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*Annual
Report*

2014-2015

Linaks Microelectronics Limited



Annual Report 2014-2015

LINAKS MICROELECTRONICS LIMITED

LINAKS MICROELECTRONICS LTD.

(CIN: L32101UP1986PLC007841)

Regd. Office:

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

BOARD OF DIRECTORS

Mr. Anil K Singh (DIN:00225518)	-Managing Director
Mr. Udayan Singh (DIN:00189219)	- Director
Mr. Siddharth Singh (DIN:00173627)	- Director
Mr. Pradeep Kumar (DIN: 00505518) (till 30.05.2014)	- Independent Director
Mr. Gautam Singh (DIN: 00189284)	- Director
Mr. U.B. Singh (DIN: 06650869)	- Independent Director
Mrs. Meena Singh (DIN: 02775239)	- Director
Mr. Ram Chandra Gaur (DIN: 02317264)	Independent Director

AUDITORS

S.R. Gupta & Co.
(Chartered Accountants)

Secretarial Auditors

Divya Matah & Associates
(Practicing Company Secretaries)

BANKERS

Vijaya Bank

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-INE028C01027 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 EXCHANGE (WHERE COMPANY'S SHARES ARE LISTED)

The Stock Exchange Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400 023.



NOTICE TO THE MEMBERS

Notice is hereby given that the Thirtieth 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 Wednesday the 30th September, 2015 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Udayan Singh (DIN: 00189219), who retires by rotation, and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr. Udai Bhan Singh, who retires by rotation, and being eligible offers himself for reappointment as independent Director and to pass following resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, amended up to the date, Mr. Udai Bhan Singh (DIN: 06650869), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, who retires by rotation at this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for five consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the Calendar Year 2020."
- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. S.R. Gupta & Co., Chartered Accountants (Firm Registration No. 001939C), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 32nd Annual General Meeting on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS

- To Appoint Mrs. Meena Singh (DIN: 02775239) as a Women Director
To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, amended up to the date, Mrs. Meena Singh (DIN: 02775239), who was appointed as a Director as an addition to the Board w.e.f. 30.01.2015 and who retires at this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."
- To Appoint Mr. Ram Chandra Gaur (DIN: 02317264) as an Independent Director
To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, amended up to the date, Mr. Ram Chandra Gaur (DIN: 02317264), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who was appointed as a Director as an addition to the Board w.e.f. 30.01.2015, and is eligible for appointment, who retires at this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office, for five consecutive years for a term up to the conclusion of the 35th Annual General Meeting of the Company in the Calendar Year 2020."
- Appointment of Mr. Anil Kumar Singh (DIN: 00225518) as a Managing Director
To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and subject to such other consents and permission as may be necessary, consent/approval of the Company be and is hereby granted for the appointment of Mr. Anil Kumar Singh (DIN: 00225518), one of the promoter-director, as Managing Director of the Company for a period of five (05) years with effect from 1st April, 2015 at the following remuneration for the aforesaid period on the terms and conditions as approved by the Remuneration Committee and Board of Directors in their respective meetings held on 31.03.2015:
I. REMUNERATION:
Salary Rs. 60,000 (Rupees sixty thousand only) per month in the scale of 60,000-10,000-1,00,000.
II. PERQUISITES:
(i). Provision of car or reimbursement of expenses incurred on a car for use on Company's business.

