Committee

The Audit Committee was formed by the Board of Directors and consists of:

1	Sri. N. Suryakumar - Chairman	(Non-Executive- Independent)
2	Sri. A. Palaniappan - Member	(Non-Executive - Independent)
3	Sri. Ramesh Rudrappan - Member	(Non-Executive - Independent)

The Board has accepted the recommendations of the committee during the financial year under review.

21. Vigil Mechanism:

The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and details whereof is available on the company's website at www.lecsindia.com. During the year under review, there were no complaints received under this mechanism.

22. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2016-17, no complaint was received before the committee.

23. Overall Maximum Remuneration

Particulars pursuant to Section 197(12) & rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

- a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Category	Ratio
Smt. Nethra J.S.Kumar (DIN : 00217906)	Executive - Chairperson and Managing Director	1:20
Sri. N.Suryakumar (DIN : 00008316)	Non-Executive - Independent	-
Sri. Sanjay Jayavarthanelu (DIN : 00004505)	Non-Executive - Non Independent	-
Sri. D.Senthilkumar (DIN : 00006172)	Non-Executive - Non Independent	-
Sri. Ramesh Rudrappan (DIN : 00008325)	Non-Executive - Independent	-
Sri. A.Palaniappan (DIN : 00044022)	Non-Executive - Independent	-
Sri. Arun Selvaraj (DIN : 01829277)	Non-Executive - Independent	-

Note: For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Category	%
Smt. Nethra J.S.Kumar	Executive - Chairperson and Managing Director	3.14
Sri N.Suryakumar	Non-Executive - Independent Director	-
Sri Sanjay Jayavarthanavelu	Non-Executive - Non Independent Director	-
Sri D.Senthilkumar	Non-Executive - Non Independent Director	-
Sri Ramesh Rudrappan	Non-Executive - Independent Director	-
Sri A.Palaniappan	Non-Executive - Independent Director	-
Sri Arun Selvaraj	Non-Executive - Independent Director	-
Sri. B.K.Ravikumar*	Chief Financial Officer (CFO)	-
Sri. S.Sathyanarayanan*	Company Secretary (CS)	-

Note: For the above purpose, Sitting fees paid to the Directors have not been considered as remuneration.

* CFO & CS were appointed for part of the financial year 2015-16, percentage increase in remuneration is not comparable and hence not provided.

- c) The percentage increase in the median remuneration of employees in the financial year: 1.75%
- d) The number of permanent employees on the rolls of company: 205
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:
- Average increase in remuneration is 6.37% for employees other than Managerial Personnel and KMP, while it is 3.14% for Managerial Personnel (KMP and Senior Management).
- f) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes.
- g) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure 5 to this Report.

24. Accounting Treatment

In the preparation of financial statements, no treatment different from that of prescribed Accounting Standards has been followed.

25. Corporate Governance:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

The shares of the Company is listed in BSE Limited, Mumbai. The listing fees is paid up to date and the shares of the Company were not suspended for trading by the Stock Exchange at any time during the year under review.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

26. Auditors

Statutory Auditors:

M/s N.R.Doraiswami & Co, Chartered Accountants and M/s. Subbachar & Srinivasan, Chartered Accountants, the Statutory Auditors of the Company can hold office up to the conclusion of the ensuing Annual General Meeting to be held on 02nd August 2017. One of the statutory auditors M/s N.R.Doraiswami & Co, Chartered Accountants will not seek reappointment for the purpose of rotation of auditors as required under the Companies Act, 2013.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Subbachar & Srinivasan, Chartered Accountants, the Statutory Auditors of the Company, hold office up to the conclusion of the Annual General Meeting to be held in the year 2021. However, their appointment as Statutory Auditors of the Company is subject to ratification by the members at every Annual General Meeting. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company. The subject for ratification of appointment of the said Auditors for the financial year 2017-2018 is included in the Notice of Annual General Meeting for seeking approval of the members.

Secretarial Auditor:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MDS & Associates, Coimbatore, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18.

27. Acknowledgement

Your Directors thank the customers, bankers, vendors, shareholders and other stakeholders for their continued support and patronage.

The Directors wish to place on record their appreciation for the cooperation and contribution made by the employees at all levels towards the performance of the Company.

On behalf of the Board

Nethra J.S. Kumar

Chairperson and Managing Director

(DIN: 00217906)

Place : Coimbatore

Date : May 29, 2017

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L31200TZ1981PLC001124
Registration Date	03.12.1981
Name of the Company	Lakshmi Electrical Control Systems Limited
Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
Address of the Registered office and contact details	34-A, Kamaraj Road, Coimbatore - 641 018 Ph : 0422-3028110
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Control Panel	8537	81.77%
2	Plastic Components	8448	16.93%

III. PARTICULARS OF HOLDING, SUBSIDIARY / ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	512187	-	512187	20.84	684943	0	684943	27.87	7.03
b) Central Govt									
c) State Govt(s)									
d) Bodies Corporate	172756	-	172756	7.03	0	0	0	0.00	-7.03
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):	684943	-	684943	27.87	684943	-	684943	27.87	0.00
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	684943	-	684943	27.87	684943	-	684943	27.87	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	50	-	50	0.00	50	-	50	0.00	-
b) Banks / FI	150	50	200	0.01	150	50	200	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	200	50	250	0.01	200	50	250	0.01	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	316271	827	317098	12.90	288144	827	288971	11.76	-1.15
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1047196	169902	1217098	49.52	1048396	163727	1212123	49.31	-0.20
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	139466	0	139466	5.67	132412	0	132412	5.39	-0.29
c) Others(specify)									
(c-i) Directors & their Relatives	-	-	-	-	-	-	-	-	-
(c-ii) Foreign Nationals	25	-	25	0.00	25	-	25	0.00	-
(c-iii) Non Resident Indians	19975	526	20501	0.83	19670	526	20196	0.82	- 0.01
(c-iv) Overseas Corporate Bodies	0	1150	1150	0.05	0	1150	1150	0.05	-
(c-v) Clearing Members	8836	0	8836	0.36	52027	0	52027	2.12	1.76
(c-iv) Hindu Undivided Families	68633	0	68633	2.79	65903	0	65903	2.68	-0.11
Sub-total (B)(2):	1600402	172405	1772807	72.12	1606577	166230	1772807	72.12	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1600602	172455	1773057	72.13	1606777	166280	1773057	72.13	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2285545	172455	2458000	100.00	2291720	166280	2458000	100.000	0

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Lakshmi Electrical Drives Limited	172756	7.03	0.00	0	0	0.00	-7.03
2	Nethra J.S. Kumar	497337	20.23	0.00	670093	27.26	0.00	7.03
3	D. Senthilkumar	100	0.00	0.00	100	0.00	0.00	-
4	Vedhanth S.Kumar	14650	0.60	0.00	14650	0.60	0.00	-
5	D.Thayarammal	100	0.00	0.00	100	0.00	0.00	-
	Total	684943	27.87	0.00	684943	27.87	0.00	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Lakshmi Electrical Drives Limited				
	At the beginning of the year	172756	7.03	172756	7.03
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): 28.03.2017 - Shares decrease by way of transfer - Sold through stock market.	172756	7.03	-	-
	At the End of the year			-	-
2	Smt. Nethra J.S. Kumar				
	At the beginning of the year	497337	20.23	497337	20.23
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): 28.03.2017 - Shares increase by way of transfer - Purchased through stock market.	172756	7.03	670093	27.26
	At the End of the year			670093	27.26

* No change in shareholding of other promoters

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative share holding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASK Securities Advisory Services	105000	4.27	30.06.2016	Sale	105000	4.27	-	-

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				31.03.2017	At the end of the year			-	-
2	Shankar Resources Pvt Ltd	101000	4.11					101000	4.11
				31.03.2017	At the end of the year	101000	4.11	101000	4.11
3	Madhukar Sheth	31706	1.29					31706	1.29
				31.03.2017	At the end of the year			31706	1.29
4	Dipak Kanayalal Shah	26100	1.06					26100	1.06
				25.11.2016	Purchase	500	0.02	26600	1.08
				02.12.2016	Purchase	2000	0.08	28600	1.16
				27.01.2017	Purchase	500	0.02	29100	1.18
				31.03.2017	At the end of the year			29100	1.18
5	Narmada Appliances Private Limited	25000	1.02					25000	1.02
				31.03.2017	At the end of the year			25000	1.02
6	Bhumika Consultancy Pvt Ltd	20371	0.83					20371	0.83
				08.04.2016	Sale	71	0.00	20300	0.83
				15.04.2016	Sale	96	0.00	20204	0.82
				22.04.2016	Purchase	410	0.02	20614	0.84
				29.04.2016	Sale	23	0.00	20591	0.84
				06.05.2016	Purchase	15	0.00	20606	0.84
				13.05.2016	Sale	238	0.01	20368	0.83
				20.05.2016	Sale	274	0.01	20094	0.82
				27.05.2016	Sale	47	0.00	20047	0.82
				03.06.2016	Sale	1113	0.05	18934	0.77
				10.06.2016	Sale	242	0.01	18692	0.76
				17.06.2016	Sale	551	0.02	18141	0.74
				24.06.2016	Sale	1514	0.06	16627	0.68
				30.06.2016	Purchase	44	0.00	16671	0.68
				08.07.2016	Sale	3292	0.13	13379	0.54
				15.07.2016	Sale	2068	0.08	11311	0.46
				22.07.2016	Sale	55	0.00	11256	0.46
				29.07.2016	Purchase	63	0.00	11319	0.46
				05.08.2016	Purchase	1476	0.06	12795	0.52
				12.08.2016	Purchase	2057	0.08	14852	0.60
				19.08.2016	Purchase	4	0.00	14856	0.60
				26.08.2016	Purchase	610	0.02	15466	0.63
				02.09.2016	Purchase	1693	0.07	17159	0.70
				09.09.2016	Sale	553	0.02	16606	0.68

				16.09.2016	Sale	719	0.03	15887	0.65
				23.09.2016	Purchase	200	0.01	16087	0.65
				30.09.2016	Sale	814	0.03	15273	0.62
				07.10.2016	Purchase	1499	0.06	16772	0.68
				14.10.2016	Sale	210	0.01	16562	0.67
				21.10.2016	Purchase	112	0.00	16674	0.68
				28.10.2016	Purchase	694	0.03	17368	0.71
				04.11.2016	Purchase	2193	0.09	19561	0.80
				11.11.2016	Purchase	1820	0.07	21381	0.87
				18.11.2016	Purchase	1837	0.07	23218	0.94
				25.11.2016	Sale	735	0.03	22483	0.91
				02.12.2016	Purchase	1259	0.07	23742	0.97
				09.12.2016	Purchase	939	0.04	24681	1.00
				16.12.2016	Sale	50	0.00	24631	1.00
				23.12.2016	Sale	14	0.00	24617	1.00
				30.12.2016	Purchase	48	0.00	24665	1.00
				13.01.2017	Sale	715	0.03	23950	0.97
				20.01.2017	Purchase	152	0.01	24102	0.98
				27.01.2017	Purchase	73	0.00	24175	0.98
				03.02.2017	Purchase	49	0.00	24224	0.99
				10.02.2017	Sale	122	0.01	24102	0.98
				17.02.2017	Sale	60	0.00	24042	0.98
				03.03.2017	Purchase	37	0.00	24079	0.98
				10.03.2017	Purchase	443	0.02	24522	1.00
				17.03.2017	Purchase	602	0.03	25124	1.02
				24.03.2017	Purchase	1341	0.06	26465	1.08
				31.03.2017	Purchase	1127	0.05	27592	1.12
				31.03.2017	At the end of the year			27592	1.12
7	Mukesh Chimanlal Patani	20000	0.81					20000	0.81
				31.03.2017	At the end of the year			20000	0.81
8	Hafeez Sorab Contractor	13500	0.55					13500	0.55
				09.12.2016	Sale	3500	0.14	10000	0.41
				31.03.2017	At the end of the year			10000	0.41
9	Sangeetha S	13390	0.55					13390	0.55
				31.03.2017	At the end of the year			13390	0.55
10	Mahesh Ramesh Patil	12216	0.50					12216	0.50
				31.03.2017	At the end of the year			12216	0.50
11	Fortress Advisors LLP	0	0					-	-
				30.06.2016	Purchase	42000	1.71	42000	1.71
				12.08.2016	Purchase	63000	2.56	105000	4.27
				31.03.2017	At the end of the year			105000	4.27

