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2004  
*Annual*



*Report*  
2005

**Linaks Microelectronics Limited**

# **LINAKS MICROELECTRONICS LTD.**

Regd. Office:

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

## **BOARD OF DIRECTORS**

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

## **AUDITORS**

S.R. Gupta & Co.

## **BANKERS**

State Bank of India

## **SHARE HOLDERS' INFORMATION**

### **SHARE TRANSFER ARRANGEMENT AND DEMATERIALISATION STATUS OF SHARES**

The Company appointed M/s Beetal Financial & Computer Services Pvt. Ltd. as RTA for Physical and Dematerialised shares of the Company. The shares of the Company are compulsorily traded in Dematerialised form w.e.f. 28.09.2000 under ISIN-INE028C01019 with NSDL & CDSL. The addresses of NSDL, CDSL & Beetal are given below:

1. National Securities Depository Ltd.  
Trade World, 4th Floor, Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai-400 013.
2. Central Depository Services (India) Ltd.  
Phiroze Jeejeebhoy Towers, 28th Floor,  
Dalal Street, Mumbai-400 023.
3. Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor, 99 Madangir,  
Nr. Dada Harsukhadas Mandir,  
New Delhi-110 062.

### **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, Fort, Mumbai-400 033.



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LAKS MICROELECTRONICS LIMITED

## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of LAKS MICROELECTRONICS LTD. will be held at the Registered office of the Company at 12.6 km. Barabanki Road, Chintah, Lucknow on Friday the 30th September, 2005 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, 2005 and reports of the Directors and Auditors thereon.
2. To appoint a director in place Mr. Y.S. Kapadia, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Dr. Gautam Singh, 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 23.09.2005 to 30.09.2005 (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 therefor 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  
Date : 25.08.2005

(Anil Kumar Singh)  
Managing Director

## LAKS MICROELECTRONICS LIMITED

## DIRECTORS' REPORT

To,  
The Members,

Your Directors hereby present the Nineteenth Annual Report of the Company for the year ended on 31st March 2005.

## SUMMARISED FINANCIAL RESULTS

	(Rs. in Lacs)	
	During the year ended	
	31.03.2005	31.03.2004
Sales and other income	181.89	146.32
Profit/Loss before interest, amortisation and depreciation	(-) 117.48	(-) 107.98
Less: Interest	8.69	0.34
Amortisation	17.32	17.85
Depreciation	78.99	83.12
Profit/Loss before Tax	(-) 222.48	(-) 209.29

## YEAR UNDER REVIEW

Your Directors would like to inform you that the preceding year, as evident from the financials, was one of holding-on-level of operations while the OTS matter with Crescendo was being thrashed out by the Institutions. IDBI had convened a joint negotiation meeting of all the participating institutions and Crescendo people in October last year. Mr. S Thomas, CMD of Crescendo made an offer of Rs 7 Crores for the settlement of dues with term lenders - IDBI, PICUP & UPFC and suggested that with SBI they would negotiate separately. IDBI, on behalf of all term lending institutions, rejected the offer and asked for an improved proposal. Crescendo, meanwhile held independent discussions with SBI and arrived at a tentative figure of Rs 3.20 crores for OTS with SBI. In response to IDBI's demand for enhancement in the amount offered Crescendo enhanced the figure to Rs 8 Crores for the OTS towards the clearing of secured debt, COCPS, pledged shares and personal-guarantees of promoters & associates. This revised offer made towards the end of last year did not get any immediate response from IDBI as IDBI itself was undergoing a full scale reorganization as a prelude to being converted into a Scheduled Bank.

By the end of January a new team was in place in IDBI, BIFR Cell and they actioned a revaluation of the Company's assets in Feb'05 and the new DyGM also visited Mumbai for a personal meeting with Crescendo people in Mumbai. Crescendo in response stuck to their Rs 8 Crore offer and asked for expeditious disposal of the proposal. That is where the matter stands and from whatever we could gather from IDBI they are convening a meeting of PICUP & UPFC representatives to discuss and take a final view on the offer. SBI meanwhile has kept the implementation of Rs 3.20 Cr OTS in abeyance pending finalisation of OTS with IDBI et al.

In the absence of fresh liquid infusion the last fiscal i.e. year ended 31.03.2005, was barely a holding on operation with the same two fold objective as of last year:

- a. Retaining Key export customers.
- b. Retaining production engineers and technicians.



