

2014
Annual
Report

Linaks Microelectronics Limited

Regd. Office:

**12.6 Km. Barabanki Road, Chinhat,
Lucknow-227 105**

LINAKS MICROELECTRONICS LTD.

BOARD OF DIRECTORS

Mr. Anil K Singh - Managing Director
Mr. Udayan Singh - Whole Time Director
Mr. R.K. Mehra - Whole Time Director
Mr. Pradeep Kumar
Mr. Y.S. Kapadia
Dr. Gautam Singh
Mr. Atul K Singh

AUDITORS :

S.R. Gupta & Co.

BANKERS :

State Bank of India

SHAREHOLDERS' INFORMATION

**SHARE DEPARTMENT & INHOUSE SHARE
TRANSFER ARRANGEMENT**

Linaks Microelectronics Ltd.
12.6 km, Barabanki Road,
Chinhat, Lucknow-227 105

**STOCK EXCHANGES (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.
DSE House, 3/1 Asaf Ali Road,
New Delhi-110 002.
3. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 023.

**NOTICE**

Notice is hereby given that the fourteenth Annual General Meeting of LINAKS MICROELECTRONICS LTD. will be held at the Registered office of the Company at 12.6 km. Barabanki Road, Chinhath, Lucknow on Friday the 29th September, 2000 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Accounts alongwith Cash Flow statement of the Company for the year ended on 31st March, 2000 and reports of the Directors and Auditors thereon.
2. To appoint a director in place of Dr. Gautam Singh, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Udayan Singh, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification the following resolution as an ordinary resolution :

“RESOLVED, in addition to the resolution No.7 passed by the Company at the Annual General Meeting held on 25.09.1996, that the Company do hereby accord its consent to and ratify the action of Board of Directors, pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/ or charging, from time to time, all or any of the moveable or immoveable properties of the Company both present and those which may be acquired in future by the Company to IDBI, IDBI acting for itself and as an agent of PICUP and SBI for securing various loan and working capital finance as per following details:-

I. On first charge basis:-

- (a) IDBI of its foreign currency loan of USD 1181700.
- (b) IDBI of its Rupee Term Loans of Rs.90 Lacs & Rs.181 Lacs.

(c) PICUP of its term loans of Rs.90 lacs, Rs.228 Lacs, Rs.66.25 Lacs and Rs.15 Lacs.

(d) SBI of its –

- (i) Bank Guarantees to the extent of Rs.36.84 Lacs, Rs.47 Lacs & Rs.57 Lacs (total Rs.140.84 Lacs)
- (ii) FITL of Rs.129.36 Lacs.
- (iii) WCTL of Rs.147.29 Lacs.

II. On second charge basis- SBI of its working Capital facilities to the extent of Rs.619.91 Lacs”.

6. To consider and if thought fit, to pass, with or without modification the following resolution as an ordinary resolution:

“RESOLVED, in addition to the resolution No.6 passed by the Company at the Annual General Meeting held on 25.09.1996, that the Company do hereby accord its consent to and ratify the action of Board of Directors, pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, for money borrowed/ to be borrowed by way of loans, advances, credits or otherwise and whether the same be unsecured/ secured in respect of all or any of the Companies assets, effects and properties both present and those which may be acquired in future from IDBI, PICUP and SBI as per following details:-

A. On first charge basis: -

- (e) IDBI - foreign currency loan of USD 1181700.
- (f) IDBI - Rupee Term Loans of Rs.90 Lacs & Rs.181 Lacs.
- (g) PICUP -term loans of Rs.90 lacs, Rs.228 Lacs, Rs.66.25 Lacs and Rs.15 Lacs.
- (h) SBI –
 - (i) Bank Guarantees to the extent of Rs.36.84 Lacs, Rs.47 Lacs & Rs.57 Lacs (total Rs.140.84 Lacs)
 - ii) FITL of Rs.129.36 Lacs (to be increased to Rs.160.12 Lacs in the year 2000-01).
 - (iii) WCTL of Rs.147.29 Lacs.

- B. On second charge basis SBI - working Capital facilities to the extent of Rs.619.91 Lacs (to be increased to Rs.687.91 Lacs in the year 2000-01)".
7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a special resolution:-
- 'RESOLVED, pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, that the existing Articles of Association of the Company be and are hereby amended in the following manner:
- (1) The following new Clause (xi) be and is hereby inserted after the existing Clause (x) under Article 2 and the remaining existing clauses (xi) to (xiv) be and are hereby renumbered as clauses (xii) to (xv) of the said Article :-
- "Shareholder" or "Member" means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares, if any, of the Company as also one whose name is entered as beneficial owner of the Shares in the records of a Depository.
- (2) The following new Article 28A together with its heading be and is hereby inserted after the existing Article 28 :-

DEMATERIALIZATION OF SHARES

- 28A. (a) Notwithstanding anything contained in these Articles, the Company shall be entered as and when declared by the Board of Directors to dematerialisation or rematerialisation of shares, debentures and/or other securities (both existing and future) and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any.
- (b) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities

can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

- (c) If a person opts to hold his security with a depository, the Company shall intimate such depository, the details of allotment of the security, and on the receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- (d) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- (e) Notwithstanding anything in the Act or these Articles to the contrary, where securities are

held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

- (f) Nothing contained in Section 83 and Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owner in the records of a depository.
- (g) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- (h) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- (i) The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of members and security holders for the purpose of these Articles.
- (j) If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.
- (k) No Stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.
- (l) For the purpose of this Article, unless the context otherwise requires :-
- (i) 'Beneficial Owner' means the beneficial owner as defined in Clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- (ii) 'Bye-Laws' mean bye-laws made by Depository under Section 26 of the Depositories Act, 1996.

