

XXIX



Annual Report

(SIX MONTHS ENDING 31.03.2014 AUDITED)

Linaks Microelectronics Limited

LINAKS MICROELECTRONICS LTD.

(CIN: L32101UP1986PLC007841)

Regd. Office:

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

BOARD OF DIRECTORS

Mr. Anil K Singh (DIN:00225518)	-Managing Director
Mr. Udayan Singh (DIN:00189219)	- Director
Mr. R.K. Mehra (DIN:00225532)	- Director
(till 08.11.2013)	
Mr. Siddharth Singh (DIN:00173627)	- Director
Mr. Pradeep Kumar (DIN: 00505518)	- Director
(till 30.05.2014)	
Mr. Gautam Singh (DIN: 00189284)	- Director
Mr. U.B. Singh (DIN: 06650869)	- Director

AUDITORS

S.R. Gupta & Co.

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

Notice is hereby given that the Twenty ninth Annual General Meeting of LINAKS MICROELECTRONICS LTD. will be held at the Registered office of the Company at 12.6 km. Barabanki Road, Chinhat, Lucknow on Tuesday the 30th September, 2014 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 period ended on 31st March, 2014 and reports of the Directors and Auditors thereon.
2. To appoint a director in place Mr. Siddharth Singh (DIN: 00173627), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Dr. Gautam Singh (DIN: 00189284), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize Board of Directors to fix their remuneration and for this purpose 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 thereunder, THAT M/s S.R. Gupta & Co. (Firm Registration No. 001939C), Chartered Accountants, Kanpur, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting) and THAT the Board of Directors of the Company be and is hereby authorized to fix their remuneration in consultation with them.”

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 23.09.2014 to 30.09.2014 (both days inclusive).
3. The Company is concerned about the environment and utilizes resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you communications via email.
4. Copies of Annual Report, 2014 are being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report, 2014 are being sent by the permitted mode.
5. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report, 2014 will be available on the Company's website www.linaks.com.
6. 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.
7. 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.

8. 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	Date of Birth	Date of Appointment	Qualifications
1	2	3	4
Siddharth Singh	21.04.1963	27.07.2001	M.A.
Dr. Gautam Singh	06.10.1953	20.11.1996	MBBS

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, 2014
5	6	7	8
Supply Chain	NIL	NIL	74800
Logistics	NIL	NIL	132240

By Order of the Board.

Place: Lucknow
Date : 30.07.2014

(Anil Kumar Singh)
Managing Director
DIN: 00225518

LINAKS MICROELECTRONICS LIMITED
DIRECTORS' REPORT

To,

The Members,

Your Directors hereby present the Twenty ninth Annual Report of the Company for the period 1st October, 2013 to 31st March, 2014.

SUMMARISED FINANCIAL RESULTS

	(Rs. in Lacs)	
	During the period ended	
	31.03.2014	30.09.2013
Sales and other income	0.00	18.79
Profit/Loss before amortisation, and depreciation	-6.57	8.42
Less: Amortisation	0.00	0.00
Depreciation	0.00	0.00
Profit/Loss before Tax	-6.57	8.42

YEAR UNDER REVIEW

During the current period under review Company's Modified Rehabilitation Scheme was cleared by the Hon'ble Board of Industrial & Financial Reconstruction. Having settled all the Institutional Dues in the previous year itself we have now embarked on the path of settling the statutory dues in a phased manner. Simultaneously we are working full throttle on the refurbishing and repair of the plant and equipment which have since been installed post relocation. Clearances from various agencies are being reactivated and the plant should get energized from the local utility soon. Most of the repair and trial work is being done through temporary power connection and in-house captive power.

OUTLOOK FOR THE CURRENT YEAR

Machines and equipments which have been virtually idle for over nine years take some doing to get them up and going. And this exercise would eat into the better part of the current year before we could take up any serious trial runs. Market-wise we do not see any major impediment in re-establishing ourselves. Our initial feelers in the PCB market and also to our old customers has met with encouraging results.

DIVIDEND

In view of carry forward losses, no dividend payout for the period under review is being recommended.

DIRECTORS

During the period since last report, Mr. R.K. Mehra, one of the promoter directors passed away on 08.11.2013. At the outset your Directors would like to record their deep appreciation for the valuable services and guidance rendered by Mr. Mehra during his tenure as Director of the Company. Your Directors also record condolences on the passing away of Mr. R. K. Mehra and the Linaks' family offers its commiserations to his grieved family.