Over sixty percent of operational staff has been reduced and all the bulk domestic customers from Telecom and Energy Meter Segment have been dropped. The latter step was unavoidable, as these customers demanded 6 months long credit which is not sustainable in the absence of fresh funds infusion.

This holding on operation has resulted in low turnover during the year. We have done a turnover of Rs. 181.89 lacs, and the production has been at 3185.67 square meter comprising of 3112.10 square meter of DSPTH PCBs and 73.575 square meter of Multi layer PCBs.

Due to uneconomical pricing the company moved out of the existing bulk market that was the energy meter segment and started foraying into new areas like automation, controls, etc. This was also one of the reasons for business contraction.

#### OUTLOOK FOR THE CURRENT YEAR

The market outlook for the current year is bound to be better than last year as your company has moved away from volume and low value added segment to high value added market segment. Thus, your company is ready to take on the new and more reliable and less volatile market segment of instrumentation, automation, defence, etc.

Secondly, the company's efforts at increasing export business has also met with success as your Company has been able to identify some new customers in Europe, but everything hinges on the early and successful implementation of the financial package which is under final stages of implementation with the financial institutions.

#### DIVIDEND

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

#### DIRECTORS

During the period after last report Mr. Suresh H. Shah resigned from the directorships of the Company. Your Directors take this opportunity to place on record their deep appreciation for the valuable services and guidance rendered by Mr. Shah during his tenure as Director of the Company. Mr. Y.S. Kapadia and Dr. Gautam 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.

#### ACCOUNTS AND COMMENTS IN THE AUDITORS' REPORT

The points referred to by the Auditors in their report are self-explanatory and are covered in the Notes to Accounts. However, as regards point no. 2 of the Auditors' Report and point nos. (ix)(a) and (xi) of the Annexure to the Auditors' Report are concerned your Directors have to state as under:

- a. Reg. Point no. 2 of the Auditors' Report for non-providing of Interest on Term and Working Capital Loans from financial institutions and bank, it is hereby submitted that on the Company's Negotiated Settlement proposal, Hon'ble BIFR has issued Letter dated 16.01.2004 to this effect.
- b. Reg. Point no. (ix)(a) of the Annexure to the Auditors' Report- It is submitted that during the year under review, due to paucity of funds, the Company could not make timely payments of the

Provident Fund dues and Gratuity Premium.

- c. Reg. Point no. (xi) of the Annexure to the Auditors' Report- It is submitted that consequent upon the Company becoming a sick industrial undertaking within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985, your Directors made a reference under SICA to BIFR in Nov'98. A Negotiated Settlement proposal is under active consideration of Hon'ble BIFR.

#### CORPORATE GOVERNANCE

Your Company has already implemented the requirement of Clause 49 of the Listing Agreement i.e. Corporate Governance. As required a Management Discussion and Analysis Report and Directors' Report as well as Auditors' Certificate on Corporate Governance are given alongwith this report.

#### AUDIT COMMITTEE

The Audit Committee is Comprising of three independent directors, namely Mr. Pradeep Kumar, Mr. R.K. Ralhan and Dr. Gautam Singh. The Committee performs such functions as are required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

#### DEMATERIALISATION OF THE SHARES OF THE COMPANY

Trading in shares of the Company has been made compulsory in dematerialised form w.e.f. 28.09.2000 by all investors as per directives given by SEBI. Accordingly the Equity Shares of the Company are available for dematerialisation under ISIN INE028C01019 with CDSL and NSDL.

#### INFORMATION UNDER SECTION 217 OF THE COMPANIES ACT, 1956:

##### A. 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:

Due to high power diversity factor in the PCB fabrication process your Company has opted for fully captive modular generation in units 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 luminescence 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. However, we do lot of reverse engineering to develop our own formulations and machine control circuits.

##### ii. Technology Absorption, Adaptation and Innovation

MLB technology has been absorbed.

##### c. Foreign Exchange Earning and Outgo:

Foreign exchange earning during the year under review were equivalent to Rs. 6.32 lacs (previous year Rs. 7.54 Lacs). The total outgo in foreign currency amounted equivalent to Rs. 55.17 lacs on Revenue A/C (previous year Rs.0.25 Lacs).

##### B. Particulars of Employees

None of the employees of the Company was in receipt of a remuneration of Rs. 200000/- or more p.m. if employed for a part of the year under review or Rs.2400000/- or more p.a. if employed throughout the said year, the particulars of which are required to be given pursuant to the provisions of Section 217(2A) of the Companies



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Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

### C. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2005 on a 'going concern' basis.

### ACKNOWLEDGEMENT

Your Directors record their appreciation to its team of employees for their unstinted and single minded devotion to the task at hand. We are also grateful to the financial institutions for their constructive support and assistance.