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- Provision of telephone at residence for use on company's business will not be considered as a perquisite.
 - Privilege/Casual Leave: As per Rules of the Company.
- III. REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS
Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to applicable provisions of Schedule V to the Companies Act, 2013 by way of minimum remuneration.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, amend or vary the terms and conditions of appointment including remuneration structure as may be agreed to between the Board of Directors and Mr. Anil Kumar Singh subject to the limits within such guidelines or amendments as may be made to the Companies Act, 2013 or the Central Government or such other authority.
RESOLVED FURTHER THAT the Board/Committee of the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution."
8. Appointment of Mr. Udayan Singh (DIN: 00189219) as Whole-time Director
To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and subject to such other consents and permission as may be necessary, consent/approval of the Company be and is hereby granted for the appointment of Mr. Udayan Singh (DIN: 00189219) as Whole-time Director of the Company for a period of five (05) years with effect from 1st April, 2015 at the following remuneration for the aforesaid period on the terms and conditions as approved by the Remuneration Committee and the Board of Directors in their respective meetings held on 31.03.2015:
I. REMUNERATION:
Salary Rs. 40,000 (Rupees forty thousand only) per month in the scale of 40,000-5,000-60,000.
II. REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to applicable provisions of Schedule V to the Companies Act, 2013 by way of minimum remuneration.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, amend or vary the terms and conditions of appointment including remuneration structure as may be agreed to between the Board of Directors and Mr. Udayan Singh subject to the limits within such guidelines or amendments as may be made to the Companies Act, 2013 or the Central Government or such other authority.
RESOLVED FURTHER THAT the Board/Committee of the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution."

By Order of the Board.

Place: Lucknow
Date : 30.07.2015(Anil Kumar Singh)
Managing Director
DIN: 00225518

NOTES

- The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- The Register of members and share transfer books shall remain closed from 24.09.2015 to 30.09.2015 (both days inclusive).
- Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
- 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 at the Meeting.
- Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
- The members are requested to get their shares dematerialized. The company's ISIN Code INE028C01027 pursuant to change in face value.
- The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notices/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to Company's email ID linakspcb@yahoo.com or



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RTA's email ID beetal@beetalfinancial.com duly mentioning his/her Ledger Folio/Account Number.
For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

11. (a) In accordance with the provision of Section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link www.evoting.nsdl.com during the following voting period:
Commencement of e-voting : From 10.00 A.M. on 27.09.2015
End of e-voting : Up to 05.00 P.M. on 29.09.2015
E-voting shall not be allowed beyond 05.00 P.M. on 29.09.2015. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is 23.09.2015.
- (b) The company has engaged the services of M/s Beetal Financial & Computer Services (P) Ltd. our R&T Agent as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed Ms. Divya Matah, as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (d) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'. It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
13. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website : www.linaks.com
14. Details of Directors seeking appointment/reappointment at this Annual General Meeting (pursuant to Clause 49 of the Listing Agreement) are as under:

Name of the Director	DIN	Date of Birth	Date of Appointment	Qualifications
Mr. Udayan Singh	00189219	04.09.1959	11.04.1998	MA
Mr. Uday Eshan Singh	08660826	10.12.1958	28.05.2013	BA
Mrs. Meena Singh	02775228	31.07.1960	30.01.2015	BA
Mr. Ram Chandra Gaur	02317284	15.10.1948	30.01.2015	B.Tech
Mr. Anil Kumar Singh	00225518	21.01.1948	11.04.1998	B.Tech, PGDDBA

Experience in specific functional areas	Directorships in other Public Limited Companies	Membership of Committees in other Public Limited Companies (Includes only Audit & Investor Grievance Committee)	No. of shares held in the Company as on March 31, 2015
Thirty Two Years	NIL	NIL	102700
Twenty Five Years	NIL	NIL	NIL
Ten Years	NIL	NIL	348180
Forty Five Years	NIL	NIL	NIL
Forty Three Years	NIL	NIL	1288700

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Reg. Resol. No. 5

Mrs. Meena Singh was appointed as an Additional Director in terms of Section 161 of the Companies Act, 2013 to comply with the provisions of Section 149 and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, amended up to the date. The term of office of Director of Mrs. Meena Singh would expire at the end of this Annual General Meeting. The company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director. Keeping in view the statutory requirement of appointing a woman director, the Board recommend passing of this resolution. Mrs. Meena Singh and Mr. Anil Kumar Singh, being relatives, would be deemed concerned in this resolution.