Further during the period since last report, Mr. Pradeep Kumar resigned from the Directorship of the Company w.e.f. 30.05.2014. Your Directors would like to record their deep appreciation for the valuable services and guidance rendered by Mr. Pradeep Kumar during his tenure as Director of the Company.

Moreover, Mr. Siddharth Singh 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 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.

AUDITORS

You are requested to appoint auditors for the block of three years 2014-15 to 2016-17, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, 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 under the Companies Act.

ACCOUNTS AND COMMENTS IN THE AUDITORS' REPORT

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 (iv) of the Notes on Accounts.

SECRETARIAL COMPLIANCE CERTIFICATE

A copy of the Secretarial Compliance Certificate issued by M/s Rajeev Kumar & Co., Company Secretaries, Lucknow in whole-time practice pursuant to the Proviso to Section 383A(1) of the Companies Act, 1956 is annexed hereto and forming part of this report.

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 being restructured after the demise of Mr. R.K. Mehra and resignation of Mr. Pradeep Kumar. 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. Equity Shares of the Company of nominal value of Re.1/- each are available for dematerialisation under new ISIN INE028C01027 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 and outgo during the year under review were equivalent to Rs. NIL (previous year Rs. NIL).

B. Particulars of Employees

None of the employees of the Company was in receipt of a remuneration of Rs. 500000/- or more p.m. if employed for a part of the year under review or Rs.6000000/- 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 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 period ended 31st March, 2014, 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 period ended 31st March, 2014 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.

For and on behalf of the Board of Directors

Place: Lucknow	(U.B. Singh)	(Anil Kumar Singh)
Date: 30 th May, 2014	Director	Managing Director

RAJEEV KUMAR & COMPANY COMPANY SECRETARIES

**FIRST FLOOR ROOM NO.3
A.B.C. COMPLEX, QUINTON ROAD
KAISER BAGH, LUCKNOW-226001
PH (O) 0522-4009547 @2342896
(M) 8853666630**

Registration No. of the company: 20-007841

CIN: L32101UP1986PLC007841

Authorized Capital: Rs. 9,00,00,000/-

Paid-up Capital: Rs. 49535300/-

To
The Members,
M/s Linaks Micro Electronics Ltd.

I have examined the registers, records, books and papers of M/s Linaks Micro Electronics Ltd. (the company) as required to be maintained under the Companies Act 1956 as well as the Companies Act, 2013 (to the extent then notified) (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial period ended on 31st March, 2014 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities during the financial year within the time (or in case of delay with additional fee) prescribed under the Act.
3. The company, being a PUBLIC LIMITED Company, comments are not required.
4. The Board of Directors duly met FOUR (04) times respectively on 30.10.2013, 29.11.2013, 26.12.2013 and 30.01.2014, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in Minute Book maintained for the purpose.
5. The company closed its register of Members from 23.10.2013 to 30.10.2013 (both days inclusive) and

necessary compliance of Section 154 of the Act has been made.

6. The annual general meeting for the financial period 01.04.2013 to 30.09.2013 was held on 30.10.2013 after giving due notice to the members of the company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its Directors or persons or Firms or Companies referred to under Section 295 of the Act.
9. The contracts falling within the purview of Section 297 of the Act are covered with exemption provided under sub-section (2) of that Section as the same were at prevailing market price.
10. The company has made necessary entries wherever required in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificate during the financial year. However, necessary process for issuing fresh Share Certificates for sub-divided shares were undergoing in compliance of Hon'ble BIFR order.
13. The company:
 - (i) has not allotted any share during the financial year. However, necessary process for issuing fresh Share Certificates for sub-divided shares were undergoing in compliance of Hon'ble BIFR order.
 - (ii) has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

- (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional director, alternate directors and directors to fill casual vacancy during the financial year under scrutiny.
15. The company has not appointed any managing director or whole-time director during the financial year.
16. The company has not appointed any sole-selling agent during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial period.
24. The Company has not made any borrowings during the financial period ended 31st March, 2014.
25. The company has not made any loans or advances or given guarantees or provided securities to other Bodies Corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under scrutiny.
31. There were/was no prosecution initiated against the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has duly deposited both employees' and employer's contribution to Provident fund during the financial period.
- Remarks: Under the New Companies Act, 2013 Section 204 was not notified for the period ended 31.03.2014. Therefore, by way of abundant precaution we are issuing Compliance Certificate under Section 383A of the Companies Act, 1956 till the date of 31st March, 2014.