For and on behalf of the Board of Directors

Place: Lucknow  
Date: 25.08.2005

(Udayan Singh) (Anil Kumar Singh)  
Director Managing Director

## LINAIS MICROELECTRONICS LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry structure & Development:

PCB industry consists of a handful of medium sized units and a number of small-scale units which are mostly independent i.e. they are not part of any large conglomerate excepting a couple of units.

The units were historically promoted by technocrat entrepreneurs who in the old days received bank finance easily to promote industrial growth. Most of these units were set up in mid 80's and some of them have ceased to operate.

The survivors are those, which from time to time have been investing in technology and capacity. Initially the units were manufacturing simple single sided and double sided PCBs, but now there are units like AT&S who are making PCBs with 24 layers, buried vias, 4 mil line and spaces, etc. In the area of single sided PCBs we have some units that are now manufacturing flexible circuits.

Still on the whole industry is small because the actual demand for PCBs for manufacturing various types of Electronic equipment is still not very large in India, largely due to screw-driver-kit-assembly nature of the Indian equipment industry.

**Opportunities & Threats:** The industry has a domestic market, which initially was driven by telecommunication, but thanks to the lopsided custom tariff structure telecom manufacturing has shallowed out resulting in steep decline in PCB demand. Although the telecom infrastructure has grown by leaps and bounds but the downstream electronic component demand has not seen any growth since all fresh demand for equipment has been met largely through imports. Thus, now the domestic requirement is dependent on diverse segments like automation, control, instrumentation, metering and automotive. Automotive electronics, though a massive growth engine, can be volatile as it is subject to global business swings in this connected world of automotive business with only a handful of players. The gradual easing of custom duties is happening on account of India being a signatory to ITA and these duties for InfoTech items would become ZERO by 2006. But this threat is also an opportunity because it applies to the developed countries too who are still levying duty on Indian imports.

In fact India with a low cost technical manpower enjoys tremendous advantage as an export-manufacturing base and especially to the high cost developed countries of Europe and the US. The industry and moreover Linaks should leverage this advantage. The company is already working towards it as they have a clutch of regular and reliable customers in Europe and they are also in the process of developing new ones in Eastern Europe and Americas.

**Risks and Concerns:** The major risk the industry faces is of over dependence on one market segment and the industry in India, Linaks included has faced this prospect because many a times their fortunes have fluctuated with those of the telecommunication sector.

Then there is always the over riding concern of fast technological obsolescence, which entails constant drain on resources at times impeding ones capability to service one's customers.

**Overview:** On the whole the industry has a lot of promise provided one is able to keep up with the demands of the market place.

**Financial performance:** The financial performance is directly related to the company's ability to remain competitive.

**Resource & Liquidity:** Resource position would remain comfortable if the company is able to trade profitably and liquidity is the direct function of the above.

The company has not been able to meet its financial goals because due to extraneous circumstances it went into losses and the rehabilitation package drawn under BIFR has also been buffeted by the uncertainty of the market place.

**Outlook:** The outlook is positive provided the Negotiated Settlement proposal is implemented and with it fresh funds are infused into the company.

**Internal Control System:** Your Company's management continuously reviews the internal control system and procedures to ensure orderly and efficient conduct of business. Your Company adheres to its written corporate policies with respect to all transactions, financial reporting and budgeting to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and that transactions are authorised, recorded and reported correctly.

The Company regularly conducts internal audits either through external or internal resources to monitor the effectiveness of internal control in the organisation.





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Audits are finalised and conducted based on internal risk assessment. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures recommended for implementation. Reports of the internal auditor are also regularly reviewed by the Management and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

**Human Resources:** The Company gives full and fair consideration to all employees with regard to their particular aptitudes and abilities. Training, career development and promotion are, as far as practicable, considered for all employees according to their skills and abilities. The Company consistently seeks to recruit, develop and employ throughout the organisation suitably qualified, capable and experienced people, irrespective of race, religion or sex. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit.

Our development, performance and rewards system is linked to organisation performance. The Company strives to provide excellent staff welfare measures to promote employee satisfaction and thereby attract and retain efficient manpower. Training needs are regularly identified and imparted with the help of both internal trainers and external professional faculties of repute. We have built team driven organisation where all employees work together to create our future.