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12	Aparnaa Sarees Private Limited	2000	0.08					2000	0.08
				29.07.2016	Sale	500	0.02	1500	0.06
				12.08.2016	Purchase	200	0.01	1700	0.07
				16.09.2016	Sale	700	0.03	1000	0.04
				28.10.2016	Sale	909	0.04	91	0.00
				02.12.2016	Purchase	4062	0.17	4153	0.17
				09.12.2016	Purchase	4142	0.17	8295	0.34
				16.12.2016	Purchase	608	0.02	8903	0.36
				23.12.2016	Purchase	1171	0.05	10074	0.41
				03.02.2017	Sale	672	0.03	9402	0.38
				10.02.2017	Purchase	4030	0.16	13432	0.55
				17.02.2017	Purchase	4197	0.17	17629	0.72
				24.02.2017	Purchase	1175	0.05	18804	0.77
				10.03.2017	Purchase	2245	0.09	21049	0.86
				17.03.2017	Purchase	1224	0.05	22273	0.91
31.03.2017	Sale	1866	0.08	20407	0.83				
31.03.2017	At the end of the year					20407	0.83		
13	Gagan D Chaturvedi	6332	0.26					6332	0.26
				26.08.2016	Purchase	6332	0.26	12664	0.52
				02.09.2016	Purchase	2336	0.10	15000	0.61
				31.03.2017	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative share holding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shareholding of Directors: Sri.D.Senthilkumar	100	0.00					100	0.00
				31.03.2017	At the end of the year			100	0.00
2.	Shareholding of KMP Smt. Nethra J.S.Kumar (Chairperson and Managing Director)	497337	20.23					497337	20.23
				28.03.2017	Purchase	172756	7.03	670093	27.26
				31.03.2017	At the end of the year			670093	27.26
3.	Sri.B.K.Ravikumar (CFO)	-	-	-	-	-	-	-	-
4.	Sri.S.Sathyannarayanan Company Secretary	-	-	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,77,48,368	–	–	2,77,48,368
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	2,77,48,368	–	–	2,77,48,368
Change in Indebtedness during the financial year				
– Addition	4,29,65,134	–	–	4,29,65,134
– Reduction	–	–	–	–
Net Change	4,29,65,134	–	–	4,29,65,134
Indebtedness at the end of the financial year				
i) Principal Amount	7,07,13,502	–	–	7,07,13,502
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	7,07,13,502	–	–	7,07,13,502

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole.time Director and/or Manager:

Amount in ₹

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Smt. Nethra J.S. Kumar Chairperson & Managing Director	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	60,00,000	60,00,000
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission – as % of profit – others, specify...	12,44,438 –	12,44,438 –
5.	Others, please specify	–	–
	Total (A)	72,44,438	72,44,438
	Ceiling as per the Act	72,44,438	72,44,438

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

B. Remuneration to other directors:

1. Independent Directors

Amount in ₹

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri.N.Surya kumar	Sri. Ramesh Rudrappan	Sri.A.Palani-appan	Sri.Arun Selvaraj	
a)	– Fee for attending board & committee meetings	1,80,000	2,10,000	1,65,000	1,20,000	6,75,000
b)	– Commission	–	–	–	–	–
c)	– Others, please specify	–	–	–	–	–
	Total (1)					6,75,000
2. Other Non.Executive Directors						
S. No.	Particulars of Remuneration	Sri. Sanjay Jayavarthanavelu	Sri. D. Senthilkumar	Total Amount		
a)	– Fee for attending board & committee meetings	60,000	1,05,000	1,65,000		
b)	– Commission	–	–	–		
c)	– Others, please specify	–	–	–		
	Total (2)			1,65,000		
	Total (B)=(1+2)			8,40,000		
	Total Managerial Remuneration			72,44,438		
	Overall Ceiling as per the Act (11%)			1,59,37,763		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Amount in ₹

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	16,51,876	12,63,433	28,79,309
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961			
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	– as % of profit			
	– others, specify...			
5.	Others, please specify	–	–	–
	Total	16,51,876	12,63,433	28,79,309

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty Punishment Compounding			None		
B. DIRECTORS					
Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			None		

On behalf of the Board

Nethra J.S. Kumar
Chairperson and Managing Director
(DIN: 00217906)

Place : Coimbatore
Date : May 29, 2017

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Lakshmi Electrical Control Systems Limited

(CIN: L31200TZ1981PLC001124)

No.34A, Kamaraj Road

Coimbatore - 641018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Lakshmi Electrical Control Systems Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. Lakshmi Electrical Control Systems Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Companies Act, 1956 and the rules made thereunder (to the extent applicable);
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI)
- b) Listing Agreement entered into by the Company with the BSE Limited

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/Regulations requiring compliance thereof by the Company:

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

I further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable to the Company.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

I further report that during the period, there were no instances of:

- | Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- | Redemption / buy-back of securities.
- | Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013.
- | Merger / Amalgamation / Reconstruction etc.
- | Foreign technical collaborations.

Place : Coimbatore
Date : May 29, 2017

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To The Members,
Lakshmi Electrical Control Systems Limited
(CIN: L31200TZ1981PLC001124)
No.34A, Kamaraj Road
Coimbatore - 641018

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable standards, laws, rules and regulation is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : May 29, 2017

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

FORM No. AOC - 2

Annexure 3

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis
 - a) Name(s) of the related party and nature of relationship- Nil
 - b) Nature of contracts/arrangements/transactions: NA
 - c) Duration of the contracts/arrangements/transactions: NA
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
 - e) Justification for entering into such contracts or arrangements or transactions: NA
 - f) Date(s) of approval by the Board: NA
 - g) Amount paid as advances, if any: NA
 - h) Date on which the special resolution was passed in general meeting required under first proviso to section 188: NA
2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Lakshmi Machine Works Limited	Purchase of goods, Sale of goods, Rendering of Services, Receiving of Services	1st April, 2015 to 31st March, 2020	Price charged for the transactions shall be based on the prevailing market price and shall not be less than the price charged for such transactions to unrelated third party customers having such dealings or transactions with them.	05.02.2015	-
Lakshmi Precision Tools Limited	Purchase of goods, Sale of goods, Rendering of Services, Receiving of Services	1st April, 2015 to 31st March, 2020	Price charged for the transactions shall be based on the prevailing market price and shall not be less than the price charged for such transactions to unrelated third party customers having such dealings or transactions with them.	05.02.2015	-

On behalf of the Board

Nethra J.S. Kumar

Chairperson and Managing Director

(DIN: 00217906)

Place : Coimbatore
Date : May 29, 2017

CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the company's CSR policy, including : overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	: The Company believes that socially responsible business practice is an integral part of an organization's effort at ensuring good Corporate Governance. Corporate Social Responsibility (CSR) is therefore a tool through which an organization reflects and pledges its commitment to support and participate in community building efforts. CSR Policy is available in the Web link: http://lecsindia.com/financial/Policies/csrapolicy.Pdf
2. The Composition of the CSR Committee.	: Sri.D.Senthilkumar - Chairman Smt. Nethra J.S.Kumar - Member Sri.Arun Selvaraj - Member
3. Average net profit of the company for last three financial years.	: ₹1166.13 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	: ₹ 23.32 Lakhs
5. Details of CSR spent during the financial year 2016-17	
(a) Total amount spent for the financial year 2016-17	: ₹ 23.85 Lakhs
(b) Amount un spent , if any	: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

₹ in Lakhs

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Over heads:	Cumulative Expenditure upto the reporting Period.	Amount spent Direct or through implementing Agency.
1	Sponsorship to sportsmen. (Chess)	Clause vii of Schedule VII	All over India	5.00	4.75	4.75	Direct

2	Promoting Health care.	Clause i of Schedule VII	Coimbatore / Tamil Nadu	3.00	3.00	3.00	Through Coimbatore Cancer foundation.
3	Promoting Health care - Providing amenities to Govt. Primary Health sub centre.	Clause i of Schedule VII	Coimbatore / Tamil Nadu	0.70	0.60	0.60	Direct
4	Promoting education - Providing infra-structure facilities to 4 government schools in and around Coimbatore district and Contribution to Jagathguru Sri Jayendra Saraswathi Trust.	Clause ii of Schedule VII	Coimbatore / Tamil Nadu	15.10	14.55	14.55	Direct and through implementing agency
5	Road safety measures and awareness.	Clause ii of Schedule VII	Coimbatore / Tamil Nadu	0.45	0.40	0.40	Direct
6	Environmental sustainability.	Clause iv of Schedule VII	Coimbatore / Tamil Nadu	0.60	0.55	0.55	Direct
	Total					23.85	

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount in its board report - Not applicable.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place : Coimbatore
Date : May 29, 2017

Nethra J.S. Kumar
Chairperson and Managing Director
(DIN: 00217906)

D. Senthilkumar
Chairman – CSR Committee
(DIN: 00006172)

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ANNEXURE 5

Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Name (Age in Years)	Designation	Remuneration received (in ₹)	Qualification	Experience in Years (Total)	Date of commencement of employment	Previous employment
Smt. Nethra J.S. Kumar * (45 years)	Chairperson and Managing Director	88,64,067	Management degree	16	23-10-2000	Nil
Sri. S.Sivakumar (44 years)	Dy.General Manager	22,16,607	DEEE.,BE (EEE)	23	12-08-2013	RRB Energy Ltd.,
Sri. G.Ravichandran (54 years)	General Manager	16,89,541	DEEE.,BE(PT), MBA (C),DPM, ME	35	19-05-1989	The Lakshmi Mills Company Ltd.,
Sri. B.K.Ravi Kumar (56 years)	CFO	16,51,876	M.Com., ACMA	34	11-05-2009	Dyanapade Integrated System Pvt., Ltd.,
Sri. S.Basavaraj (37 years)	Senior Manager	15,56,181	DT & DM, MBA	16	30-04-2014	Nyro Forbes Products Ltd.,
Sri. K.Jayakumar (53 years)	General Manager	15,52,379	DME (SW)	33	01-10-1988	NTTF, Bangalore
Sri. S.Sathyannarayanan (36 years)	Company Secretary (CS)	12,63,433	M.Com, FCS, LLB, DIA	13	13-08-2015	Practising CS
Sri. C.K.Berlin Jinu (35 years)	Senior Manager	11,89,555	DTT.,B.Tech. (TT), M.Tech(TE), MBA (IB)	10	06-10-2012	VEEJAY Lakshmi Engineering Works Ltd.,
Sri. G.S.Vajjiravel (52 years)	Dy.General Manager	11,13,586	DME., BE (Mech)(PT),, DPM.,MBA	30	14-07-1993	Janatics India Pvt. Ltd.,
Sri. M.Balasubramaniam (54 years)	Senior Manager	10,57,267	DME., BE (Mech)(PT)	33	01-09-1993	LLasar Flow Controls (P) Ltd.,

Note:

- * The remuneration includes Commission ₹ 12,44,438/-, Company's Contribution to provident fund ₹ 7,20,000/-, Leave Entitlement ₹ 8,99,629/- and excludes Gratuity contribution - ₹ 2,88,000/- Employment is contractual. Smt. Nethra J.S.Kumar is not relative (in terms of the Companies Act, 2013) of any director of the Company except Sri. D. Senthilkumar, Director and Sri. Sanjay Jayavarthanavelu, Director.
- No employee of the Company is holding by himself / herself or with this family shares of 2% or more in the Company and drawing remuneration in excess of the Managing Director.
- The remuneration details are for the year 2016-17 are as on 31st March, 2017.
- All employees are permanent employees and remuneration includes PF, Bonus, leave encashment, etc. excluding Gratuity, if any.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview

This financial year witnessed the demonetisation of high denomination currency by the Central Government which affected the internal cash flow of India to a large extent. India's Gross Domestic Product (GDP) is expected to grow at 7.2 percent in 2017-18, World Bank indicated in its bi-annual economic India Development Update. Goods and Services Tax (GST) seems to be one of the major indirect tax reforms which the Government is keen in implementing in the second quarter of the financial year 2017-18. The implementation of this legislative change is expected to boost prospects of the organised market.

Opportunities and Threats

India being one of the emerging economies, the demand for textile machinery is growing. The growth of the textile machinery industry is based on increasing demand of the textile & apparel market in India. The textile sector is one of the largest contributors to India's exports with approximately 11% of the total exports.

The road ahead is challenging. It is difficult to pen-down the threats and uncertainties with certainty. The initiatives of the Company to provide good quality products with on time delivery are expected to provide the necessary drive to meet the challenges and spot the growth opportunities.