PLACE: Lucknow
DATE: 30.05.2014

FOR RAJEEV KUMAR & COMPANY

(RAJEEV KUMAR)
COMPANY SECRETARY
C.P. NO. 3509

ANNEXURE “A”**Registers as maintained by the company****Statutory Registers**

1. Register of Members, with their index u/s 150 of the Act.
2. Minute Books for Minutes of meeting of Board, share holders
3. Books of account
4. Register of Directors, Managing Director u/s 303 of the Act
5. Register of Director's share holding u/s 307 of the act
6. Register of Director's attendance at their meeting of Board(Regulation 71 of Table A)
7. Register of share holder's attendance at their Meeting u/s 174 of the Act.
8. Register of Fixed Assets
9. Register maintained U/S 301 of the Act

Other Registers

1. Register of application and allotment of securities
2. Register of transfer/Transmission of shares

ANNEXURE “B”

FORMS AND RETURNS AS FILED BY THE COMPANY WITH “ROC” “REGIONAL DIRECTOR” “CENTRAL GOVERNMENT” OR OTHER AUTHORITIES DURING THE FINANCIAL PERIOD ENDING 31st March, 2014

Sl. No.	Form No./Return	Filed under Section	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
01	Form 5 dtd 30.09.13	95	01.10.2013	YES	NO
02	Form 32 dtd 30.09.13	303	01.10.2013	YES	NO
03	Form 23 (for AGM resolutions) dtd 30.09.13	192	01.10.2013	YES	NO
04	Form 23 (for EGM resolutions) dtd 30.09.13	192	01.10.2013	YES	NO
05	Form 23AC Xbrl for year ending 31.03.13	220	27.10.2013	YES	NO
06	Form 20B for AGM dtd 30.09.13	159	16.11.2013	YES	NO
07	Form 66 for period ending 30.09.13	383A	25.11.2013	YES	NO
08	Form 21 dtd 29.10.13 with order of BIFR	SICA	26.11.2013	YES	NO
09	Form 23AC Xbrl for period ending 30.09.13	220	28.11.2013	YES	NO
10	Form 32 dtd 08.11.13	303	28.11.2013	YES	NO
11	Form 23C for 01.10.13 to 31.03.14	233B	29.11.2013	YES	NO
12	Form 20B for AGM dtd 30.10.13	159	28.12.2013	YES	NO

(RAJEEV KUMAR)
COMPANY SECRETARY
C.P. NO. 3509

LINAKS 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. 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 as market-wise we do not see any major impediment in re-establishing ourselves. Our initial feelers in the PCB market and also to our old customers has met with encouraging results.

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.

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.

By Order of the Board.

Place: Lucknow	(U.B. Singh)	(Anil K Singh)
Date : 30.05.2014	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 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	Nil
Mr. Udayan Singh	Director	Nil	1
Mr. Siddharth Singh	Director	Nil	1
Mr. R.K. Mehra*	Director	Nil	2
Mr. Pradeep Kumar**	Independent & Non-Executive Director	Nil	2
Dr. Gautam Singh	Independent & Non-Executive Director	Nil	2
Mr. Udai Bhan Singh	Independent & Non-Executive Director	Nil	1

* Mr. R.K. Mehra has died on 08.11.13. ** Mr. Pradeep Kumar resigned from Directorship on 30.05.14.

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 period under review, the Board of Linaks Microelectronics Ltd. met 4 times i.e. on 03.10.13, 29.11.13, 26.12.13 & 30.01.14.

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:

Name	No. of Board Meetings		Attendance at Last AGM
	Held	Attended	
Mr. Anil K Singh	4	4	Yes
Mr. Udayan Singh	4	4	NO
Mr. Siddharth Singh	4	NIL	NO
Mr. R.K. Mehra	1	NIL	NO
Mr. Pradeep Kumar	4	NIL	NO
Dr. Gautam Singh	4	NIL	NO
Mr. U.B. Singh	4	4	Yes

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 is being restructured after the demise of Mr. R.K. Mehra and resignation of Mr. Pradeep Kumar.

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.

Remuneration Committee:

The Company's Remuneration Committee consists of non-executive Directors namely, 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 31.03.2014.