**Cautionary Statement:** The statement made in this Report describing the Company's projections, expectations and estimations may be a forward looking statement within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results may differ from those expressed or implied in this Report due to the influence of external and internal factors, which are beyond the control of the Company.

For & on behalf of the Board of Directors

Place: Lucknow (Udayan Singh) (Anil Kumar Singh)  
Date: 25.08.2005 Director Managing Director

## LINAKS MICROELECTRONICS LIMITED

## DIRECTORS' REPORT ON CORPORATE GOVERNANCE

## Philosophy:

Linaks upholds its standing at the forefront of Corporate Governance best practices. Linaks envisages the attainment of the highest levels of transparency, accountability and ethics, in all facets of its operations. It has been committed to the principles of transparency, integrity, accountability and responsibility. The Company takes feedback into account, on its periodic reviews of the guidelines, to ensure their continuing relevance, effectiveness and responsiveness to the needs of its investors. Linaks considers that all its operations and actions must serve the underlying goal of increasing employee and customer satisfaction and enhancing overall Shareholder value.

## Board of Directors:

The Company has an optimum combination of executive and non-executive Directors with non-executive Directors constituting 50 per cent of the Board. As per the Listing Agreement, 'Independent' or Non-Executive Directors have been defined as directors who apart from receiving Directors remuneration do not have any other material

pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgement of the Board may affect independence of judgement of the Director. Independent Directors play an important role in deliberations at the Board Meetings and the Company benefits from their expertise in achieving its strategic direction. The Directors bring to the Board a wide range of experience and skills. The Board is constituted as under:

Name	Category	No. of outside Directorships Held	As Chairman / Member of Board Committees
Mr. Anil K Singh	Managing Director	Nil	Nil
Mr. Udayan Singh	Whole-time Director	Nil	1
Mr. Siddharth Singh	Whole-time Director	Nil	1
Mr. R.K. Mehra	Whole-time Director	Nil	1
Mr. Y.S. Kapadia	Independent & Non-Executive Director	1	Nil
Mr. Pradeep Kumar	Independent & Non-Executive Director	Nil	2
Dr. Gautam Singh	Independent & Non-Executive Director	Nil	2
Mr. R.K. Ralhan	Nominee IDBI	1	1
Mr. Suresh H. Shah	Resigned w.e.f. 30.10.2004		

Note: (1) Private Limited Companies and Companies constituted under Section 25 of the Companies Act, 1956 are excluded for the above purpose. (2) Only Audit Committee, Investors' Grievance Committee and Remuneration Committee are considered for the purpose of Committee positions as per listing Agreement.

## Responsibilities:

The Board of Directors represent the interests of the Company's shareholders in optimising long-term value by providing the management with guidance and strategic direction on the Shareholder's behalf. The Board's mandate is to oversee the Company's strategic decision, review corporate performance, authorise and monitor strategic investments, ensure regulatory compliance and safeguard interests of Shareholders. Board members ensure that their other responsibilities do not impinge on their responsibility as a Director of Linaks.

## Board Meetings:

The Meetings of Directors are normally held in Lucknow. Meetings are generally scheduled well in advance and the Notice of each Board Meeting is given in writing to each Director. The Members of the Board have complete access to all information of the Company. Senior Management is invited to attend the Board Meetings so as to provide additional inputs to the items being discussed by the Board.

During the year under review, the Board of Linaks Microelectronics Ltd. met 4 times i.e. on June 29, 2004, July 30, 2004, October 30, 2004 and January 28, 2005. The gap between any two Meetings was generally around 3 calendar months.

## Attendance of each Director at the Board Meetings &amp; at last Annual General Meeting:

Name	No. of Board Meetings		Attendance at Last AGM
	Held	Attended	
Mr. Anil K Singh	4	4	Yes
Mr. Udayan Singh	4	1	Yes
Mr. Siddharth Singh	4	4	Yes
Mr. R.K. Mehra	4	4	Yes
Mr. Y.S. Kapadia	4	NIL	NO
Mr. Pradeep Kumar	4	NIL	NO
Dr. Gautam Singh	4	NIL	NO
Mr. R.K. Ralhan	4	1	NO
Mr. Suresh H. Shah	2	NIL	NO

**Board Committees:**

To enable better and more focussed attention on the affairs of the Company, the Board delegates' particular matters to Committees of the Board set up for the purpose. These Committees prepare the groundwork for decision-making and report at the subsequent Board Meeting.

