

XXXXXX



# *Annual Report*

2017-2018

**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. 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**

Jaiswal Singh & 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.  
Marathon Futurex, A-Wing, 25th Floor,  
N.M. Joshi Marg, Lower Parel,  
Mumbai - 400013
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 Thirty Third Annual General Meeting of LINA KS MICROELECTRONICS LTD. will be held at the registered office of the Company at 12.6 km. Barabanki Road, Chihat, Lucknow on Wednesday the 26<sup>th</sup> September, 2018 at 11:00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Kumar Singh (DIN: 00225518), who retires by rotation, and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof, for the time being in force), the company hereby ratifies the appointment of M/s Jaiswal Singh & Co. (Firm Registration No. 011049C), Chartered Accountants, Kanpur, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and THAT the Board of Directors of the Company be and is hereby authorized to fix their remuneration in consultation with the said Auditors."

**SPECIAL BUSINESS**

4. **Increase in remuneration of Mr. Anil Kumar Singh (DIN: 00225518) 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 revision in the remuneration payable to Mr. Anil Kumar Singh (DIN: 00225518), Managing Director of the Company for a period of two (02) years with effect from 1<sup>st</sup> April, 2018 as per following details, as recommended by the Remuneration Committee in its meeting held on 02.04.2018 and approved by the Board of Directors at their meeting held on 11.04.2018:

- I. REMUNERATION:**  
Salary Rs. 1,20,000 (Rupees one lac twenty thousand only) per month.
- II. PERQUISITES:**
  - (i). Provision of car or reimbursement of expenses incurred on a car for use on Company's business.
  - (ii) Provision of telephone at residence for use on company's business will not be considered as a perquisite.
  - (iii) Privilege/Causal 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.

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 authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution."

5. **Reclassification of one of the shareholder of Promoter Group as Public shareholder**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED, in view of the requirement of Reg. 31(2) of SEBI (LODR) Regulations, 2015 for holding 100% of the promoters shares in dematerialized form and in view of Mr. Vikram Singh holding 83100 equity shares of Re.1/- each (0.906% of total promoters/promoters group holding and 0.479% of total equity share capital of the Company) belonging to Promoters Group opting out to be reclassified as public share holder, consent/approval of the Company be and is hereby accorded for reclassification of the Promoters/Promoters Group excluding the holding of Mr. Vikram Singh and that the Board of Directors of the Company be and is hereby authorised to submit necessary application to Stock Exchange, Mumbai or any other appropriate authority for seeking the above approval."

By Order of the Board.

Place: Lucknow  
Date: 10.08.2018

(Anil Kumar Singh)  
Managing Director  
DIN: 00225518

**NOTES**

1. 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.
2. The Register of members and share transfer books shall remain closed from 20.09.2018 to 26.09.2018 (both days inclusive).
3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
4. 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.
5. Relevant documents referred to in the Notice 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.
6. 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.
7. 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.
8. The members are requested to get their shares dematerialized. The company's ISIN Code is INE028C01027.
9. 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 notice/ 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 RTA's email ID beetalrta@gmail.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.
10. (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 URL: www.evoting.nsdl.com during the following voting period:

Commencement of e-voting : **From 10.00 A.M. on 23.09.2018**  
End of e-voting : **Up to 05.00 P.M. on 25.09.2018**

E-voting shall not be allowed beyond **05.00 P.M. on 25.09.2018**. 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 **19.09.2018**.