Segment wise Performance

The electrical equipment industry comprises of two segments – Generation, Transmission & Distribution Equipment and Allied Equipment. Control Panel falls under the allied equipment category. The main segment continues to be the Textile Machinery Manufacturing Industry and the year 2016-17 has seen a moderate growth in the sector. There was a lull in the market demand and our financials reflects the same. There was a marginal decline in turnover in our main business segments i.e., Electricals and Plastics during the year 2016-2017. The streamlining of our internal processes and procedures are carried out on a continual basis.

Control Panel Production contributes to the major part of the revenue of the Company. We are continuing to take a lot of steps to improve our efficiency levels. The widespread involvement of all cadres in improving the deliverables of this segment continues. New customers expect to be added and moving forward this segment is expected to flourish.

In the Plastics division the efforts are made to broad base the customers and explore new sectors. This segment is expected to contribute towards the growth in future.

The favourable wind velocity has resulted in higher generation of wind power in Wind Power Generation segment of the Company.

Outlook

We remain confident that growth trend will be positive in the financial year 2017-2018 and with the available infrastructure the company is well placed to grab the opportunities.

Risk and concerns

Performance of the textiles and textile machinery industry is a major concern since the Company is majorly dependent on fortunes of these sectors. Raw material and availability of skilled labour continue to be areas of concern.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Internal Control System and Adequacy

The company has adequate internal control system, commensurate with its size and nature of its business. The management has the overall responsibility for the company's internal control system to safeguard the assets and to ensure reliability of financial records. The company has a budgetary control system and periodically the actual performance is reviewed and the deviations are addressed accordingly. The audit committee reviews all financial statements and ensures adequacy of internal control systems.

Financial Performance

(₹ in lakhs)

Particulars	2016-17	2015-16
Revenue from Operations	16091.65	18703.82
Profit before interest, depreciation, tax	1469.80	1545.67
Interest	0.50	45.47
Depreciation	201.93	190.00
Profit Before Tax	1267.37	1310.20
Provision for Taxation	384.98	450.30
Profit after tax	882.39	859.90
Earnings per share (Amount in ₹)	35.90	34.98

Human Resources

The company's HR objective is to achieve company's growth through developing a skilled, motivated and committed workforce.

Risk Management

The Company adopts a comprehensive and integrated risk appraisal, mitigation and management process. The risk appraisal and risk mitigation measures of the Company are being placed before the Board periodically for review and for improvement.

Cautionary Statement

The Management Discussion and Analysis Report contains forward looking statements based upon assumptions with regard to global and country's economic conditions and expectation of future events, etc., The factors that might influence the operations of the Company are demand-supply conditions, prices of the finished goods, raw material costs & availability, change in the government rules & regulations and natural calamities over which the Company has no control. The Company assumes no responsibility on the accuracy of assumptions and perceived performance of the Company in future.

For and on behalf of the Board
Nethra J.S. Kumar
Chairperson and Managing Director
(DIN: 00217906)

Place : Coimbatore
Date : May 29, 2017

CORPORATE GOVERNANCE REPORT

The Directors present the Report on Corporate Governance for the year ended 31st March 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Philosophy on Code of Corporate Governance

The corporate vision of LECS is to maintain responsible corporate behaviour across the organization, respectful of all rules and regulations governing corporate bodies.

Makes all conscious efforts to conduct business in the best interests of all stake holders in a transparent manner.

Engages in continuous improvement of products, manufacturing processes and work environment to deliver the best-in-class products and services to customers.

2. Board of Directors

In order to enable the Board to discharge its responsibilities effectively all statutory, significant and material information are placed before the Board on quarterly basis.

Composition

The Board of Directors of LECS is headed by Chairperson and Managing Director and ably supported by six non-executive Directors of which four of them are Independent Directors.

Position of Board of Directors

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 none of the Directors hold any membership in more than ten Committees of Boards or Chairman of more than five Committees in which they are members.

Name of the Director	Position	Other Directorships	Membership in Committees	
			Chairman	Member
Smt. Nethra J.S.Kumar	Executive - Chairperson and Managing Director	15	1	1
Sri. N.Suryakumar	Non-executive - Independent	2	1	-
Sri. Sanjay Jayavarthanavelu	Non-executive Director	10	-	2
Sri. D.Senthilkumar	Non-executive Director	17	1	4
Sri. Ramesh Rudrappan	Non-executive - Independent	2	1	1
Sri. A.Palaniappan	Non-executive - Independent	9	-	1
Sri. Arun Selvaraj	Non-executive - Independent	1	-	-

Number of Chairmanship / Membership in Committees of all the Directors are within the limits specified in Regulation 26 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Board Meetings and Attendance

During the period from 1st April, 2016 to 31st March, 2017 five Board Meetings were held on 26.05.2016, 01.07.2016, 08.08.2016, 27.10.2016 and 03.02.2017.

Details of attendance of each Director at the meetings of the Board for the Financial Year ended 31st March, 2017 are as follows.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Name of the Director	Attendance in Board meetings (No. of Board meeting(s) held during the financial year : 5)	Attendance in last AGM (AGM Date: 08.08.2016)
Sri. N. Suryakumar	5	Yes
Sri. Sanjay Jayavarthanavelu	4	Yes
Sri. D. Senthilkumar	4	Yes
Sri. Ramesh Rudrappan	5	Yes
Smt. Nethra J.S.Kumar	5	Yes
Sri. A. Palaniappan	5	Yes
Sri. Arun Selvaraj	5	Yes

Smt. Nethra J.S. Kumar, Sri. D. Senthilkumar and Sri. Sanjay Jayavarthanavelu are related to each other. Sri. Sanjay Jayavarthanavelu is Smt. Nethra J.S.Kumar's brother and Sri. D. Senthilkumar is Smt. Nethra J.S. Kumar's husband.

Shareholding of Non-Executive Directors

Name of the Directors	No. of Shares
1. Sri. N. Suryakumar	Nil
2. Sri. Sanjay Jayavarthanavelu	Nil
3. Sri. D. Senthilkumar	100
4. Sri. Ramesh Rudrappan	Nil
5. Sri. A. Palaniappan	Nil
6. Sri. Arun Selvaraj	Nil

Familiarization Program for Independent Directors

The Company has conducted the Familiarisation programmes for Independent Directors during the financial year. The Programmes aim to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the processes, businesses and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The details of familiarisation programmes imparted to Independent Directors is posted in the website of the Company 'www.lecsindia.com'

3. Committee of Directors

The Board has constituted various Committees of Directors to deal with matters referred to it for timely decisions.

(i) Audit Committee:

The role, powers and functions of the committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this committee are as required under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee assure to the Board, compliance of adequate internal control system, compliance of Accounting Standards, financial disclosure and other issues confirming to the requirements specified by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars / composition of Audit Committee and attendance of members for the committee meetings :

The Committee met five times during the Financial Year ended 31st March 2017 on 26.05.2016, 01.07.2016, 08.08.2016, 27.10.2016 and 03.02.2017.

Name of the Directors	Attendance in Audit Committee meetings (No. of Audit Committee meeting(s) held during the financial year : 5)
Sri. N.Suryakumar - Chairman	5
Sri. Ramesh Rudrappan - Member	5
Sri. A. Palaniappan - Member	5

Company Secretary of the Company is the Secretary of the Committee.

(ii) Nomination and Remuneration Committee:

This Committee was formed for determining remuneration payable to Executive and Non-Executive Directors, selection and appointment of Directors and senior executives.

The terms of reference of this committee has been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013.

The company has formulated performance evaluation criteria for Independent Directors, Board, Committees and other Directors which includes criteria for performance evaluation of the Non-Executive Directors and executive directors and shall carry out evaluation of every director's performance.

Particulars / composition of Nomination and Remuneration Committee meeting and attendance of members for the committee meetings

Name of the Director	Date of Meeting(s) 01.07.2016
Sri. N.Suryakumar - Chairman	✓
Sri. Arun Selvaraj - Member	✓
Sri. Ramesh Rudrappan - Member	✓

(iii) Stakeholders Relationship Committee:

The Committee has been formed to specifically focus on the services to the stakeholders. The Committee periodically reviews the services rendered to the shareholders particularly redressal of complaints of the shareholders like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc., and also the action taken by the Company on the above matters.

Particulars / composition of Stakeholders Relationship Committee meeting and attendance of members for the committee meetings

Name of the Director	Date of Meetings	
	05.08.2016	03.02.2017
Sri. Ramesh Rudrappan - Chairman	✓	✓
Sri. D. Senthilkumar - Member	✓	✓
Smt. Nethra J S Kumar - Member	✓	✓

Sri S.Sathyannarayanan, Company Secretary serves as the Compliance Officer.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

During the year 1 letter / complaint was received from the investor which was replied/resolved to the satisfaction of the investor. The outstanding letters / complaints as on 31.03.2017 was NIL.

Pursuant to Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchange within stipulated time.

(iv) Share Transfer Committee:

Share Transfer Committee consists of the members of the Board, Company Secretary and Share Transfer Agents. At present there are 6 members in the Committee. The Committee reviews and approves transfers, transmission, split, consolidation, issue of duplicate share certificate, recording change of name, deletion of joint holder name, recording attainment of majority, transposition of names etc. in equity shares of the Company. Shareholder requests on the above matters are being processed and certificates returned to them within 15 days from the date of receipt. The Committee had met 18 times during the Financial Year ended 31st March, 2017.

(v) Corporate Social Responsibility Committee:

The Committee has been formed to frame CSR Policy, approve the CSR Budget and monitor the implementation of the project or activities undertaken under CSR.

Particulars / composition of Corporate Social Responsibility Committee meeting and attendance of members for the committee meetings

Name of the Director	Date of Meeting(s)
	05.08.2016
Sri. D. Senthilkumar - Chairman	✓
Smt. Nethra J.S. Kumar - Member	✓
Sri. Arun Selvaraj - Member	✓

(vi) Independent Directors Meeting:

As required under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate meeting of Independent Directors of the Company was held on 3rd February, 2017. All the Independent Directors were present at the meeting.

4. Remuneration of Directors

Remuneration and sitting fee paid to the Directors for the financial year 2016 - 2017: .

Name of the Directors	Salary	Other Perquisites	Sitting fee	Commission	Total
Sri. N. Suryakumar	-	-	1,80,000	-	1,80,000
Sri. Sanjay Jayavarthanavelu	-	-	60,000	-	60,000
Sri. D. Senthilkumar	-	-	1,05,000	-	1,05,000
Sri. Ramesh Rudrappan	-	-	2,10,000	-	2,10,000
Sri. A. Palaniappan	-	-	1,65,000	-	1,65,000
Sri. Arun Selvaraj	-	-	1,20,000	-	1,20,000
Smt. Nethra J.S.Kumar #	60,00,000	-	-	12,44,438	72,44,438



#The amount excludes Contribution to provident fund ₹ 7,20,000/-, Gratuity contribution - ₹ 2,88,000/- and Leave entitlement ₹ 8,99,629/-

At present, no remuneration is being paid to Non-Executive Directors other than Sitting Fees for the meetings of the Board/Committee and other meetings of Directors which a Director attends.

No benefits, other than the above are given to the Directors. No Stock Option, Performance linked incentives and severance fees are given to the Directors.

5. GENERAL BODY MEETINGS

Information about the last three Annual General Meetings are given below:

Location	Time	Day	Date
Nani Kalai Arangam, Mani Higher Sec. School, Coimbatore - 641 037	03.00 p.m	Monday	08.08.2016
-do-	03.05 p.m	Thursday	13.08.2015
-do-	02.30 p.m	Friday	08.08.2014

Details of Special Resolutions passed at the above Annual General Meetings:

1. At the AGM held on 08.08.2016, no Special Resolution was passed.
2. At the AGM held on 13.08.2015
 - i. Approval of material related party transactions.
 - ii. Approval of remuneration payable to Smt. Nethra J.S.Kumar, Chairperson and Managing Director.
3. At the AGM held on 08.08.2014
 - i. Approval for amendment in the Articles of Association of the Company.
 - ii. Approval to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company u/s 180(1) (c) and any other applicable provisions of the Companies Act, 2013.

No Special Resolution was passed through Postal Ballot during the financial year 2016 - 2017.

No Special Resolution is proposed to be passed through postal ballot.

6. MEANS OF COMMUNICATION

The financial results for the 4 quarters in the financial year 2016 - 17 were published in leading newspapers viz. Financial Express (English) and Dina Malar (Tamil). The Company files the quarterly financial results with the Stock Exchange in timely manner.