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 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 01.10.13-31.03.14		
			Salary & Perquisites	Commission	Total
Mr. Anil K Singh	Managing Director	NIL	2,40,000	NIL	2,40,000

Share Transfer & Investor's Grievances Committee:

The Members of the Share Transfer & Investors' Grievance Committee of the Company are Mr. Udayan Singh, Mr. Siddharth Singh and Mr. U.B. 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	1	1
Siddharth Singh	1	NIL
U.B. Singh	1	1

Details on Annual General Meetings

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

Year	Location	Date	Time
01.4.13-30.09.13	12.6 km Barabanki Road, Chinhat, Lucknow	30.10.2013	11.00 A.M.
2012-13	12.6 km Barabanki Road, Chinhat, Lucknow	30.09.2013	11.00 A.M.
2011-12	12.6 km Barabanki Road, Chinhat, Lucknow	28.09.2012	11.00 A.M.

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 Hindustan Times in English and Sahara 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.

General Shareholders' Information:

Annual General Meeting: Date and Time Venue	September 30, 2014 at 11.00 a.m. 12.6 km. Barabanki Road, Chinhat, Lucknow-227 105.
Financial Calendar: Results for the quarter ended on 30.06.14	Last week of July, 2014 (Tentative)
Results for quarter ending 30.09.14	Last week of October, 2014 (Tentative)
Results for the quarter ending 31.12.14	Last week of January, 2015 (Tentative)
Results for the quarter ending 31.03.15	Last week of May, 2015 (Tentative)

Book closure Date	23.09.2014 to 30.09.2014 (both days inclusive)
Dividend payment Date	N.A.
Stock Exchange where the Company's shares are listed	Mumbai
Stock Code at BSE	517463
Demat ISIN Numbers in NSDL & CDSL for New Equity Shares of Re. 1/- each	INE-028C01027

Nomination Facility:

Individual Shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares lateron transmitted to his name. Members are requested to write to the Registrar & Share Transfer Agents to avail the facility.

Depository Services:

For guidance on Depository services, Shareholders may write to the Registrar and Share Transfer Agent or National Securities Depository Limited, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, email: info@nsdl.co.in, website: www.nsdl.com or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400 023, email: investors@cdslindia.com, website: www.cdslindia.com.

Unclaimed Dividends:

The Company has no unclaimed dividend.

Market price data:

Month	Open Price	High price	Low Price	Close Price	No. of shares
Oct'13	NO TRADING				
Nov'13					
Dec'13					
Jan'14					
Feb'14	NO TRADING				

Share Transfer System:

As per the directions of SEBI, the Company has appointed M/s Beetal Financial & Computer Services (P) Ltd. as Common Agency for Share transfer, both in physical and demat form w.e.f. 01.04.2003.

The Registrar and Share Transfer Agents register share transfers in physical form within 15-20 days of the receipt of the completed documents. Invalid share transfers were returned within 15 days of receipt. All requests for dematerialisation of Shares were processed and confirmations were given to the respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Ltd. The company also offers transfer cum Demat facility, simultaneously.

Registrar & Share Transfer Agent

M/s Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
Nr. Dada Harsukhdas Mandir,
New Delhi-110 062.
Ph: 011-29961281
E-mail: beetal@beetalfinancial.com

Distribution Schedule as on March 31, 2014

Share holding of nominal Value of Re.1/- held	Shareholders		Total Shares	% to Total Shares
	Number	% of Total		
1-5000	4708	90.08	3384396	19.5231
5001-10000	97	1.95	710088	4.0962
10001-50000	64	1.29	1361132	7.8518
50001-100000	15	0.30	1189324	6.8607
100001 & above	19	0.38	10690360	61.6682
Total	4975	100.00	17335300	100.0000

Shareholding Pattern as on March 31, 2014

Category	Nos. of Shares	% of Holding
Promoters	9147656	52.77
Mutual Funds & UTI	203200	1.17
Banks, Financial Institutions, Insurance Companies, Govt. Cos. FIs	680000	3.92
Private Corporate Bodies	754932	4.35
OCBs & NRIs	437124	2.52
Venture Capital		
Indian Public	6112388	35.27
Total	17335300	100.00

Dematerialisation of Shares & Liquidity:

The Company has entered into agreements with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). As at March 31, 2014, 33.267 percent (5766860 Shares) of the Company's total shares were held in dematerialised form while 66.733 percent (11568440 Shares) were held in physical form.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date impact on Equity : N.A.