**Audit Committee:**

The Audit Committee comprised solely of Non-executive, Independent Directors namely, Mr. Pradeep Kumar, Dr. Gautam Singh and Mr. R.K. Ralhan. All the Members have sound financial, accounting, audit and company law knowledge.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to:

- various auditing and accounting matters,
- review of annual budgets,
- annual internal audit plan,
- compliance with legal and statutory requirements including accounting standards,
- review of investment guidelines,
- major accounting policies and practices.

The Audit Committee reviews the half yearly and yearly financial results with the Management before being submitted to the Board for its consideration and approval.

The Audit committee met 3 times during the year on the following dates namely on June 24, 2004, July 26, 2004 and October 25, 2004. Mr Anil K Singh, Managing Director, is permanent invitee for the Audit Committee Meetings.

Name	No. of Audit Committee Meetings	
	Held	Attended
Mr. Pradeep Kumar	3	3
Dr. Gautam Singh	3	3
Mr. R.K. Ralhan	3	NIL

**Remuneration Committee:**

The Company's Remuneration Committee consists of non-executive Directors namely, Mr. Pradeep Kumar, Dr. Gautam Singh. The salary of the Managing/Whole-time Directors is recommended by the Remuneration Committee and approved by the Board. No remuneration is paid to the Non-Executive Directors. No meeting of the Remuneration Committee was held during the financial year ended 31.03.2005.

The terms of reference of the Remuneration Committee include review and recommendation to the Board of Directors on compensation payable to the Executive Directors. The committee also ensures that the compensation policy of the Company provides for performance-oriented incentives to senior management and staff.

**Remuneration Policy:**

The Company has adopted a remuneration policy that attracts and maintains talented and motivated executives so as to encourage enhanced performance of the Company. The remuneration policy envisages a clear relationship between performance and remuneration, including the remuneration paid and overall corporate performance.

**Remuneration paid to Directors:**

Managing/Whole-time Directors of the Company have been appointed

on a contractual basis on the approval of the Shareholders. Remuneration package of Executive Directors is determined by the Remuneration Committee of Directors within the permissible limits under the applicable provisions of law and is approved by Shareholders. It comprise salary and other allowances, perquisites as approved by Shareholders. Non-Executive Directors have so far not been paid any remuneration/commission apart from sitting fees. Details of remuneration to Directors is as follows:

Director	Relation with Linaks	Sitting fees	Remuneration paid during 2004-2005		
			Salary & Perquisites	Commission	Total
Mr. Anil K Singh	Managing Director	NIL	1,09,200	NIL	1,09,200
Mr. Udayan Singh	Whole-time Director	NIL	1,08,000	NIL	1,08,000
Mr. Siddharth Singh	Whole-time Director	NIL	1,09,200	NIL	1,09,200
Mr. R.K. Mehra	Whole-time Director	NIL	72,000	NIL	72,000

**Share Transfer & Investor's Grievances Committee:**

The Members of the Share Transfer & Investors' Grievance Committee of the Company are Mr. Udayan Singh, Mr. R.K. Mehra and Mr. Siddharth Singh. The Committee is authorised to approve transfer of shares and also monitors other investor grievances. The details of the transfers are reported to the Board of Directors. The Meetings were held on monthly basis or as and when required, to consider matters placed before it.

Name	Nos. of Share Transfer committee Meetings	
	Held	Attended
Udayan Singh	21	7
R.K. Mehra	21	21
Siddharth Singh	21	18

**Details on Annual General Meetings**

Location, date and time, where last three AGMs held:

Year	Location	Date	Time
2003-04	12.6 km Barabanki Road, Chinhat, Lucknow	21.08.2004	11.00 A.M.
2002-03	12.6 km Barabanki Road, Chinhat, Lucknow	30.09.2003	11.00 A.M.
2001-02	12.6 km Barabanki Road, Chinhat, Lucknow	30.09.2002	11.00 AM

Generally, all the resolutions in the AGM are passed through show of hands. None of the Special Resolutions passed at the above Annual General Meetings were required to be put to vote through Postal Ballot.

**Disclosure:**

The Company entered into no transaction of material nature with the promoters, Directors, the management or their relatives that could have had a potential conflict with the interest of the Company. The Register of contracts containing the transactions in which the Directors are interested is regularly placed before the Board. There were no pecuniary transactions with the independent/non-executive Directors, other than payment for expenses/fee for attending Board Meetings.

**Means of Communication:**

The financial results were published in the Pioneer in English and Jansatta in Hindi, the vernacular newspaper. All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's Shares are listed and released for dissemination to the public at large. The Company also discloses its financial results through EDIFAR.