Reg. Resol. No. 6

Mr. Ram Chandra Gaur was appointed as an Additional Director in terms of Section 161 of the Companies Act, 2013 to comply with the provisions of Section 149 and Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions and Clause 49 of the Listing Agreement, amended up to the date. The term of office of Director of Mr. Ram Chandra Gaur would expire at the end of this Annual General Meeting. The company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director. Keeping in view the statutory requirement of appointing Independent Director, the Board recommend passing of this resolution. Except Mr. Ram Chandra Gaur, none of other Directors would be deemed concerned in this resolution.

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Reg. Resol. No. 7 & 8

Mr. Anil Kumar Singh, who is one of the promoter Directors and also the continuing Managing Director of the Company, was appointed/ reappointed by the Board at its meeting held on 31.03.2015 on the recommendation of the remuneration Committee, as Managing Director of the Company for a term of 05 years w.e.f. 01.04.2015 on the terms and conditions and remuneration as set out in the notice.
Likewise Mr. Udayan Singh, who is one of the promoter Directors and also the continuing Whole-time Director of the Company, was appointed/ reappointed by the Board at its meeting held on 31.03.2015 on the recommendation of the remuneration Committee, as Whole-time Director of the Company for a term of 05 years w.e.f. 01.04.2015 on the terms and conditions and remuneration as set out in the notice.
The said appointments require consent/approval of the shareholders by way of passing special resolutions. Hence these resolutions.
Mr. Anil Kumar Singh and Mrs. Meena Singh, being relatives and Mr. Udayan Singh and Dr. Gautam Singh being relatives would be deemed concerned in their respective resolutions.

Place: Lucknow
Date : 30.07.2015

By Order of the Board,
(Anil Kumar Singh)
Managing Director
DIN: 00225518

DIRECTORS' REPORT

To,
The Members,
Linaks Micro Electronics Ltd.

Your Directors present their thirtieth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. FINANCIAL SUMMARY OF THE COMPANY

The summarized financial results of the Company are as under:

(Rs. in Lacs)

Particulars	2014-2015	2013-14
Sales and other income	23.08	0.00
Profit Before Interest and Depreciation	-71.35	-8.57
Finance Charges	0.00	0.00
Gross Profit	-71.35	-8.57
Provision for Depreciation	54.60	0.00
Net Profit Before Tax	-125.95	-6.57
Provision for Tax	0.00	0.00
Net Profit After Tax	-125.95	-6.57
Balance of Profit brought forward	-1826.35	-1819.78
Writing off of fixed assets	127.57	0.00
Balance available for appropriation	-2079.87	-1826.35
Proposed Dividend on Equity Shares	0.00	0.00
Tax on proposed Dividend	0.00	0.00
Transfer to General Reserve	0.00	0.00
Surplus carried to Balance Sheet	-2079.87	-1826.35

1. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR

Plant under reinstallation and over three quarters of work already completed. Progress has lagged a bit during the latter half on account of sourcing of critical spares for machines which are over a decade old and mostly not supported by the original manufacturers. We are however confident to get it up and running from the latter half of this year.

2. DIVIDEND & RESERVES

In view of losses during the year under review, no dividend pay-out is being recommended and accordingly no question of appropriation of reserves arise.

4. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy and technology absorption as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is NIL as the Company is still in the process of trans-locating its factory from 12.6 km Barabanki Road, Chihal, Lucknow to Near Railway Crossing Safedabad, Lucknow Barabanki Road, Safedabad, Barabanki and no production took place during the year under review. There was no foreign exchange inflow. However, the company had an expenditure of foreign exchange equivalent to Rs. 10.33 Lacs on account of purchase/Advance for purchase of machinery/machinery parts and Rs. 6.17 Lacs towards travelling (Previous year NIL).

6. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company is in the initial phases of its rehabilitation and the current focus is to get the machines refurbished and running for the production to commence. Some balancing equipments have been imported and added to bring the capabilities to near current levels so as to minimize the risk of obsolescence.

