

LM®

XIII
Annual
Report
Report

Linaks Microelectronics Limited



Annual Report 1998-99

LINAKS MICROELECTRONICS LIMITED

Regd. Office :
12.6 Km. Barabanki Road, Chinhat,
Lucknow-227 105

LINAKS MICROELECTRONICS LIMITED

BOARD OF DIRECTORS

Mr. Anil K. Singh - Managing Director
Mr. Udayan Singh - Whole Time Director
Mr. R.K. Mehra - Whole Time Director
Mr. Ravindra Kacker - PICUP Nominee
Mr. Pradeep Kumar
Mr. Y.S. Kapadia
Mr. Dhruva Chaudhury - IL & FS Venture
Corp. Ltd. Nominee.

Dr. Gautam Singh
Mr. Atul K. Singh

AUDITORS :

S.R. Gupta & Co.

BANKERS :

State Bank of India



NOTICE

Notice is hereby given that the thirteenth Annual General Meeting of LINAKS MICROELECTRONICS LTD. will be held at the Registered office of the Company at 12.6 KM. Barabanki road, Chinhhat. Lucknow on Thursday the 30th September 1999 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Annual Accounts alongwith Cash Flow statement of the Company for the year ended on 31st March 1999 and reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Pradeep Kumar. Who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Y.S. Kapadia. Who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

NOTES :

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself. Such Proxy

need not be a member of the Company. Proxy in order to be effective must be received by the Company at its registered office not less than 48 hours before the time fixed for the meeting. A blank proxy form is enclosed.

2. The Register of members and share Transfer books shall remain closed from 23.09.99 to 30.09.99 (both days inclusive).
3. Members are requested to bring along their copy of Annual Report for attending the meeting.
4. Members are requested to quote their Folio/ Account no in all correspondence with the Company and inform the Company about their change of address. if any.
5. For convenience of members an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided thereof and handover the attendance slip at the place of meeting. The proxy of a member should mark on the attendance slip as proxy.



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LINAES MICROELECTRONICS LIMITED
DIRECTOR'S REPORT

To,
The Members,

Your Directors hereby present the thirteenth Annual Report of the Company for the year ended on 31st March, 1999

SUMMARISED FINANCIAL RESULTS

	(Rs in Lacs)	
	During the year ended	
	31.03.1999	31.03.1998
Sales and other income	65.38	281.49
Profit/Loss before interest and depreciation.	(-) 166.75	(-) 119.42
Less : Interest	301.66	277.92
depreciation	59.69	56.23
Profit/Loss before Tax	(-) 548.10	(-) 453.57

YEAR UNDER REVIEW AND PROSPECTS

The year under review has been a major setback to the Company. The rehabilitation package drawn up by the IDBI after April 1998 meeting with all the institutions could not be implemented as by the time it was cleared by all the institutions we were well into Sept'98 and thereby had become due for compulsory statutory reference to BIFR. As such the same package after due updating has been re-routed through BIFR for which the second hearing is due in August'99.

The Production activity for the better part of the

year remained suspended due to the paucity of working funds and incomplete installation of services. Our customers and suppliers, however, have stood by us and we have taken them into confidence regarding the rehabilitation programme and the expected revised schedule of operations.

OUTLOOK FOR THE CURRENT YEAR.

If the rehabilitation time table unfolds as programmed we should get our disbursement in September'99. It would require 2 months for us to get the plant on stream and orderwise we do not foresee many problems as we have kept our customers posted on the developments regularly. Export orders would pick up only from the next calendar year as most of them have already finalised their procurement plans for the last two quarters of 1999.

DIVIDEND

In view of the continued losses, No dividend payout for the year under review is being recommended.

DIRECTORS

During the year under review Mr. V.K. Jain and Mr. Rajesh Pd. Singh, the whole time Directors resigned from the Directorships of the Company w.e.f. 29.01.99 and 30.07.99. respectively.

Your Directors take this opportunity to place on record their deep appreciation for the valuable services rendered by Mr. V.K. Jain and Mr. Rajesh. P. Singh during their tenure as Directors of the Company.