(iii) 'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as depository under the Securities & Exchange Board of India Act, 1992, and

(iv) 'Security' means such security as may be specified by SEBI from time to time.

(v) 'Record' includes the records maintained in the form of books or stored in a computer or in such other forms as may be determined by the regulations made by SEBI.

(vi) 'Regulations' means the regulations made by SEBI.

RESOLVED FURTHER that Mr. Anil K Singh, Managing Director and/or Mr. R.K. Mehra, Director be and are hereby severally authorised to take such steps expedient or desirable to give effect to this resolution as they deem fit from time to time."

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 explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 regarding item Nos. 5, 6 & 7 is annexed hereto.
3. The Register of members and share transfer books shall remain closed from 21.09.2000 to 29.09.2000 (both days inclusive).
4. Members are requested to bring along their copy of Annual Report for attending the meeting.
5. 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.

6. 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.

By order of the Board

Place: Lucknow (Anil K. Singh)
Date : 28.07.2000 Managing Director

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Reg. Item Nos. 5 & 6:

The Company at the Annual General Meeting held on 25.09.1996 had given its consent pursuant to the provisions of Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 to the Board of Directors to borrow and secure the same upto a limit of Rs.30 Crores. The Board accordingly acted upon and from time to time borrowed by way of various credit facilities, as per details given in the resolutions, and secured the said credit facilities by way of charge over moveable and immoveable properties and assets of the Company. The financial institutions, however, are asking for specific resolution of the Company ratifying the borrowings made by the Board and the security created by them to secure the said borrowings. Hence these resolutions. The Board recommend passing of these resolutions.

None of the directors of the Company is concerned or interested in the resolution.

Reg. Item No.7:

The Securities and Exchange Board of India have, vide Circular No. SMDRP/POLICY/CIR-23/2000 dated 29.5.2000, decided for compulsory trading in dematerialised form of shares of the Company. The Company has, however, represented SEBI to postpone its aforesaid decision. However, by way of abundant precaution the Board of Directors has decided to incorporate necessary provisions relating to Dematerialisation of Shares in the Articles of Association of the Company. Any amendment to the Articles of Association can be made by passing a special resolution pursuant to Section 31 of the Companies Act, 1956. The Board of Directors of the Company recommend passing of this resolution. A copy each of the existing Articles as well as the set of Articles with proposed amendments in the existing Articles will be available to the members of the Company for inspection at the registered office during business hours.

None of the Directors of the Company is concerned or interested in this resolution.

By order of the Board

Place: Lucknow (Anil K. Singh)
Date : 28.07.2000 Managing Director

**LINAIS MICROELECTRONICS LIMITED
DIRECTORS' REPORT**

To,
The Members,

Your Directors hereby present the fourteenth Annual Report of the Company for the year ended on 31st March, 2000.

SUMMARISED FINANCIAL RESULTS

	(Rs. in Lacs)	
	During the year ended	
	31.03.2000	31.03.1999
Sales and other income	50.72	60.94
Profit/Loss before interest and depreciation	(-) 106.08	(-) 189.40
Less: Interest	221.01	301.66
Depreciation	44.32	59.69
Profit/Loss before Tax	(-) 371.41	(-) 550.75

YEAR UNDER REVIEW:

Your Company's rehabilitation case came up for hearing on April 1, 1999 and the scheme was sanctioned by BIFR in its third hearing on October 5, 1999. Thanks to the initiative taken by the operating agency and other participating Institutions, we could get a very rapid passage through BIFR, just six months – something that does not happen very often in rehabilitation cases. Subsequent formalities and the mandatory waiting period took us into the third week of December before the first installment could be released by IDBI. We commenced trial runs from January and commercial operation from the middle of February 2000. For a unit, which had been virtually closed for over a year, we were able to accelerate startup activities and recommission the plant in record time. We have been able to win back a good number of our domestic customers and our order commitment book at the end of the year stood at over a crore. Orders and orders thick and fast would decide how soon we could resurrect the unit financially. We have made a fair beginning, which augurs well for future and there is every reason to believe that we would turn the corner in the coming year.

OUTLOOK FOR THE CURRENT YEAR:

In order to meet its debt servicing commitments and be in line with BIFR Scheme your Company must achieve a turnover of Rs.16.5 Crores. Interpolating quarter wise the levels to be achieved are Q1: Rs.1.5 Crores; Q2 Rs.2.5 Crores; Q3: Rs.6 Crores & Q4: Rs.6.5 Crores. Even at Rs.6.5 Crores slated for the last quarter, the company would be utilising only 75% of its installed capacity. The targets are well within striking range and the focus would be on delivery of PCBs of consistent quality at short notice and always on time, which would keep the orders flowing in unhindered.

DIVIDEND

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

DIRECTORS

During the year under review nominations of Mr. Ravindra Kacker and Mr. Dhruva Choudhary as Directors were withdrawn by PICUP and IL & FS, respectively which were noted by the Board on 18.10.99 and 28.01.2000. Your Directors take this opportunity to place on record their deep appreciation for the valuable services rendered by Mr. Ravindra Kacker and Mr. Dhruva Choudhary during their tenure as Directors of the Company.

Dr. Gautam Singh and Mr. Udayan Singh are persons, who have been longest in the office since the last appointment of Directors and in terms of the provision 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.