The Company Profile, Corporate Information, Shareholding Pattern, Code of Conduct for Directors and Officers, Financial Statements, Product Range and the details prescribed in regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 is published in the Company's website www.lecsindia.com.

7. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Day & Date	: Wednesday, 02 nd day of August 2017.
Time	: 3.00 P.M
Venue	: Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Financial Calendar

Financial Year	: 1 st April to 31 st March
Announcement of Quarterly Results for the Financial Year 2017-2018 (Tentative)	: August 2017, November 2017, February 2018 and May 2018
Date of Book Closure	: Thursday, 27.07.2017 to Wednesday, 02.08.2017 (both days inclusive)
Dividend Payment Date	: On or before 01 st September 2017.
Listing on Stock Exchanges	: The equity shares of the Company are listed in BSE Limited, Mumbai.
Payment of Listing fees	: The listing fees have been paid to BSE Limited for the Financial Year 2017-2018.
Security Code	: 504258
Security ID	: LAKSELEC
ISIN No.	: INE284C01018

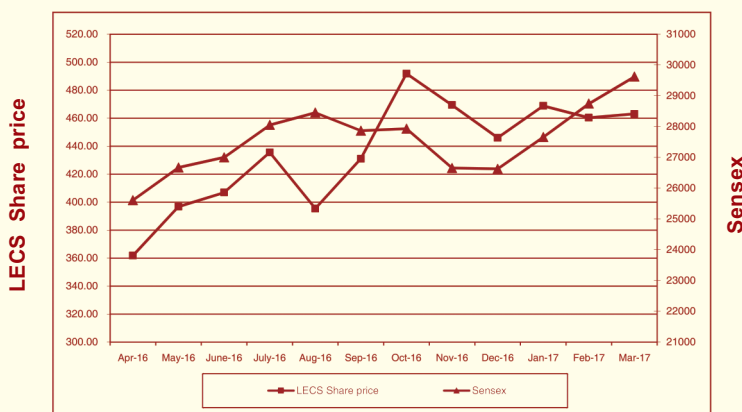
Market Price Data:

The High & Low during each month in last Financial Year in BSE is given below:

Month	Share Price (₹)		Month	Share Price (₹)	
	High	Low		High	Low
Apr-16	395.00	340.00	Oct-16	495.00	416.05
May-16	414.75	350.00	Nov-16	569.45	430.00
Jun-16	419.90	380.80	Dec-16	484.95	430.00
Jul-16	467.00	396.50	Jan-17	497.00	442.00
Aug-16	440.10	390.00	Feb-17	482.00	451.00
Sep-16	458.70	390.00	Mar-17	474.40	436.10

Share Price Performance in Comparison with BSE Index

LECS Share price vs BSE Sensex



The equity shares of the Company are not suspended from trading in BSE Limited.



Registrars & Share Transfer Agents:

Transfer, transmission, split, consolidation, recording the change of name of shareholders, issue of duplicate certificate, dematerialisation and such other matters relating to the shares of the Company or entrusted to the share transfer agents M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. They are the connectivity providers for Demat Segment.

Share Transfer System:

The share transfers are registered and share certificates are returned within a period of 15 days from the date of receipt, if documents are in order. The share transfers are approved by Share Transfer Committee.

Distribution of Shareholding as on 31st March 2017

Range	No. of shares	% Held	No. of Shareholders	%
Upto 500	787894	32.05	9858	95.92
501 - 1000	189071	7.69	240	2.34
1001 - 2000	142039	5.78	99	0.96
2001 - 3000	94136	3.83	38	0.37
3001 - 4000	25276	1.03	7	0.07
4001 - 5000	40995	1.67	9	0.09
5001 - 10000	93435	3.80	13	0.13
10001 and above	1085154	44.15	13	0.13
Total	2458000	100.00	10277	100.00

Dematerialisation of Shares and liquidity:

22,91,720 shares constituting 93.235% of the total paid up capital of the Company has been dematerialized as on 31st March 2017 .

Outstanding ADR / GDR / Warrants / or any Convertible Instruments - The Company has not issued any ADR / GDR / Warrants / or any Convertible Instruments

Commodity price risk or foreign exchange risk and hedging activities - Nil

Plant Locations:

The Company's plant is situated at the following location:

Factory : Arasur, Coimbatore - 641 407.

Wind Mill Division : Palladam (TK), Tirupur District

Address for Correspondence:

All correspondence should be addressed to: The Compliance Officer, Lakshmi Electrical Control Systems Limited, Arasur, Coimbatore - 641 407. E-mail: investorscell@lecsindia.com

8. DISCLOSURES

a. Materially significant related party transactions:

The Transactions with related parties are monitored in accordance with the policy. All the transactions with the related parties are at arms length transaction and are taking place in the ordinary course of business. The details of related party transactions are provided elsewhere in the Annual report. The

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Weblink: <http://www.lecsindia.com/financial/Policies/relatedpartytransactionPolicy.Pdf>

b. Strictures and Penalties

The Company has complied with all the requirements regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets during the last three years.

c. Vigil Mechanism and Whistle-Blower Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company www.lecsindia.com. Your Company hereby affirms that no complaints were received during the year under review.

d. Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements laid down under the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. Details of compliance of non-mandatory requirements

The Company has adopted the non-mandatory requirement of Reporting of internal auditors to Audit Committee as recommended under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. The company has no subsidiary.

9. Commodity price risks and Commodity hedging activities - During the financial year ended 31st March, 2017 the company did not engage in commodity hedging activities.

10. The Company has complied all the requirements as specified in sub-para (2) to (10) of part C of Schedule V of SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 in the Corporate Governance Report to the extent applicable.

11. Management Discussion and Analysis Report - Management Discussion and Analysis Report forms part of this Annual Report.

12. The Company complies with the corporate governance requirements specified in regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constitution of Risk Management Committee is not applicable to the Company.

13. Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.



14. Certificate from the Statutory Auditors confirming the compliance with all the conditions of Corporate Governance as stipulated in Listing Regulations forms part of this report.

15. There are no unclaimed shares of the Company and hence the Company has not opened any unclaimed suspense account.

16. Certificate from Chairperson and Managing Director (CMD) & CFO

The CMD and CFO certification of the financial statements for the financial year has been submitted to the Board of Directors, in its meeting held on 29th May 2017 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

For and on behalf of the Board

Nethra J.S.Kumar

Chairperson and Managing Director

(DIN : 00217906)

Place : Coimbatore

Date : 29.05.2017

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

The Board of Directors of the Company have adopted a Code of Conduct for the Board Members and Senior Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct during the year 2016-2017.

Nethra J.S.Kumar

Chairperson and Managing Director

(DIN: 00217906)

Place : Coimbatore

Date : 29.05.2017

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT

To The Members of Lakshmi Electrical Control Systems Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Lakshmi Electrical Control Systems Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the company.

For Subbachar & Srinivasan
Chartered Accountants
Firm Regn. No. 004083S

T.S.V. Rajagopal
Partner

Membership No. 200380

For N.R. Doraiswami & Co
Chartered Accountants
Firm Regn. No.000771S

Suguna Ravichandran
Partner

Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ANNEXURE – A TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Independent Auditors' report to the members of Lakshmi Electrical Control Systems Limited ('the Company') on the financial statements for the year ended 31st March 2017.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. The title deeds of immovable properties are held in the name of the company.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b. The Company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the Company and whether reasonable steps for recovery of overdue amounts of such loans are taken does not arise.
- iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, security and guarantees for loans taken by others. Hence compliance with the provisions of section 185 and 186 of the Companies Act, 2013 is not required.
- v) The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- vi) The Company is not covered under maintenance of cost records pursuant to section 148 (1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.
- vii) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty/Cess and other statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty/Cess were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- c) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Value Added Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty/Cess which have not been deposited on account of any dispute except as under:

Name of Statute	Nature of Dues	Amount ₹ in Lakhs	Period to which the amount relates
The Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003.	Electricity Tax	11.85	2007 - 2008
		7.20	2009 - 2010
		6.63	2010 - 2011
		6.22	2011 - 2012
		1.37	2012 - 2013
Total		33.27	

- viii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, we are of the opinion that the Company has not raised any money from any further public offer (including debt instruments) and has also not availed any term loans and hence reporting if the funds were applied by the company for the purpose for which they were raised does not arise.
- x) During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have been informed of any such instance by the management.
- xi) The Company has paid managerial remuneration in accordance with the provisions of Section 197 and Schedule V of the Companies Act 2013.
- xii) The Company is not a Nidhi Company and hence not covered by the Nidhi Rules, 2014.
- xiii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence compliance of section 42 of the Companies Act, 2013 is not required.
- xv) The Company has not entered into any non-cash transactions with the directors or persons connected with the directors, hence compliance of section 192 of the Companies Act, 2013 is not required.
- xvi) As the Company is not a Non Banking Financial Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Subbachar & Srinivasan
Chartered Accountants
Firm Regn. No. 004083S

T.S.V. Rajagopal
Partner

Membership No. 200380

For N.R. Doraiswami & Co
Chartered Accountants
Firm Regn. No.000771S

Suguna Ravichandran
Partner

Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

ANNEXURE – B TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Lakshmi Electrical Control Systems Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of



unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Subbachar & Srinivasan
Chartered Accountants
Firm Regn. No. 004083S

T.S.V. Rajagopal
Partner
Membership No. 200380

For N.R. Doraiswami & Co
Chartered Accountants
Firm Regn. No.000771S

Suguna Ravichandran
Partner
Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars	Note No	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	2,45,80,000	2,45,80,000
(b) Reserves and Surplus	2	97,55,33,504	88,72,94,998
		1,00,01,13,504	91,18,74,998
(2) Non-current Liabilities			
(a) Deferred tax liabilities (Net)	3	2,54,45,520	2,28,78,694
(b) Long term provisions	4	33,27,080	33,27,080
		2,87,72,600	2,62,05,774
(3) Current Liabilities			
(a) Short Term Borrowings	5	21,95,28,099	2,77,48,368
(b) Trade payables	6		
Micro, Small and Medium Enterprises		4,13,28,876	3,84,44,560
Others		16,23,34,201	14,87,01,306
(c) Other current liabilities	7	2,90,12,214	2,29,44,171
(d) Short term provisions	8	88,52,322	3,15,84,607
		46,10,55,712	26,94,23,012
TOTAL		1,48,99,41,816	1,20,75,03,784
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	25,34,24,477	26,36,16,748
(ii) Capital work-in-progress		8,24,610	45,16,786
(b) Non-current investments	10	21,69,57,798	69,57,798
(c) Long term loans and advances	11	32,02,388	23,91,231
		47,44,09,273	27,74,82,563
(2) Current assets			
(a) Inventories	12	14,09,66,324	15,65,04,996
(b) Trade receivables	13	39,00,03,259	35,65,14,451
(c) Cash and cash equivalents	14	33,23,96,079	33,02,40,963
(d) Short-term loans and advances	15	9,05,27,078	4,64,642
(e) Other current assets	16	6,16,39,803	8,62,96,169
		1,01,55,32,543	93,00,21,221
TOTAL		1,48,99,41,816	1,20,75,03,784

See accompanying notes to the financial statements

As per our report of even date

Nethra J.S. Kumar
Chairperson and Managing Director
(DIN : 00217906)

Sanjay Jayavarthanavelu
Director
(DIN : 00004505)

For Subbachar & Srinivasan
Chartered Accountants
Firm Regn. No. 004083S

For N.R. Doraiswami & Co
Chartered Accountants
Firm Regn. No.000771S

B.K. Ravi Kumar
Chief Financial Officer

S. Sathyanarayanan
Company Secretary

T.S.V. Rajagopal
Partner
Membership No. 200380

Suguna Ravichandran
Partner
Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

Statement of Profit and Loss for the year ended 31st March, 2017
(Amount in ₹)

Particulars	Note No	Year ended 31.03.2017	Year ended 31.03.2016
I Revenue from operations	17	1,60,91,65,201	1,87,03,82,229
II Other income	18	3,70,62,734	2,27,05,246
III Total Revenue	(I+II)	1,64,62,27,935	1,89,30,87,475
IV Expenses:			
Cost of materials consumed	19	1,26,04,51,789	1,48,12,10,688
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(43,46,586)	74,34,990
Employee benefits expense	21	14,85,71,976	15,55,52,328
Finance costs	22	50,336	45,46,942
Depreciation and amortization expense	9	2,01,92,837	1,90,00,347
Other expenses	23	8,61,22,891	9,43,22,087
Total expenses	(IV)	1,51,10,43,243	1,76,20,67,382
V Profit before exceptional items and tax	(III-IV)	13,51,84,692	13,10,20,093
VI Exceptional items (Voluntary retirement scheme payment)	24	84,47,748	-
VII Profit after exceptional items before tax	(V-VI)	12,67,36,944	13,10,20,093
VIII Tax expenses:			
(1) Current tax		3,98,78,533	3,68,09,304
(2) Deferred tax (Net)		25,66,826	82,01,216
(3) Prior year taxes		(39,46,921)	19,155
IX Profit after tax for the period from continuing operations	(VII-VIII)	8,82,38,506	8,59,90,418
X Earning per equity share of Rs. 10/- each			
Basic		35.90	34.98
Diluted		35.90	34.98