- 7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**
In view of losses, the Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.
- 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**
There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.
- 9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**
There was no contract or arrangements made with related parties as defined under Section 186 of the Companies Act, 2013 during the year under review.
- 10. STATUTORY AUDITORS**
M/s S.R. Gupta & Co., Chartered Accountants, Kanpur were appointed as Statutory Auditors for a period of 03 years in the Annual General Meeting held on 30.09.2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.
- 11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS**
The points referred to by the Auditors in their report are self-explanatory and are covered in Note on Accounts, especially Note No. 3(i) to (iii) of the Notes on Accounts.
- 12. SECRETARIAL AUDIT REPORT**
In terms of Section 204 of the Act and Rules made there under, M/s. Divya Matah & Associates, Practising Company Secretaries, Lucknow, have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure to this report. The report is self-explanatory and do not call for any further comments.
- 13. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**
Since the Company is still in the process of trans-locating its factory, formal Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters would be taken care of in due course of time as provided under Section 178(3) of the Companies Act, 2013.
- 14. ANNUAL RETURN**
The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure attached to this Report.
- 15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**
The Company had 05 Board meetings during the financial year under review.
- 16. DIRECTORS' RESPONSIBILITY STATEMENT**
In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:
(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) the directors had 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) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
(d) the directors had prepared the annual accounts on a going concern basis; and
(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- 17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**
The Company does not have any Subsidiary, Joint venture or Associate Company.
- 18. DEPOSITS**
The Company has neither accepted nor renewed any deposits during the year under review.
- 19. DIRECTORS & KEY MANAGERIAL PERSONNEL**
During the period since last report Mrs. Meena Singh was appointed as a Director pursuant to Section 161 of the Companies Act, 2013 by the Board at its meeting held on 30.01.2015 to fulfill the requirement for appointment of a women director pursuant to Section 149(1) of the Companies Act, 2013.
Further, Mr. Ram Chandra Gaur was also appointed as a Director pursuant to Section 161 of the Companies Act, 2013 by the Board at its meeting held on 30.01.2015 to fulfill the requirement for appointment of an independent Director. Mrs. Meena Singh and Mr. Ram Chandra Gaur, who were appointed as Additional Directors on 30.01.2015, hold the said office till the date of the Annual General Meeting. Notices have been received from members proposing their candidatures for their respective appointments as Directors at this Annual General Meeting. During the period since last report Mr. Siddharth Singh resigned from the Directorship of the Company w.e.f. 30.07.2015. Your Directors take this opportunity to place on record their deep appreciation for the valuable services and guidance rendered by Mr. Siddharth Singh during his tenure as Director of the Company.

- Moreover, Mr. Udayan Singh and Mr. Uday Bhan Singh are persons, who have been longest in the office since the last appointment of Directors and in terms of the provision of the Companies Act 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.
In view of losses no career cautious qualified person was available for being appointed as Chief Executive Officer, Chief Financial Officer and/or Company Secretary, in spite of best efforts of Directors.
- 20. DECLARATION OF INDEPENDENT DIRECTORS**
The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(8) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- 21. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**
As reported in its last report, the Audit Committee has been restructured. The Audit Committee consists of the following members:
a. Mr. Ram Chandra Gaur – Independent Director
b. Mr. Uday Bhan Singh – Independent Director
c. Mr. Anil Kumar Singh – Managing Director
The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.
- 22. SHARES**
a. **BUY BACK OF SECURITIES:** The Company has not bought back any of its securities during the year under review.
b. **SWEAT EQUITY:** The Company has not issued any Sweat Equity Shares during the year under review.
c. **BONUS SHARES:** No Bonus Shares were issued during the year under review.
d. **EMPLOYEES STOCK OPTION PLAN:** The Company has not provided any Stock Option Scheme to the employees.
- 23. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**
Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).
- 24. LISTING WITH STOCK EXCHANGES:**
The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.
- 25. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS**
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.
- 26. INTERNAL AUDIT & CONTROLS**
The Company has engaged M/s J.K. Sarawgi & Co., Chartered Accountants, Kanpur as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process incharge and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.
- 27. MANAGERIAL/EMPLOYEES REMUNERATION**
A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 cannot be worked out as the Company is still in the process of translocating its plant and the process of recruitment of staff has not yet commenced. The skeletal staff with which the Company is presently working are mainly on part time basis.
B) As required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company did not have any employee drawing a remuneration of Rs. 60.00 lacs p.a., if employed throughout the year or Rs.5.00 lacs p.m., if employed for a part of the said year under review. Moreover, there was no employee, employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
C) None of the Managing Director or Whole-time Director of the Company was in receipt of any commission from the Company. Moreover, as the Company did not have any holding or subsidiary Company, the question of receiving commission by them from such Company also does not arise.
- 28. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**
As required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a