Address for Correspondence and Plant Location:

Linaks Microelectronics Ltd. Phone : 0522-6549493
12.6 km. Barabanki Road, Fax : 0522-2622061
Chinhat, Lucknow-227 105.
Email: linakspcb@yahoo.com

For & on behalf of the Board of Directors

Place: Lucknow (U.B. Singh) (Anil K Singh)
Date: 30.05.2014 Director Managing Director

CEO Certification

To
The Board of Directors
Linaks Microelectronics Limited
Lucknow

I, Anil Kumar Singh, Managing Director of Linaks Microelectronics Limited, to the best of my knowledge and belief, certify that :

1. I have reviewed the Balance Sheet and Profit and Loss account, and all notes on accounts, as well as the Cash Flow statements, and the Directors' report.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the

periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.

4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to me by others within those entities, particularly during the period in which this report is being prepared.
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).
 - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. I have disclosed, based on my most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions) :
 - a. There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b. There were no significant changes in internal controls during the year covered by this report.
 - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the *notes to the financial statements*.
 - d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. In the event of any materially significant misstatements or omissions, I will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors.
8. I affirm that I have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
9. I further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct for the current year.

Lucknow
(May 30, 2014)

(Anil Kumar Singh)
Managing Director

S.R. GUPTA & CO. 24/24 C, Karachi Khana,
Chartered Accountants Kanpur
Ph: (0512) 2353032

AUDITORS' CERTIFICATE

To,
The Members of
Linaks Microelectronics Ltd.

We have examined the compliance of conditions of Corporate Governance by Linaks Microelectronics Ltd. for the period ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s) of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanation given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Share Registrars and reviewed by the Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. Gupta & Co.
Chartered Accountant

Place: Lucknow
Date: 30th May, 2014

(V.K. Gupta)
Partner
M.No. 14745

S.R.GUPTA & Co., 24/24-C, Karachi Khana,
Chartered Accountants Kanpur
(Mob. 9839075175)

To The Members of

LINA KS MICROELECTRONICS LTD.,
REPORT ON FINANCIAL STATEMENT

We have audited the accompanying financial statements of LINA KS MICROELECTRONICS Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITIES FOR THE FINANCIAL STATEMENT Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance

of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- in the case of the Profit and Loss Account, of the loss for the period from Oct.1,2013 to 31st March, 2014
- in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT;

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- Further, to our comments referred to in paragraph (1) above and subject to followings (refer note no. 3(i) to (iv) of Notes to Accounts attached to and forming part of Balance Sheet):
That no interest is provided on funded CST& UPTT and Statutory dues of PF & ESI in view of sanctioned rehabilitation scheme.
That no provision is made for depreciation on Fixed Assets as these were not put to use during the above said period).Further no provision is made for loss on account of discarded/obsolete Plant and Machinery.
That no provision is made for loss due to diminution in value of inventory holdings.
- As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S.R. Gupta & Co.,
Chartered Accountants

(CA V.K. Gupta)
Partner.

Membership No. 14745

Place: LUCKNOW.
Date 30.05.14

S.R. GUPTA & CO. 24/24C KARACHI KHANA
CHARTERED ACCOUNTANTS KANPUR

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification;
- (c) No substantial part of fixed assets have been disposed off during the year.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business;
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification;
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. However company has taken interest free unsecured loan from its managing director. The terms and conditions are not prejudicial to the interest of the company.
- (iv) There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- (v) There is no transaction that needs to be entered into in the register in pursuance of Section 301 of the Act.
- (vi) The company has not accepted any deposits from the public,
- (vii) The company has an internal audit system commensurate with its size and nature of its business, which needs to be strengthened.
- (viii) Since company is not in production no cost audit records are being maintained.
- (ix) Due to financial crunch the company was not regular in depositing old P.F. dues Rs. 3.54 Lac (Previous year Rs.10.50 Lac). However, upto date payment of ESI has been paid by the company. No provisions for gratuity has been made and will be paid as and when becomes due.
- (b) Sales Tax assessment under appeal is Rs 63.35 Lac (Previous year Rs. 63.35 Lac) a list is enclosed in Notes on Account under the head contingent liabilities, without considering interest thereon.
- (x) The company has incurred cash losses in the year for Rs 6.57lac and in the Preceding financial year for Rs. 10.37 Lac.
- (xi) In our opinion and as per the explanation given to us, the company is under rehabilitation under the scheme sanctioned by the Board of Industrial and Financial Reconstruction (BIFR). During the year the Company has been settling its statutory dues as per the schedule drawn-up in the Rehabilitation Scheme.
- (xii) The company has not granted any loans and advances on the basis of security.
- (xii) The company is not a chit fund company.
- (xiii) The company is not trading or dealing in shares, securities, debenture and other investments.
- (xiv) The company has not given any guarantee for loans taken by others.
- (xv) The company has not applied for any term loan during the year.
- (xvi) The fund raised on short-term basis has not been used for long-term investments and vice versa.
- (xvii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xviii) The company has not issued any debentures.
- (xix) The company has not raised any money by public issues during the year.
- (xx) No fraud on or by the company has been noticed or reported during the year.