Mr. Pradeep kumar and Mr. Y.S. ^k Sapadia are persons, who have been longest in the office since the last appointment of Directors and in terms of the provisions of Section 255 of the Companies Act, 1956 as determined by lot the terms of their offices are liable to retire by rotation at the forthcoming annual general meeting, however, they are eligible for their reappointment.

AUDITORS

You are requested to appoint auditors for the current year and fix their remuneration. The retiring auditors M/S S.R. Gupta & Co., Chartered Accountants, Kanpur are eligible for reappointment and have given their consent and also furnished certificate as required by Section 224(1B) of the companies Act, 1956.

ACCOUNTS AND COMMENTS IN THE AUDITORS REPORT.

The points referred to by the Auditors in their report are self explanatory and need no further clarification/explanation. However, so far as point no. 20 of the annexure to the Auditors Report is concerned regarding Company becoming sick industrial undertaking within the meaning of Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985. Your Directors made a reference under SICA to BIFR in Nov. 1998 and the 1st hearing was held on 01.04.99. The Company was declared sick under Section 3(1)(0) of Sica by the Bench and IDBI was appointed as the operating agency (OA). Sept'99 was set as the revised cut off date and the OA was directed to up-

date the package it had drawn up earlier. OA convened a joint meeting of all the institutions on 26.06.99 and submitted its minutes and DRS (Draft rehabilitation Scheme) to BIFR on 23.07.99. BIFR has fixed August 13th as the next date for hearing.

INFORMATION UNDER SECTION 217 OF THE COMPANIES ACT, 1956.

A. Particulars of Employees

In compliance of the provisions under Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975, no employee of the Company was in receipt of a remuneration of Rs. 50000/- or more p.m. if employed for a part of the year under review or Rs. 6,00,000/- or more p.a. if employed throughout the said year.

B. Information in respect of conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earning and outgo are as under :-

(a) Conservation of Energy

Taking advantage of high power diversity factor in the PCB fabrication process your Company has opted for fully captive modular generation in units



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of 125 KVA each. This is providing flexibility of usage thereby keeping the power consumption low. Other ongoing measures like Power factor improvement, use of new breed of low wattage high luminiscence fittings etc. have been carried out.

(b) Technology absorption

(I) Research and Development (R&D)

Since the Company does not have any R & D department or have carried R & D activities. The information in this regard is Nil.

(ii) Technology Absorption, Adaptation and Innovation.

MLB technology is un der absorption.

(c) Foreign Exchange Earning and Outgo.

Foreign exchange earning during the year under review were equipment to Rs. 24.26 lacs (previous year Rs. 105.87 lacs). The total outgo in foreign currency amounted equipment to Rs. 7.12 lacs).

Y2K Preparedness

Application software supporting the business activity and hardware have been made Y2K compliant and the same has also been verified by an external agency hired by the company. The company plan and has sufficient internal resources to address any system disruption due to Y2K issue.

ACKNOWLEDGEMENT

We went on record in 1998 August to acknowledge our gratitude to our staff who were severely tested in the preceding year. But looking back at

the year just over the previous year appears to have been a juniour leauge endurance test. The mettle of Linaks family came under very severe pressure this year. But the best of steel has to pass through the hottest of fires and we have all emerged strong from the ordeal. Grateful thanks once again to all who stood by us through blood sweat and toil.

Your Directors also wish to record their thanks to the Financial Institutions and Banks who have continued their support to the Company. The directors are also grateful to the shareholders, dealers and customers who have reposted their confidence in and dearing with the Company in the crisis and are still with the Linaks Family.

For and on behalf of the Board of Directors.

(Anil Kumar Singh)
Managing Director

Place: Lucknow (Udayan Singh)
Date : 30.07.1999 Director

SHAREHOLDERS INFORMATION SHARE DEPARTMENT & INHOUSE TRANSFER ARRANGEMENT

LINAIS MICROELECTRONICS LIMITED
12.6 Km, Barabanki Road, Chinhat
Lucknow-227015

Stock Exchange(Where Company's Shares are listed)

1. The U.P. Stock Exchange Association Ltd.
Padam Towers, 14/113, Civil Lines
Kanpur (U.P.)
2. The Delhi Stock Exchange Association Ltd.
West I.G. Stadium, I.P. Estate, New Delhi- 110 00
3. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Streed, Mumbai- 400 023