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Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

28. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

30. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anil Kumar Singh
Managing Director
(DIN: 00225518)

U.B. Singh
Director
(DIN: 06650669)

Date: 30.07.2015
Place: Lucknow

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 combination of executive and non-executive Directors with non-executive Directors constituting more than 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 Directors. 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	4
Mr. Udayan Singh	Director	Nil	1
Mr. Siddharth Singh	Director	Nil	NIL
Dr. Gautam Singh	Independent & Non-Executive Director	Nil	NIL
Mr. Udal Bhan Singh	Independent & Non-Executive Director	Nil	4
Mrs. Meena Singh	Director	Nil	1
Mr. Ram Chandra Gaur	Independent & Non-Executive Director	Nil	2

* Mrs. Meena Singh and Mr. Ram Chandra Gaur were appointed as Directors w.e.f. 30.01.15. Note: (1) Private Limited Companies and Companies constituted under Section 8 of the Companies Act, 2013 are excluded for the above purpose. (2) Only Audit Committee, Investors' Grievance Committee and Remuneration Committee and Committee for Prevention of Sexual Harassment of Women at workplace 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, authorize 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 Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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 period under review, the Board of Linaks Microelectronics Ltd. met 5 times i.e. on 30.08.14, 30.07.14, 30.10.14, 30.01.15 & 31.03.15. The gap between any two Meetings was generally around 3 calendar months. Attendance of each Director at the Board Meetings & at last Annual General Meeting:

LINAKS MICROELECTRONICS LIMITED

Name	No. of Board Meetings		Attendance at Last AGM
	Held	Attended	
Mr. Anil K Singh	5	5	Yes
Mr. Udayan Singh	5	4	NO
Mr. Siddharth Singh	5	2	NO
Dr. Gautam Singh	5	2	NO
Mr. U.B. Singh	5	5	Yes
Mrs. Meena Singh	2	2	NO
Mr. Ram Chandra Gaur	2	2	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:

As reported in its last report, the Audit Committee has been restructured. The Audit Committee consists of the following members:

- a. Mr. Ram Chandra Gaur – Independent Director
- b. Mr. Udal Bhan Singh – Independent Director
- c. Mr. Anil Kumar Singh – Managing Director

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. Due to non-availability of valid quorum, the Audit Committee could not meet during the year under review.

Nomination & Remuneration Committee:

The Company's Nomination Remuneration Committee consists of non-executive Directors namely, Mr. R.C. Gaur, Mr. A.K. Singh and Mr. Udal Bhan 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. One meeting of the Remuneration Committee was held during the period ended 31.03.2015.

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, on the recommendation of the Nomination & Remuneration Committee framed and adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. This policy enables to attract and maintain 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 comprises 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 are as follows:

Director	Relation with Linaks	Sitting fees	Remuneration paid during 01.04.14-31.03.15		
			Salary & Perquisites	Commission	Total
Mr. Anil K Singh	Managing Director	NIL	4,80,000	NIL	4,80,000

The Managing Director or Whole-time Directors have not been paid any other benefits, bonuses, stock options, pension, and performance linked incentives.

Share Transfer & Investor's Grievances Committee:

The Members of the Share Transfer & Investors' Grievance Committee of the Company are Mr. Udayan Singh, Mr. A.K. Singh and Mr. U.B. Singh. The Committee is authorized 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.