- (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.
11. 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.
  12. 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
  13. 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.
  14. Details of Directors seeking appointment/reappointment at this Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings] are as under:

Name of the Director	DIN	Date of Birth	Date of Appointment	Qualifications
1	2	3	4	5
Mr. Anil Kumar Singh	00225518	21.01.1949	11.04.1986	B.Tech., PGDBA
Experience in specific functional areas	Directorship 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, 2018	
6	7	8	9	
Forty Six Years	NIL	NIL	5425500	

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

##### Reg. Resol. No. 4:

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. However, in view of escalation of cost of living, Mr. Anil Kumar Singh requested for revision of his remuneration. Accordingly,

the Remuneration Committee in its meeting held on 02.04.2018 and approved by the Board of Directors at their meeting held on 11.04.2018 revised the remuneration payable to Mr. Anil Kumar Singh, Managing Director for the remaining period of two (02) years with effect from 1<sup>st</sup> April, 2018 as per details contained in the resolution. Requisite details of Mr. Anil Kumar Singh are contained in Note No. 14 to this Notice.

The said revision in remuneration payable to Mr. Anil Kumar Singh require consent/approval of the shareholders by way of passing special resolutions. Hence this resolution.

Mr. Anil Kumar Singh and Mrs. Meena Singh, being relatives would be deemed concerned in this resolution.

##### Reg. Resol. No. 5:

Reg. 31(2) of SEBI (LODR) Regulations, 2015 require for holding 100% of the promoters shares in dematerialized form. However, Mr. Vikram Singh of Promoter group holding 83100 equity shares of Re.1/- each (0.906% of total promoters/promoters group holding and 0.479% of total equity share capital of the Company) has opted out to be reclassified as public share holder. Accordingly, consent/approval of the Company is required to authorise Board of Directors of the Company to submit necessary application to Stock Exchange, Mumbai or any other appropriate authority for seeking the above approval for reclassification of the Promoters/Promoters Group excluding the holding of Mr. Vikram Singh.

None of the Directors or their relatives, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

By Order of the Board.

Place: Lucknow  
Date : 10.08.2018

(Anil Kumar Singh)  
Managing Director  
DIN: 00225518

#### DIRECTORS' REPORT

To,  
The Members,  
Linaks Micro Electronics Ltd.

Your Directors present their thirty third Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

##### 1. FINANCIAL SUMMARY OF THE COMPANY

The summarized financial results of the Company are as under:

Particulars	(Rs. In Lacs)	
	2017-2018	2016-2017
Sales and other income	167.46	64.60
Profit Before Finance Cost and Depreciation	-41.03	-36.13
Finance Cost	2.36	1.16
Gross Profit	-43.39	-37.29
Provision for Depreciation	21.86	20.09
Profit before extraordinary items	-65.25	-57.38
Extraordinary items	13.03	0.00
Net Profit Before Tax	-52.22	-57.38
Provision for Tax	0.00	0.00
Net Profit After Tax	-52.22	-57.38
Balance of Profit brought forward	-2225.91	-2168.53
Balance available for appropriation	-2278.13	-2225.91
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	-2278.13	-2225.91

##### 2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR

We adopted a two-pronged strategy to market our LED PCB's. The first being to focus on the MSME segment of LED Light manufacturers. The product approval to volume order cycle in this segment is quite short thereby giving a quick fillip to the sales. We entered this market through a single selling arrangement with a Delhi based entity. The reason that we did not directly interface with this segment was that the business

was spread over a base of a large number of small to medium volume buyers and handling them from Lucknow would have been counterproductive both in terms of service and recovery. This approach yielded fair results, and by the second half of the year, we were nearing our cash break-even level.

The second segment was tapping the OE market of large branded manufacturers. The approval to volume cycle in this segment takes almost 90 to 120 days, and we were able to get approval in this quality conscious segment from a few of the players. But the next step to convert approvals into volume orders got hampered because of working capital issues. Expected fund infusion from the real-estate group housing project tapered off because of the slow down in the real estate segment as our leave & licence joint developers have come under massive cash crunch. So our foray in this segment would have to wait till the liquidity issues get straightened out. As per our reckoning, it would start looking up from the latter half of Q2 in the coming year.