See accompanying notes to the financial statements

As per our report of even date

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Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CASH FLOW STATEMENT

31.03.2016 (₹ in Lakhs)	Particulars		31.03.2017 (₹ in Lakhs)
	A. CASHFLOW FROM OPERATING ACTIVITIES :		
1310.20	Net profit before tax	1,267.37	1,267.37
	<u>Adjustments for :</u>		
190.00	Depreciation	201.93	
45.47	Interest paid	0.50	
(3.03)	Profit/Loss on sales of assets(net)	(0.18)	
<u>(224.02)</u>	Interest / Dividend	<u>(370.45)</u>	<u>(168.20)</u>
1318.62	Operating Profit before working capital changes		1,099.17
	<u>Adjustments for :</u>		
(87.26)	Trade and other receivables	(936.03)	
524.51	Inventories	155.39	
<u>(1,208.83)</u>	Trade payables	<u>226.06</u>	<u>(554.58)</u>
547.04	Cash generated from operations		544.59
(360.02)	Direct taxes paid	(353.59)	
			<u>(353.59)</u>
187.02	Cash flow before extraordinary items		191.00
	B. CASH FLOW FROM INVESTING ACTIVITIES :		
(344.74)	Purchase of fixed assets	(63.53)	
9.47	Sale of fixed assets	0.62	
-	Purchase of investments	(2,100.00)	
1,000.03	Sale of investment	-	
<u>221.49</u>	Interest/Dividend received	<u>309.42</u>	<u>(1,853.49)</u>
886.25	Net cash used in investing activities		(1,853.49)
	C. CASH FLOW FROM FINANCING ACTIVITIES :		
-	Short Term borrowings	1,488.15	
183.96	Working capital borrowings	429.65	
(45.47)	Interest paid	(0.50)	
(167.46)	Dividend paid	(191.69)	
(3.18)	Transfer of unpaid dividends to IEPF	(1.54)	
<u>(35.03)</u>	Corporate tax on dividend	<u>(40.03)</u>	<u>1,684.04</u>
(67.18)	Net cash used in financing activities		1,684.04
1,006.09	Net increase in cash and cash equivalents		21.55
2,296.32	Cash and cash equivalents (Opening balance)		3,302.41
3,302.41	Cash and cash equivalents (Closing balance)		3,323.96
	Note: Cash and cash equivalents include the following		
	<u>Balances not available for use:</u>		
19.01	Unpaid dividend warrant account		22.41

See accompanying notes to the financial statements

As per our report of even date

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(DIN : 00217906)

Sanjay Jayavarthanavelu
Director
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Suguna Ravichandran
Partner
Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

Notes to Balance Sheet as at 31st March, 2017

(Amount in ₹)

Note No	Particulars	As at 31.03.2017	As at 31.03.2016		
1	SHARE CAPITAL				
a	AUTHORISED				
	20,000 - 13.5% Cumulative Redeemable Preference Shares of Rs.100/- each	20,00,000	20,00,000		
	50,00,000 - Equity shares of Rs.10/-each	5,00,00,000	5,00,00,000		
		5,20,00,000	5,20,00,000		
b	ISSUED, SUBSCRIBED, CALLED AND PAID UP				
	24,58,000 - Equity Shares of Rs. 10/- each fully paid	2,45,80,000	2,45,80,000		
c	The total number of Shares as on 31/03/2017 and 31/03/2016 are same				
d	Rights, preferences and restrictions attached to equity shares.				
e	The company has only one class of equity shares comprising of 24,58,000 equity shares of ₹ 10/- each. All these equity shares have the same rights and preferences with respect to payment of dividend, repayment of capital and carries one vote for every such class of shares held. In the event of liquidation, the excess assets shall be distributed amongst the members in proportion to the capital.				
f	Number of shares held by share holders holding more than 5% of total shares				
		%	%		
	Smt.Nethra J.S.Kumar	6,70,093	27.26	4,97,337	20.23
	Lakshmi Electrical Drives Limited	—	—	1,72,756	7.03
g	Information regarding Share Capital in the last five years.				
	i) The company has not issued any shares without payment being received in cash.				
	ii) There has been no issue of bonus shares.				
	iii) The company has not undertaken any buy-back of shares.				
2	RESERVES AND SURPLUS				
a	Capital reserve				
	Opening balance	35,00,000	35,00,000		
	Add: Addition / (reduction)	—	—		
	Closing balance	35,00,000	35,00,000		
b	Security premium reserve				
	Opening balance	5,03,20,000	5,03,20,000		
	Add: Addition / (reduction)	—	—		
	Closing balance	5,03,20,000	5,03,20,000		
c	General reserve				
	Opening balance	55,72,34,158	54,72,34,158		
	Add: transfer from statement of profit & loss	1,00,00,000	1,00,00,000		
	Closing balance	56,72,34,158	55,72,34,158		

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Notes to Balance Sheet as at 31st March, 2017

(Amount in ₹)

Note No	Particulars	As at 31.03.2017	As at 31.03.2016
d	Surplus from statement of profit & loss		
	Opening balance	27,62,40,840	22,39,17,550
	Add: Current year surplus	8,82,38,506	8,59,90,418
	Less: Transfer to general reserve	1,00,00,000	1,00,00,000
	Less: Proposed dividend	—	1,96,64,000
	Less: Dividend tax provision	—	40,03,128
	Closing balance	35,44,79,346	27,62,40,840
		97,55,33,504	88,72,94,998
3	DEFERRED TAX LIABILITY		
	Opening balance	2,28,78,694	1,46,77,478
	Add/Less: Provided /(Reversed) during the year	25,66,826	82,01,216
	Closing balance	2,54,45,520	2,28,78,694
4	LONG TERM PROVISIONS		
	Provision for electricity tax	33,27,080	33,27,080
5	SHORT TERM BORROWINGS		
	WORKING CAPITAL BORROWINGS		
	Loans repayable on demand-secured		
	From Banks :		
a	Indian Bank-Limit Rs.10 Crores	6,13,90,642	2,68,19,985
	Security - Paripassu First charge on entire Current Assets of the Company with Bank of Baroda and HDFC Bank Ltd . Second charge by way of Equitable Mortgage by way of deposit of the title deeds of the properties of the Company situated at SF No.147 an extent of 3.35 acres of land, SF No.145/2 an extent of 1.37 acres of land & SF No.145/2B2 an extent of 1.33 acres of land		
	Interest Rate - 10.40 % p.a.		
	Period of default : Nil		
b	Bank of Baroda-Limit Rs.2.5 Crores	93,22,860	9,28,383
	Security - Paripassu First charge on the entire Current Assets of the Company with Indian Bank and HDFC Bank Ltd.		
	Interest Rate - 10.40 % p.a.		
	Period of default : Nil		
c	HDFC Bank Limited-Limit Rs.5 Crores	—	—
	Security - Paripassu First charge on the entire Current Assets of the Company with Indian Bank and Bank of Baroda		
	Interest Rate - 10.05 % p.a.		
	Period of default : Nil		
		7,07,13,502	2,77,48,368
	OTHER BORROWINGS		
	Loan Against Fixed Deposits		
a	Indian Bank	2,88,14,597	—
b	HDFC Bank Limited	12,00,00,000	—
		14,88,14,597	—
		21,95,28,099	2,77,48,368

Notes to Balance Sheet as at 31st March, 2017

(Amount in ₹)

Note No	Particulars	As at 31.03.2017	As at 31.03.2016
6	TRADE PAYABLES		
a	Micro, Small and Medium Enterprises	4,13,28,876	3,84,44,560
b	Others	16,23,34,201	14,87,01,306
		20,36,63,077	18,71,45,866
7	OTHER CURRENT LIABILITIES		
a	Unpaid dividends	22,41,347	19,00,502
b	Salary and benefits	1,47,06,000	1,43,70,270
c	Statutory dues payable	62,80,885	53,48,399
d	Advance received against sales	57,83,982	13,25,000
		2,90,12,214	2,29,44,171
8	SHORT TERM PROVISIONS		
a	Provisions for employee benefits		
	Leave encashment	56,38,507	52,36,702
	Incentive	1,02,600	1,04,510
b	Others		
	Provision for income tax (Net of Advances)	17,76,211	12,03,050
	Provision for dividend	-	1,96,64,000
	Provision for dividend tax	-	40,03,128
	Provision for expenses & ED on finished goods	13,35,004	13,73,217
		88,52,322	3,15,84,607
9	TANGIBLE ASSETS		

Tangible Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	For the year		As at 31.03.2017	As at 01.04.2016	For the year		As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
		Additions	Deletions			Additions	Withdrawals			
a Land	98,15,972	-	-	98,15,972	-	-	-	-	98,15,972	98,15,972
b Building	9,81,79,393	-	-	9,81,79,393	4,60,50,872	15,30,707	-	4,75,81,579	5,05,97,814	5,21,28,521
c Plant & Equipments	45,52,54,135	26,96,422	8,55,685	45,70,94,872	27,13,15,597	1,34,53,049	8,23,092	28,39,45,554	17,31,49,318	18,39,38,538
d Furniture & Fixtures	1,26,20,621	12,35,189	55,750	1,38,00,060	73,76,587	7,25,739	54,936	80,47,390	57,52,670	52,44,034
e Vehicles	1,08,91,537	-	-	1,08,91,537	50,92,421	10,09,134	-	61,01,555	47,89,982	57,99,116
f Office Equipments	2,65,28,490	61,13,123	4,54,900	3,21,86,713	1,98,37,923	34,74,208	4,44,139	2,28,67,992	93,18,721	66,90,567
Total	61,32,90,148	1,00,44,734	13,66,335	62,19,68,547	34,96,73,400	2,01,92,837	13,22,167	36,85,44,070	25,34,24,477	26,36,16,748
Capital Work in Progress	45,16,786	63,52,558	1,00,44,734	8,24,610	-	-	-	-	8,24,610	45,16,786
Figures as on 31.03.2016	55,96,78,678	5,69,14,718	33,03,248	61,32,90,148	33,33,33,029	1,90,00,347	26,59,976	34,96,73,400	-	26,36,16,748

Additional Disclosure

Profit/(loss) on disposal of fixed assets during the year ended March 31, 2017 is ₹18,187/- and ₹ 3,03,279/- for year ended March 31, 2016

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Notes to Balance Sheet as at 31st March, 2017

(Amount in ₹)

Note No	Particulars	As at 31.03.2017	As at 31.03.2016
10	NON-CURRENT INVESTEMENTS		
a	Investment in equity instruments [At cost]-Quoted		
	Lakshmi Machine Works Limited		
	88,800 Equity Shares of Rs.10/- each fully paid	63,85,499	63,85,499
	Indian Bank		
	6,289 Equity Shares of Rs.10/- each fully paid	5,72,299	5,72,299
		69,57,798	69,57,798
b	Investment in Mutual Funds-[At Cost]-Unquoted		
		No. of Units	
	Franklin IBA Plan A (G)	5,27,671.07	3,00,00,000
	Franklin Dyaccrual (G)	5,28,593.38	3,00,00,000
	HDFC Income RP (G)	8,04,997.42	3,00,00,000
	ICICI Pru Long Term MRP (G)	14,71,497.10	3,00,00,000
	Reliance Income GR (G)	5,64,290.56	3,00,00,000
	IDFC SSIF INVS (G)	7,42,491.55	3,00,00,000
	IDFC SSIF MT (G)	10,81,962.25	3,00,00,000
		21,00,00,000	—
		21,69,57,798	69,57,798
	Aggregate value of quoted investments		
	Cost	69,57,798	69,57,798
	Market Value	37,64,22,736	29,68,24,218
	Aggregate value of unquoted investments	21,00,00,000	—
11	LONG TERM LOANS & ADVANCES		
	(Unsecured and considered good)		
	Security deposits	32,02,388	23,91,231
		32,02,388	23,91,231
12	INVENTORIES		
a	Raw materials and Components valued at cost (Weighted average price)	8,82,49,913	10,86,66,595
b	Work in progress at estimated cost	3,30,82,043	2,83,98,473
c	Finished goods at cost or net realisable value whichever is lower. The Finished goods value includes Excise Duty	1,20,01,539	1,23,38,523
d	Stock in trade valued at cost	83,721	43,740
e	Stores & Spares valued at cost	58,68,438	51,11,305
f	Others -Scrap at net realisable value	60,720	1,36,605
	Consumables valued at cost	13,17,241	14,90,196
	Packing materials valued at cost	3,02,709	3,19,559
		14,09,66,324	15,65,04,996