For: S. R. Gupta & Co.
Chartered Accountants

Place : Lucknow
Date :30.05.14

V.K. Gupta
(Partner)
M.No.14745

Linaks Micro Electronics Ltd
12.6 K M Barabanki Road , Chinhhat, Lucknow
Balance Sheet as at 31.03.2014

PARTICULARS	NOTE	As at 31st March 2014 Rupees	As at 30th Sep. 2013 Rupees
EQUITIES AND LIABILITIES			
Share Holder's Funds			
a) Share Capital	1	49535300.00	49535300.00
b) Reserves & Surplus	2	-18263555.72	-181978417.20
		-133100255.72	-132443117.20
(3) Non-Current Liabilities			
(a) Other Long term liabilities	3	198480852.68	190972427.83
(b) Long term provisions	4	353239.22	1115894.56
		198834091.90	192088322.39
Current Liabilities			
a) Short Term Borrowings	5	2131003.68	2099070.68
b) Other Current Liabilities	6	0.00	10700.00
c) Short Term provisions	7	83454.67	210000.00
		2214458.35	2319770.68
		67948294.53	61964975.87
ASSETS			
Non Current Assets			
a) Fixed Assets			
I) Tangible Assets	8	52678549.18	48121261.48
II) Intangible Assets		52678549.18	0.00
			48121261.48
Current Assets			
a) Inventories	9	8410963.58	8410963.58
b) Trade Receivables	10	1588409.07	1588409.07
c) Cash & Bank Balances	11	3321710.22	209613.38
d) Short Term Loans & Advances	12	1948662.48	3634728.36
		15269745.35	13843714.39
Significant Accounting Policies		67948294.53	61964975.87
Notes on Financial Statements			

'Note: The Notes referred to above form an integral part of the Balance Sheet

As per our separate report of even date.

For S.R. Gupta & Co.
Chartered Accountants

(C.A. V.K. Gupta)
Partner

Place: Lucknow
Date: 30.05.2014

For and on behalf of the Board of Directors

(Anil K Singh)
Managing Director

(U.B. Singh)
Director

Linaks Micro Electronics Ltd
12.6 K M Barabanki Road , Chinhhat, Lucknow

Statement of Profit and Loss for the period ending on 31st March. 2014

PARTICULARS	NOTE	As at 31 March 2014		As at 30th Sep. 2013	
		CURRENT YEAR		PREVIOUS YEAR	
		Rupees	Rupees	Rupees	Rupees
Income					
i. Revenue from operations	13		0		579620.7
ii. Other Income	14		0		1299864.85
iii. Total Revenue(i+ii)			0		1879485.55
Expenditure					
iv. Cost of material Consumed	15		0		251310
Changes in Inventories of Finished goods and work in process	16		0		154425
Employee Benefit Expenses	17		0		32827
Finance Costs	18		0		0
Depreciation and Amortisation Expenses	19		0		0
Other Expenses	20		657138.52		759192.31
Total Expenses			657138.52		1197754.31
v. Profit before exceptional and extraordinary items and tax(iii-iv)			-657138.52		681731.24
vi. Exceptional Items			0		0
vii. Profit before extraordinary items and tax (1 - 3)			-657138.52		681731.24
viii. Extraordinary Items			0		
ix. Profit before Tax			-657138.52		681731.24
x. Tax Expenses					
1 Current Tax			0		
2 Deferred Tax			0		
xi. Profit/ Loss for the period from continuing operations.(ix-x)			-657138.52		681731.24
xii. Profit /(loss) from discontinuing operations			0		0
xiii. Tax expenses of discontinuing operations			0		0
xiv. Profit/(loss) from discontinuing operations after tax (xii-xiii)			0		0
xv. Profit/(loss)for the period (xi+ xiv)			-657138.52		681731.24
xvi. Earning per equity Share					
(i) Basic			0		0
(ii) Diluted			0		0

Significant Accounting Policies

Notes on Account

The Notes referred to above form an integral part of the Profit & Loss Statement.

As per our sepearte report of even date.