### 3. 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 as under:

- (i) Ongoing measures like Power factor improvement, use of new breed of low wattage high luminescence LED fittings etc. are being carried out.
- (ii) 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.
- (iii) There was no foreign exchange inflow during the year under review (previous year NIL). Expenditure of foreign exchange on account of purchase of raw material Rs. 28.44 Lacs (previous year equivalent to Rs. 31.27 lacs and on account of purchase of machinery/machinery parts/spares Nil (previous year Rs. 7.47 lacs and on account of travelling Rs. NIL (previous year Rs. NIL).

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

The Company does not have any Risk Management Policy as the Company is still in the initial phases of its rehabilitation. However, the Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

### 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 188 of the Companies Act, 2013 during the year under review.

### 10. STATUTORY AUDITORS

M/s Jaiswal Singh & Co. (Firm Registration No. 011049C), Chartered Accountants, Kanpur were appointed as Statutory Auditors for a block period of 05 years in the Annual General Meeting held on 28.09.2017. 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 their appointment is ratified in the said AGM, 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.

### 12. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act and Rules made there under, M/s. Divya Matah & Associates, Practicing 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 rehabilitation, 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 Dr. Gautam Singh and Mr. Udayan Singh resigned from the Directorship of the Company, which was accepted by the Board w.e.f. 10.08.2018. Your Directors take this opportunity to place on record their deep appreciation for the valuable services and guidance rendered by Dr. Gautam Singh and Mr. Udayan Singh.

Further, Mr. Anil Kumar Singh is the person, who has 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 term of his office is liable to retire by rotation at the forthcoming Annual General Meeting. However, he is eligible for his reappointment.

In view of losses no career cautious qualified person was available for being appointed as 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 fulfill all the requirements as stipulated in Section 149(6) 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**

The Audit Committee consists of the following members:

- a. Mr. Ram Chandra Gaur – Independent Director
- b. Mr. Udai 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 2017-2018 to BSE where the Company's Shares are listed.

**25. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS**

Your Company has already implemented the requirement of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 & DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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 in charge and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

The internal financial controls with reference to the financial statements are adequate commensurate to the size and nature of business of the Company.

**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 trans-locating its plant and the process of recruitment of staff has not yet completed. The skeletal staff with which the Company is presently working are mainly on part time basis.

B) As required pursuant to Rule 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 Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

**29. HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests 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 acknowledges 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: 06650869)

Date: 10.08.2018

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	3
Mr. Udayan Singh	Director	Nil	1
Dr. Gautam Singh	Non-Executive Director	Nil	1
Mr. Udai Bhan Singh	Independent & Non-Executive Director	Nil	4
Mrs. Meena Singh	Director	Nil	1
Mr. Ram Chandra Gaur	Independent & Non-Executive Director	Nil	2

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, 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, 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 Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (LODR) Regulations, 2015, 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 06 times i.e. on 28.04.17, 29.05.17, 28.07.17, 13.11.17, 13.12.17 & 12.02.18. 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	6	5	Yes
Mr. Udayan Singh	6	3	NO
Dr. Gautam Singh	6	3	NO
Mr. U.B. Singh	6	6	Yes
Mrs. Meena Singh	6	5	Yes
Mr. Ram Chandra Gaur	6	4	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 consists of the following members:

- Mr. Ram Chandra Gaur – Independent Director
- Mr. Udai Bhan Singh – Independent Director
- 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 quarterly, half yearly and yearly financial results with the Management before being submitted to the Board for its consideration and approval. There has been 04 meetings of Audit Committee on 29.05.2017, 28.07.2017, 13.12.2017 and 12.02.2018.

**Nomination & Remuneration Committee:**

The Company's Nomination & Remuneration Committee consists of non-executive Directors namely, Mr. R.C. Gaur, Dr. Gautam Singh and Mr. Udai 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. No meeting of the Remuneration Committee was held during the period ended 31.03.2018.

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 01.04.17-31.03.18		
			Salary & Perquisites	Commission	Total
Mr. Anil K Singh	Managing Director	NIL	9,60,000	NIL	9,60,000
Mr. Udayan Singh	Whole-time Director	NIL	4,80,000	NIL	4,80,000