Notes to Balance Sheet as at 31st March, 2017

(Amount in ₹)

Note No	Particulars	As at 31.03.2017	As at 31.03.2016
13	TRADE RECEIVABLES - (UNSECURED AND CONSIDERED GOOD)		
a	Outstanding for more than 6 months	1,12,30,371	95,50,172
b	Others	37,87,72,888	34,69,64,279
		39,00,03,259	35,65,14,451
14	CASH AND CASH EQUIVALENTS		
a	Unpaid dividend	22,41,347	19,00,502
b	Balance with banks		
	In current account	13,58,688	29,55,082
c	Cash in hand	2,96,044	3,85,379
d	Others		
	Short term deposits		
	Indian Bank (includes ₹ 2,88,14,597		
	Secured towards loan against deposit) (PY- Nil)	10,60,00,000	16,00,00,000
	HDFC Bank Ltd (includes ₹ 12,00,00,000		
	Secured towards loan against deposit) (PY- Nil)	22,25,00,000	32,50,00,000
		32,85,00,000	32,50,00,000
		33,23,96,079	33,02,40,963
15	SHORT TERM LOANS AND ADVANCES		
	Others-(Unsecured and considered good)		
a	Loans & advances to employees	5,27,078	4,64,642
b	Advance for Investments in Mutual Funds	9,00,00,000	-
		9,05,27,078	4,64,642
16	OTHER CURRENT ASSETS		
a	Advance for purchase	6,04,217	10,47,162
b	Vat & Cenvat tax input credit	3,67,16,050	5,48,80,087
c	Prepaid expenses	37,42,739	45,10,620
d	Service tax credit	9,99,755	1,23,83,806
e	Interest accrued but not due	1,95,77,042	1,34,74,494
		6,16,39,803	8,62,96,169

As per our report of even date

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Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Notes to Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Note No	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
17	REVENUE FROM OPERATIONS		
a	Sale of Products		
	Domestic Sales	1,79,64,94,522	2,07,20,49,976
b	Sale of Services	97,46,202	2,66,45,067
c	Other operating revenues	18,63,855	23,13,286
		1,80,81,04,579	2,10,10,08,329
	Less:		
d	Excise duty paid	19,89,39,378	23,06,26,100
		1,60,91,65,201	1,87,03,82,229
18	OTHER INCOME		
a	Interest Income	3,29,72,328	1,90,45,553
b	Dividend income	35,61,434	33,56,414
c	Net gain from foreign exchange	5,02,862	-
d	Profit on sale of fixed assets	18,187	3,03,279
e	Duty drawback	7,923	-
		3,70,62,734	2,27,05,246
19	COST OF MATERIALS CONSUMED		
a	Opening stock of raw materials and components	11,57,68,001	16,07,84,400
b	Purchases of raw materials and components	12,40,594,862	1,43,61,94,289
		1,35,63,62,863	1,59,69,78,689
c	Less: Closing stock of raw materials and components	(9,59,11,074)	(11,57,68,001)
		1,26,04,51,789	1,48,12,10,688
20	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
a	Opening stock of WIP	2,83,98,473	3,24,25,624
b	Closing stock of WIP	3,30,82,043	2,83,98,473
		(46,83,570)	40,27,151
c	Opening stock of FG	1,23,38,523	1,57,46,362
d	Closing stock of FG	1,20,01,539	1,23,38,523
		3,36,984	34,07,839
e	Change in inventory	(43,46,586)	74,34,990
21	EMPLOYEE BENEFIT EXPENSES		
a	Salaries & wages	11,79,72,092	12,15,80,075
b	Bonus	1,13,77,997	1,16,16,825
c	Gratuity	22,03,032	37,80,499
d	Provident fund	90,04,969	92,58,444
e	Welfare expenses	80,13,886	93,16,485
		14,85,71,976	15,55,52,328
22	FINANCE COSTS		
	Interest expenses	50,336	45,46,942
		50,336	45,46,942

Notes to Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

Note No	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
23	OTHER EXPENSES		
a	Consumption of stores and spare parts	1,22,89,731	1,14,19,868
b	Power and fuel	1,54,84,033	1,79,42,935
c	Repairs & maintenance		
	Repairs to machinery	84,12,187	82,53,558
	Repairs to vehicles	8,96,058	9,36,140
	Repairs to buildings	84,84,956	1,01,49,585
	Repairs - others	48,24,830	57,44,746
		<u>2,26,18,031</u>	<u>2,50,84,029</u>
d	Machining charges paid	47,02,226	94,79,190
e	Insurance	8,41,304	5,33,266
f	Rates and taxes, excluding, taxes on income	13,83,087	13,87,221
g	Audit fees		
	i) Statutory audit	4,04,000	2,01,000
	ii) For reimbursement of expenses	23,142	615
	iii) For taxation matters	-	-
	iv) For other services	1,66,145	1,17,824
h	Communication expenses	11,75,997	14,99,267
i	Postage, printing & stationery	11,39,086	13,82,480
j	Sitting fees	8,40,000	9,30,000
k	Legal & professional charges	33,40,487	34,02,759
l	Travelling & conveyance expenses	83,14,738	85,11,606
m	Net Loss from Foreign Exchange	-	2,50,558
n	CSR expenses	23,85,546	18,86,501
o	Miscellaneous expenses	1,10,15,338	1,02,92,968
		<u>8,61,22,891</u>	<u>9,43,22,087</u>
24	EXCEPTIONAL ITEMS		
	Voluntary retirement scheme payment	84,47,748	-
		<u>84,47,748</u>	<u>-</u>

As per our report of even date

Nethra J.S. Kumar
Chairperson and Managing Director
(DIN : 00217906)

Sanjay Jayavarthanavelu
Director
(DIN : 00004505)

For Subbachar & Srinivasan
Chartered Accountants
Firm Regn. No. 004083S

For N.R. Doraiswami & Co
Chartered Accountants
Firm Regn. No.000771S

B.K. Ravi Kumar
Chief Financial Officer

S. Sathyanarayanan
Company Secretary

T.S.V. Rajagopal
Partner
Membership No. 200380

Suguna Ravichandran
Partner
Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

ACCOUNTING POLICIES AND NOTES TO STATEMENT OF PROFIT AND LOSS AND BALANCE SHEET AS AT 31ST MARCH 2017

I. Significant Accounting Policies:

1. Method of Accounting:

The financial statements are prepared on the historical cost convention basis on accrual concept and in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply with the mandatory accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 (as amended) and the guidelines issued by the Securities and Exchange Board of India (SEBI) and the relevant provisions of the Companies Act, 2013 to the extent applicable.

2. Fixed Assets [Property, Plant and Equipment]:

Property, Plant and Equipment include all expenditure of capital nature and are stated at aggregate cost of acquisition, installation and commissioning less Cenvat Credit, VAT credit wherever applicable. Property, Plant and Equipment values are stated at historical cost. Interest, if any, on borrowing attributable to acquisition of assets are capitalised and included in the cost of asset, as appropriate.

3. Depreciation:

a) Depreciation on Fixed Assets [Property, Plant and Equipment] has been provided on the basis of useful lives of the Fixed Assets [Property, Plant and Equipment] in accordance with Schedule II of the Companies Act, 2013.

b) For additions during the year, Prorata depreciation has been provided from the date of addition.

4. Investments:

Investments being long term are stated at cost inclusive of all expenses incidental to acquisition. Provision for diminution in their market value is made only if such decline is other than temporary.

5. Employee benefits:

Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees rendered service are accounted on accrual basis.

Defined Contribution Plans

Company's contributions paid/payable during the year to Provident Fund and Superannuation Fund and ESIC are recognized in the profit and loss statement.

Defined Benefit Plans

Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits becomes vested. Actuarial gains or losses are recognized immediately in the profit and loss statement as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligations. The expected return on plan assets is based on market expectations at the beginning of the period for returns over the entire life of the related obligations.

Notes forming part of accounts as at 31st March, 2017 (Contd...)

The cost of termination benefits, namely voluntary retirement payments are expensed in the year of payment.

Provision is made in the accounts for Unpaid Leave Encashment based on actuarial certificate obtained in terms of AS 15 (Revised 2005).

6. Taxation:

Provision for taxation is made as per estimated total income after considering various reliefs admissible under the provisions of the Income Tax Act, 1961.

In terms of Accounting Standard 22, the deferred tax liability for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been enacted on the Balance Sheet date.

7. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

8. Foreign Currency Transactions:

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expense in the Statement of Profit and Loss. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and the difference is adjusted as income or expense in the Statement of profit and loss.

The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

9. Recognition of Income and Expenditure :

Income and expenditure are recognised and accounted on accrual basis. Revenue from sale transaction is recognised as and when the goods are sold to the buyer for a definite consideration and the legal title is passed on to the buyer. Revenue from service transaction and other sources is recognised on the completion of the contract. Dividend from Investments and Export incentives are recognized when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists.

10. Excise Duty and Customs Duty :

Excise duty in respect of goods manufactured by the Company is accounted at the time of removal of goods from the factory for sale or captive consumption. Cenvat credit in respect of capital goods is deducted in the respective capital goods and in respect of revenue items deducted from respective revenue items and consumption arrived at on that basis. Excise duty on closing stock of inventory of finished goods is included in the inventory value in terms of the relevant Accounting Standard AS 2.

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Notes forming part of accounts as at 31st March, 2017 (Contd...)

11. Research & Development:

Research & Development costs are charged to revenue in the period in which they are incurred.

12. Impairment of Assets:

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets [Property, Plant and Equipment] are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognized as an impairment loss. The impairment loss, if any, recognized in prior accounting period is reversed if there is a change in estimate of recoverable amount.

13. Earning per share:

Basic Earning per share is calculated by dividing the Net Profit after tax attributable to the equity shareholders by the weighted average number of Equity Shares outstanding during the year.

14. Borrowing costs:

Borrowing costs, if any, attributable to acquisition/ construction of qualifying assets are capitalized and included in the cost of the asset, as appropriate.

15. Cash Flow Statement and Cash and cash equivalents:

Cash Flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated. Cash and cash equivalents include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

II. Notes forming part of Accounts:

1. Consumption of Raw Materials & Components:

S. No.	Particulars	2016-2017		2015-2016	
		Amount in ₹	% to total consumption	Amount in ₹	% to total consumption
i)	Raw Materials – Imported	2,75,21,797	2.18	75,36,625	0.51
ii)	Components–Imported	5,89,60,319	4.68	2,69,19,034	1.82
iii)	Raw Materials–Indigenous	18,25,57,683	14.48	17,69,61,208	11.95
iv)	Components – Indigenous	99,14,11,990	78.66	1,26,97,93,821	85.72
Total		1,26,04,51,789	100.00	1,48,12,10,688	100.00

Notes forming part of accounts as at 31st March, 2017 (Contd...)

2. As defined under Micro, Small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2017 has been made in the financial statements based on information received and available with the company.

(Amount in ₹)

S No.	Particulars	As at 31.03.2017	As at 31.3.2016
a)	The Principal amount and the Interest due there on remaining unpaid to any supplier as at the end of each accounting year		
	Principal	4,13,28,876	3,84,44,560
	Interest	NIL	NIL
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	NIL	NIL
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the Interest dues above are actually paid to the Small Enterprises for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

3. Value of Imports on CIF Basis:

S.No.	Particulars	2016-17	2015-16
a)	Raw Materials	2,47,02,908	40,07,957
b)	Components & Spare parts	1,96,03,470	1,94,69,114
c)	Capital Goods	–	7,49,280

4. Expenditure in Foreign currency (Others): 6,74,698 18,89,081
5. Earnings in Foreign Exchange: 3,85,576 Nil

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Notes forming part of accounts as at 31st March, 2017 (Contd...)