For S.R. Gupta & Co.
Chartered Accountants

(C.A. V.K. Gupta)
Partner

Place: Lucknow
Date: 30.05.2014

(Anil K Singh)
Managing Director

For and on behalf of the Board of Directors

(U.B. Singh)
Director

Linaks Micro Electronics Ltd
12.6 K M Barabanki Road , Chinhhat, Lucknow

PARTICULARS	As at 31st March 2014 Numbers	Rupees	As at 30th Sep. 2013 Numbers	Rupees
Note 1				
Share Capital				
Authorised				
Optionally Convertible Preference Share of Rs.10/-each	4000000	40000000	4000000	40000000
Equity Shares of Re. 1/- each (prev.yr Rs 10 each)	50000000	50000000	50000000	50000000
Issued				
Optionally Conv ertible Preference Share of Rs.10/-each	3220000	32200000	3220000	32200000
Equity Shares of Re.1/- each (prev.yr Rs 10 each)	14074000	14074000	14074000	14074000
Equity Shares of Re.1/- each Issued as fully paid up pursuant to a contract without payment being received in cash (prev.yr Rs 10 each)	336600	336600	336600	336600
Equity Shares of Re.1/- each Issued as fully paid up Bonus Shares (prev.yr Rs 10 each)	2924700	2924700	2924700	2924700
Subscribed & Paid up				
Optionally Convertible Preference Share of Rs.10/-each	3220000	32200000	3220000	32200000
Equity Shares of Re.1/- each (prev.yr Rs 10 each)	14074000	14074000	14074000	14074000
Equity Shares of Re.1/- each Issued as fully paid up pursuant to a contract without payment being received in cash (prev.yr Rs 10 each)	336600	336600	336600	336600
Equity Shares of Re.1/- each Issued as fully paid up Bonus Shares (prev.yr Rs 10 each)	2924700	2924700	2924700	2924700
Total	20555300	49535300	20555300	49535300

Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956
Particulars

	2010-11	2011-12	2012-13	Period ending 30.9.2013	Period ending on 31-3-2014
Equity Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	84150	84150	84150	336600	336600
Fully paid up by way of bonus shares	731175	731175	731175	2924700	2924700
Shares bought back	0	0	0	0	0
Preference Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	3220000	3220000	3220000	3220000	3220000
Fully paid up by way of bonus shares	0	0	0	0	0
Shares bought back	0	0	0	0	0

1.1 Particulars of shareholders holding more than 5% of the total equity share capital

S.N Name of the Holder	No. of shares held	% to total paid up capital	No. of shares held	% to total paid up capital
A. MAHARUDRA HOLDING PVT. LTD.	1049200	24.20956084	1049200	24.20956084
B. ANIL KUMAR SINGH	306875	7.080927356	306875	7.080927356
C. MEENA SINGH	231375	5.338817326	231375	5.338817326

Note 2	Reserves & Surplus	As at 31st March 2014	As at 30th Sep. 2013
	a. Capital Reserves		
	Opening Balance	31049000	
	(+) Current Year Transfer	0	31049000
	(-) Written Back in Current Year	0	0
	Closing Balance	31049000	31049000
	b. Securities Premium Account		
	Opening Balance	19277077.32	19277077.32
	Add : Securities premium credited on Share issue		
	Less : Premium Utilised for various reasons		0
	Premium on Redemption of Debentures		
	For Issuing Bonus Shares		
	Closing Balance	19277077.32	19277077.32
	c. Surplus		
	Opening balance	-232304494.52	-258989175.76
	(+) Net Profit/(Net Loss) For the current year	-657138.52	681731.24
	(+) Transfer from Reserves		
	(-) Proposed Dividends		
	(-) Interim Dividends		
	(-) Transfer to Reserves-Reduction in Share Capital	0	26002950
	Closing Balance	-232961633.04	-232304494.52
	Total	-182635555.72	-181978417.20

Note: Equity share of Rs. 10/- each has been reduced to four equity shares of Re.1/- each, as per Members Resolution passed at EGM held on 30.09.2013 at the registered office of the company.