6. Contingent Liabilities and claims against the company not acknowledged as debts: (Amount in ₹)

S. No.	Particulars	2016-2017	2015-2016
(i)	Estimated amount of contracts to be Executed on capital account and not provided for	50,955	4,44,331
(ii)	Guarantees and Counter Guarantees executed by the Company	23,29,000	34,56,261
(iii)	Letters of Credit	45,43,700	—

7. Sales tax assessments have been completed up to Financial Year 2005 - 2006 and Financial Year 2007 - 2008 to 2014-2015.

8. Income Tax assessments have been completed up to A.Y. 2012 -13.

9. Deferred Tax:

The break-up of the Deferred Tax Assets / Liabilities is as under: (Amount in ₹)

Deferred Tax Liability	Opening Balance	Additions during the year	Reversals during the year	Closing Balance
On account of Depreciation	2,54,33,910	47,05,796	-	3,01,39,706
Total (A)	2,54,33,910	47,05,796	-	3,01,39,706

Deferred Tax Asset	Opening Balance	Additions during the year	Reversals during the year	Closing Balance
On account of 43B Disallowance	14,40,823	5,10,550	-	19,51,373
VRS	9,29,954	23,38,877	(7,09,702)	25,59,129
Software Charges	1,258	-	(755)	503
Carried Forward Losses	1,83,181	-	-	1,83,181
Total (B)	25,55,216	28,49,427	(7,10,457)	46,94,186
Deferred Tax Liability (Net) (A-B)	2,28,78,694	18,56,369	7,10,457	2,54,45,520

10. Details of Turnover: (Amount in ₹)

S.No.	Particulars	2016 - 17	2015 - 16
a)	Control Panels	1,29,64,19,967	1,53,70,49,388
b)	Plastic Components	26,83,42,002	27,47,23,798
c)	Spares & Accessories	2,06,67,101	2,38,82,366
d)	Sale of Power	1,21,26,074	57,68,324
e)	Labour charges Receipts	97,46,202	2,66,45,067
f)	Sale of Scrap	18,63,855	23,13,286
	Total	1,60,91,65,201	1,87,03,82,229

Notes forming part of accounts as at 31st March, 2017 (Contd...)
11. Calculation of Earnings per share (Face value ₹ 10/- Per share)

S. No.	Particulars	2016 - 17	2015 - 16
1)	Net Profit after tax before Extraordinary items : (A)	₹ 8,82,38,507	₹ 8,59,90,418
	No. of Shares : (B)	24,58,000	24,58,000
2)	Net Profit after tax & after Extraordinary items : (A)	8,82,38,507	8,59,90,418
	No. of Shares: (B)	24,58,000	24,58,000
	Basic and diluted EPS (A) / (B)	₹ 35.90	₹ 34.98

12. Employee Benefits
1) Defined Benefit Plans

(Amount in ₹)

Particulars	Gratuity (Funded)			Leave Encashment (Unfunded)		
	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015
A. Expense recognised during year ended 31.03.2017						
1 Current Service Cost	19,50,687	18,13,601	13,71,833	10,87,483	7,59,704	5,76,240
2 Interest cost	24,79,031	19,53,146	17,33,599	3,70,905	3,72,938	3,47,172
3 Expected return on plan assets	(26,89,355)	(24,42,299)	(21,75,389)	-	-	-
4 Actuarial Losses / (Gains) during the year	(14,22,586)	34,35,936	12,46,390	1,44,194	(1,40,479)	11,54,217
5 Total Expense	3,17,777	47,60,384	21,76,433	16,02,582	9,92,163	20,77,629
B. Actual return on Plan assets						
1 Expected return on plan assets	26,89,355	24,42,299	21,75,389	-	-	-
2 Actuarial (Loss) / Gain on Plan assets	-	-	-	-	-	-
3 Actual return on Plan assets	26,89,355	24,42,299	21,75,389	-	-	-
C. Net Asset/(Liability) recognised in the Balance Sheet						
1 Present value of the obligation as on 31.03.2017	3,04,69,225	3,09,87,886	2,44,14,320	56,38,507	52,36,702	53,17,972
2 Fair value of plan assets as on 31.03.2017	3,23,17,680	3,29,61,796	2,58,04,388	-	-	-
3 Funded status [Surplus / (Deficit)]	18,48,454	19,73,910	13,90,068	(56,38,507)	(52,36,702)	(53,17,972)
4 Unrecognised past service cost	-	-	-	-	-	-
5 Net Asset/(Liability) recognised in the Balance Sheet	18,48,454	19,73,910	13,90,068	(56,38,507)	(52,36,702)	(53,17,972)
D. Change in present value of the Obligation during the year ended March 31,2017						
1 Present value of the obligation as at April 1, 2016	3,09,87,886	2,44,14,320	2,16,69,984	52,36,702	53,17,972	43,06,875
2 Current Service Cost	19,50,687	18,13,601	13,71,833	10,87,484	7,59,704	5,76,240
3 Interest cost	24,79,031	19,53,146	17,33,599	3,70,905	3,72,938	3,47,172
4 Benefits paid	(35,25,793)	(6,29,117)	(16,07,486)	(12,00,778)	(10,73,433)	(10,66,532)
5 Actuarial (gain) / loss on obligation	(14,22,586)	34,35,936	12,46,390	1,44,194	(1,40,479)	11,54,217
6 Present value of obligation as at March 31,2017	3,04,69,225	3,09,87,886	2,44,14,320	56,38,507	52,36,702	53,17,972

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Notes forming part of accounts as at 31st March, 2017 (Contd...)

	Gratuity (Funded)			Leave Encashment (Unfunded)		
	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015
E. Change in Assets during the year ended March 31, 2017						
1 Fair value of plan assets as at April 1, 2016	3,29,61,796	2,58,04,388	2,46,51,810	-	-	-
2 Expected return on plan assets	26,89,355	24,42,299	21,75,389	-	-	-
3 Contributions made	1,92,322	53,44,226	5,84,675	12,00,778	10,73,433	10,66,532
4 Benefits paid	(35,25,793)	(6,29,117)	(16,07,486)	(12,00,778)	(10,73,433)	(10,66,532)
5 Actuarial gain / (loss) on plan assets	-	-	-	-	-	-
6 Fair value of plan assets as at March 31, 2017	3,23,17,680	3,29,61,796	2,58,04,388	-	-	-
F. Major categories of plan assets as a percentage of total plan						
1 Qualifying insurance policies	3,23,17,680	3,29,61,796	2,58,04,388	-	-	-
2 Own plan assets	-	-	-	-	-	-
Total	3,23,17,680	3,29,61,796	2,58,04,388	-	-	-
G. Actuarial Assumptions						
1 Discount rate	8.00%	8.00%	8.00%	7.30%	8.00%	7.80%
2 Salary escalation	7.00%	7.00%	7.00%	8.00%	8.00%	7.00%
3 Expected rate of return on plan assets	8.75%	8.75%	8.75%	-	-	-
4 Attrition rate	1.50%	1.50%	1.50%	2.49%	3.00%	3.00%
5 Mortality rate	Indian Assured Lives Ultimate (2006-08)	Indian Assured Lives Ultimate (2006-08)	Indian Assured Lives Ultimate (2006-08)	Indian Assured Lives Ultimate (2006-08)	Indian Assured Lives Ultimate (2006-08)	Indian Assured Lives Ultimate (2006-08)

Note:

The salary escalation considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Gratuity is applicable to all permanent and full time employees of the Company.

Gratuity payment is based on last drawn basic salary and dearness allowance at the time of termination or retirement.

The Scheme takes into account each completed year of service or part thereof in excess of six months. The entire contribution is borne by the Company.

Leave encashment benefits are provided as per the Rules of the Company.

2. Defined contribution plan

Particulars	31.03.2017	31.03.2016	31.03.2015
Employer's Contribution's to PF and Family Pension Fund	86,46,288	88,76,508	60,79,008

13. Some of the Debtors / Creditors accounts whose balances show a variance as compared to the Books of Accounts of the Company are in the process of reconciliation. This however will not have any material impact on the profits for the year.

14. Details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016.

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08.11.2016	50,000	118	50,118
(+) Permitted receipts	32,000	3,85,626	4,17,626
(-) Permitted payments	-	2,40,995	2,40,995
(-) Amount deposited in Banks	82,000	-	82,000
Closing cash in hand as on 30.12.2016	-	1,44,749	1,44,749

15. In the opinion of the Board of Directors, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
16. a) The company does not have any derivatives financial instruments either for hedging or for speculation purpose outstanding as on the Balance sheet date.
- b) Details of foreign currency exposures that are not hedged by any derivative instrument or otherwise are

Particulars	Foreign Currency	Amount in foreign currency		Equivalent ₹ in Lakhs	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Sundry Debtors	USD	920.15	-	0.62	-
	EURO	694.00	-	0.48	-
Sundry Creditors	USD	1,31,728	94,952	87.09	65.12

17. Figures have been rounded off to the nearest rupee.
18. The previous year's figures have been regrouped and reclassified wherever necessary to suit this year's presentation.

See accompanying notes to the financial statements

As per our report of even date

Nethra J.S. Kumar
Chairperson and Managing Director
(DIN : 00217906)

Sanjay Jayavarthanavelu
Director
(DIN : 00004505)

For Subbachar & Srinivasan
Chartered Accountants
Firm Regn. No. 004083S

For N.R. Doraiswami & Co
Chartered Accountants
Firm Regn. No.000771S

B.K. Ravi Kumar
Chief Financial Officer

S. Sathyanarayanan
Company Secretary

T.S.V. Rajagopal
Partner
Membership No. 200380

Suguna Ravichandran
Partner
Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

III. SEGMENT REPORTING FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

PRIMARY- BUSINESS SEGMENT	Electricals		Plastics		Wind Power Generation		TOTAL	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Revenue								
External Sales	1,32,73,39,584	1,58,43,23,362	25,80,89,485	25,13,32,190	81,43,691	57,68,324	1,59,35,72,760	1,84,14,23,876
Inter segment transfers	-	-	-	-	39,82,383	-	39,82,383	-
Allocable other income	30,10,746	29,23,307	91,28,284	2,63,38,325	0	-	1,21,39,030	2,92,61,632
Total revenue	1,33,03,50,329	1,58,72,46,669	26,72,17,769	27,76,70,515	1,21,26,074	57,68,324	1,60,96,94,173	1,87,06,85,508
Less: Inter unit transfers							39,82,383	-
Add: Unallocable other income							3,65,33,762	2,24,01,967
Enterprise revenue							1,64,22,45,552	1,89,30,87,475
Result								
Segment results	6,85,79,546	10,93,05,330	1,42,03,369	16,05,663	79,60,243	25,18,202	9,07,43,158	11,34,29,195
Unallocable expenses							-	-
Operating profit							9,07,43,158	11,34,29,195
Less: Interest expenses							50,336	45,46,942
Bank Charges							4,89,640	2,64,127
Income tax expenses							3,84,98,438	4,50,29,675
Add: Unallocable income							3,29,72,328	1,90,45,553
Interest receipts							35,61,434	33,56,414
Dividend receipts								
Net Profit after tax							8,82,38,506	8,59,90,418
Other information								
Segment assets	77,23,57,907	88,06,04,693	24,84,06,654	26,25,23,776	3,26,91,361	3,11,12,316	1,05,34,55,922	1,17,42,40,785
Add: Unallocated corporate assets							21,69,57,798	69,57,798
Enterprise assets							1,27,04,13,720	1,18,11,98,583
Segment liabilities	21,78,58,838	18,89,53,830	1,48,16,452	2,11,36,207	33,27,080	33,27,080	23,60,02,370	21,34,17,117
Add: Unallocated corporate liabilities							1,03,44,11,350	96,77,81,466
Enterprise liabilities							1,27,04,13,720	1,18,11,98,583
Capital expenditure	82,29,811	3,99,76,356	18,14,923	1,69,38,362	-	-	1,00,44,734	5,69,14,718
Depreciation	1,08,61,548	97,97,964	80,84,710	79,55,804	12,46,579	12,46,579	2,01,92,837	1,90,00,347

Notes:

- 1) The company is organised into three main Business Segments viz., Electricals , Plastics & Wind Power Generation.
- 2) All customers are located within India. There are no reportable segments in Secondary Geographical segments.
- 3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

See accompanying notes to the financial statements

As per our report of even date

Nethra J.S. Kumar
Chairperson and Managing Director
(DIN : 00217906)

Sanjay Jayavarthanavelu
Director
(DIN : 00004505)

For Subbachar & Srinivasan
Chartered Accountants
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T.S.V. Rajagopal
Partner
Membership No. 200380

Suguna Ravichandran
Partner
Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

IV. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31ST MARCH 2017

1. Relationships

Description of relationship	Names of related parties
Other related parties	Eshann Enterprises Ltd GKD ITR Tooling Center Harshni Textiles Ltd Integrated Electrical Controls India Ltd Lakshmi Precision Tools Ltd Lakshmi Electrical Drives Ltd Lakshmi Ring Travellers (Coimbatore) Ltd Lakshmi Cargo Company Ltd Lakshmi Technology & Engineering Industries Ltd Lakshmi Life Sciences Ltd LCC Cargo Holding Ltd Lakshmi Machine Works Ltd Mahalakshmi Engineering Holding Ltd Quattro Engineering India Ltd Starline Travels Ltd Sun Spintex Ltd Super Sales India Ltd Supreme Dairy Products India Pvt Ltd Venkata Varadhaa Agencies Pvt Ltd
Key Management Personnel	Smt. Nethra J.S. Kumar Chairperson and Managing Director

2. Transactions

(Amount in ₹)

Details	Other Related Parties	Key Management Personnel
Purchase of goods	45,46,52,786 (44,23,28,534)	—
Sale of goods	1,73,70,43,647 (1,99,90,21,049)	—
Sale of Fixed Assets	— (6,25,000)	—
Rendering of services	1,26,90,129 (3,05,91,551)	—
Receiving of services	74,39,036 (90,34,619)	—
Managerial Remuneration	—	88,64,067 (82,11,929)
Loans given	—	—
Investment in Equity	—	—
Sale of equity	— (10,00,00,000)	—

Amount due to / from Related Parties

DETAILS	OTHER RELATED PARTIES	KEY MANAGEMENT PERSONNEL
Accounts Receivable	33,98,78,097 (30,64,12,603)	—
Accounts Payable	10,53,78,102 (7,36,08,635)	8,59,904 (6,88,122)

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Disclosure in respect of Material Related Party Transactions during the year:

1. Purchase of Goods includes Lakshmi Machine Works Limited ₹ 32,24,37,169 (Previous Year ₹ 32,44,02,852), and Lakshmi Precision Tools Limited ₹ 13,11,40,547 (Previous Year ₹ 11,69,67,155), Others – Other Related Parties – Associates ₹ 10,75,070 (Previous Year ₹ 9,58,527).
2. Sale of Goods includes Lakshmi Machine Works Limited ₹ 1,71,79,80,410 (Previous Year ₹ 1,98,78,19,722) and Others – Other Related Parties – Associates ₹ 1,90,63,237 (Previous Year ₹ 1,12,01,327).
3. Sale of Fixed Assets includes Starline Travels Limited Nil (Previous Year ₹ 6,25,000) and Others – Other Related Parties – Associates Nil (Previous Year Nil).
4. Rendering of Services includes Lakshmi Machine Works Limited ₹ 68,64,368 (Previous Year ₹ 2,32,80,534), Lakshmi Precision Tools Limited ₹ 42,75,769 (Previous Year ₹ 42,18,944), and Others – Other Related Parties – Associates ₹ 15,49,992 (Previous Year ₹ 30,92,073).
5. Receiving of Services includes Lakshmi Cargo Company Limited ₹ 31,54,849 (Previous Year ₹ 44,83,137), Starline Travels Limited ₹ 39,13,267 (Previous Year ₹ 41,79,688), and Others – Other Related Parties – Associates ₹ 3,70,920 (Previous Year ₹ 3,71,794).
6. Managerial Remuneration includes amount paid to Smt. Nethra J.S. Kumar ₹ 88,64,067 (Previous Year ₹ 82,11,929)
7. Sale of Equity Shares includes Lakshmi Electrical Drives Limited Nil (Previous Year ₹ 10,00,00,000) and Others – Other Related Parties – Associates Nil (Previous Year Nil).
8. Dividend paid to includes Smt. Nethra J.S. Kumar ₹ 39,78,696 (Previous Year ₹ 34,81,359), Lakshmi Electrical Drives Limited ₹ 13,82,048 (Previous Year ₹ 9,18,442) and Others – Others Related Parties – Associates ₹ 1,18,800 (Previous Year ₹ 1,03,950).
9. Outstanding Receivables includes Lakshmi Machine Works Limited ₹ 33,27,84,935 (Previous Year ₹ 30,25,78,052) and Others – Other Related Parties – Associates ₹ 70,93,162 (Previous Year ₹ 38,34,551).
10. Outstanding Payables includes Lakshmi Machine Works Limited 9,07,65,474 (Previous Year ₹ 6,97,27,147) and Lakshmi Precision Tools Limited ₹ 1,37,48,723 (Previous Year ₹ 33,49,817), and Others – Other Related Parties – Associates ₹ 17,23,809 (Previous Year ₹ 12,17,793).

See accompanying notes to the financial statements

As per our report of even date

Nethra J.S. Kumar
Chairperson and Managing Director
(DIN : 00217906)

Sanjay Jayavarthanavelu
Director
(DIN : 00004505)

For Subbachar & Srinivasan
Chartered Accountants
Firm Regn. No. 004083S

For N.R. Doraiswami & Co
Chartered Accountants
Firm Regn. No.000771S

B.K. Ravi Kumar
Chief Financial Officer

S. Sathyanarayanan
Company Secretary

T.S.V. Rajagopal
Partner
Membership No. 200380

Suguna Ravichandran
Partner
Membership No. 207893

Place : Coimbatore
Date : May 29, 2017

To
M/s. S.K.D.C. Consultants Ltd.
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore - 641 006

Unit : LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

1. Particulars of the shareholder

- a) Regd. Folio no. : _____
- b) Name of the first Regd. Holder (in block letters) : _____

2. Particulars of the Bank

- a) Name of your Bank : _____
- b) Address of the Branch : _____
- c) Account no. (as appearing in the Cheque book) : _____
- d) Ledger Folio No. (if any) of the bank account : _____

- e) Account Type : _____ Please Tick relevant box
(Savings account, Current account or Cash Credit)

SAVINGS	CURRENT	CASH CREDIT
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- f) Nine Digit code number of the bank and branch appearing on the MICR cheque issued by the bank

(please attach a photocopy of a cheque for verifying the accuracy of the code number

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DECLARATION

I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effective at all for reasons of incomplete or incorrect information, I would not hold the Company responsible

(Signature of the first Regd.holder)
as per specimen signature with the Company

Place :

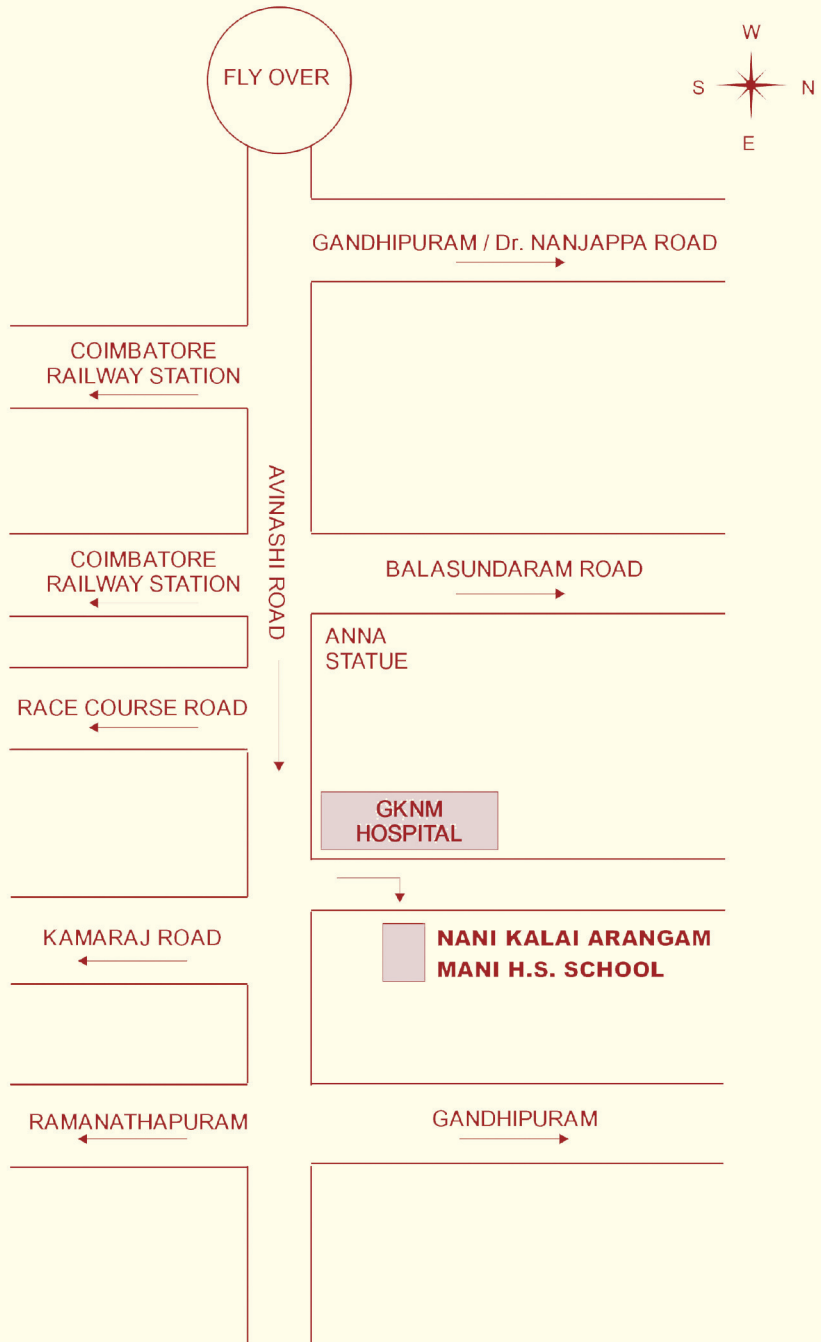
Name : _____

Date :

Address: _____

Pincode _____

- Note : 1. Please send the form to the address mentioned above.
2. In case the scheme does not meet with the desired response or due to any other operational reasons it is found to be unviable, the Company reserves the right to pay dividend by issue of Warrants.



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

Arasur - 641 407, Coimbatore Dist, India.

Phone : +91 422 3093500.

Email : lecs@vsnl.com. Website : www.lecsindia.com

CIN : L31200TZ1981PLC001124



LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN: L31200TZ1981PLC001124

Registered Office:34-A, Kamaraj Road, Coimbatore -641 018

Phone : 0422 3093500 Fax:0422 3093555 Email : investorscell@lecsindia.com Website : www.lecsindia.com

FORM NO. MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s),
Registered address,
E-mail ID, Folio No.,
Client ID: & DP ID:

I/We being the member(s) holding shares of the above named Company, hereby appoint:

1) Name :	
Address :	
Email ID :	Signature
or failing him/her	
2) Name :	
Address :	
Email ID :	Signature
or failing him/her	
3) Name :	
Address :	
Email ID :	Signature

PT.O.

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Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the Notice before exercising

EVSN (Electronic Voting Sequence Number)	* Default Pan /Sequence No
170630011	

* Those who have not registered their PAN may use Default Pan

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ATTENDANCE SLIP

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED

CIN: L31200TZ1981PLC001124

Registered Office:34-A, Kamaraj Road, Coimbatore -641 018

Phone : 0422 3093500 Fax:0422 3093555 Email : investorscell@lecsindia.com Website : www.lecsindia.com

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF **Nani Kalai Arangam, Mani Higher Secondary School, P.N. Palayam, Coimbatore - 37**

Name and address of the Shareholder

Folio No. / Demat ID :

No. of Shares held :

I hereby record my presence at the 36th ANNUAL GENERAL MEETING at 'Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 on Wednesday the 02nd August, 2017 at 03.00 PM

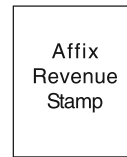
* Strike out whichever is not applicable

Signature of Member / Proxy*

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the company, to be held on Wednesday the 02nd August, 2017 at 03.00 PM at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037 and at any adjournment thereof in respect of such resolutions as are indicated below :

S. No.	Subject	
1	Adoption of Annual Financial Statements.	
2	Declaration of Dividend for the year ended 31 st March, 2017	
3	Reappointment of Sri. D.Senthilkumar (holding DIN 00006172), Director retiring by rotation.	
4	Appointment of Auditors and to fix their remuneration	

Signed this day of 2017



Signature of shareholder :

Signature of Proxy holder (s) :

Note :

This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.