Note 3 Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956

Other Long Term Liabilities	As at 31st March 2014	As at 30th Sep. 2013
(a) Trade Payables	12750204.81	13873184.27
(b) Others	185730647.9	177099243.56
Total	198480852.7	190972427.8

Note 4 Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

Long Term Provisions	As at 31st March 2014	As at 30th Sep. 2013
(a) Provision for employee benefits Superannuation (unfunded) Gratuity (unfunded) Leave Encashment (unfunded) ESOP / ESOS	353239.22	1050012.21
(b) Others (Specify nature) Duity & taxes	0	65882.35
Total	353239.22	1115894.56

Note 5 Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

Short Term Borrowings	As at 31st March 2014	As at 30th Sep. 2013
Unsecured		
(a) Loans repayable on demand from banks from other parties - Director (of the above, <u>NIL</u> is guaranteed by Directors and / or others)	459693.68	427760.68
(b) Loans and advances from related parties (of the above, <u>NIL</u> is guaranteed by Directors and / or others)	1671310.00	1671310.00
	2131003.68	2099070.68

Note 6 Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

Other Current Liabilities *	As at 31st March 2014	As at 30th Sep. 2013
TDS Payable	0	10700
Total	0	10700

Note 7 Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

	As at 31st March 2014	As at 30th Sep. 2013
Short Term Provisions		
Salary & Reimbursements	83454.67	210000
Total	83454.67	210000

Note 8 Disclosure pursuant to Note no. 1 (i), (ii), (iii); Note no. J (i), (ii); Note no. L of Part I of Schedule VI to the Companies Act, 1956

	Fixed Assets	Gross Block						Accumulated Depreciation					Net Block	
		1st October, 2013	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (impairments)	Balance as at 31 March 2014	1st October, 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposal:	Balance as at april	1st October, 2013	Balance as at 31 March 2014	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
a														
	Tangible assets													
	Buildings	1745750.85				1746790.05			0.00	866787.81	8599363.04	8599363.04		
	Plant and Equipment	15120943.39				15120943.39			0.00	12085893.44	30431049.99	30431049.99		
	Assets under lease									0.00		0.00		
	Furniture and Fixtures	1470579.76				1470579.76			0.00	1427527.68	43052.08	43052.08		
	Assets under lease									0.00		0.00		
	Vehicles									0.00		0.00		
	Assets under lease	3562665.62				3562665.62			0.00	3373846.96	188816.66	188816.66		
	Office equipment													
	Assets under lease									0.00		0.00		
	Others (specify nature)													
	Total	173790339.62		0.00	0.00	173790339.62		0.00	0.00	134528155.89	39762783.77	39762783.77		
b	Capital Work In Progress	8838977.71	4557287.70			13416265.41					8858977.71	13416265.41		
	Total	182449317.33		0.00	0.00	187206605.03		0.00	0.00	134528155.89	48121261.48	52678549.18		

Note 9 Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Inventories	As at 31st March 2014	As at 30th Sep. 2013
a. Raw Materials and components (Valued at Landed cost)	553555	553555
b. Work-in-progress (Valued at Input plus cost of conversion char	553555 3266000	553555 3266000
c. Finished goods (Valued at Cost or net realisable value)	3266000 1409496	3266000 1409496
d. Stock-in-trade (Valued at Cost)	1409496	1409496
e. Stores and spares (Valued at Cost)	960800	960800
f. Loose Tools (Valued at Cost)	960800	960800
g. Others (Specify nature)		
Land (valued at cost)	2221112.58 2221112.58	2221112.58 2221112.58
Total	8410963.58	8410963.58
Note 10 Disclosure of trade reeivables under curent assets	As at 31st March 2014	As at 30th Sep. 2013
a. Short term trade receivables		
Secured, considered good	1588409.07	1588409.07
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful debts	0	0
	1588409.07	1588409.07
Note 11 Disclosure of Cash & Cash Equivalents under curent assets	As at 31st March 2014	As at 30th Sep. 2013
Cash in hand	265770.59	160347.86
Bank Accounts	3055939.63	49265.52
	3321710.22	209613.38
Note 12 Disclosure of Other Current Assetsunder curent assets	As at 31st March 2014	As at 30th Sep. 2013
Security Deposits	191804	191804
PLA Advance	66	66
Storers and Spares	1496267	1496267
Loans & Advances	260525.48	1946591.36
	1948662.48	3634728.36

Linaks Micro Electronics Ltd
12.6 K M Barabanki Road , Chinchhat, Lucknow

Note	PARTICULARS	As at 31st March 2014 Rupees	Rupees	As at 30th Sep. 2013 Rupees	Rupees
13	Revenue from operations		0.00		579620.70
			0.00		579620.70
14	Other Income				
	Interest Received		0.00		2517.00
	Accounts written off		0.00		1297347.85
			0.00		1299864.85
15	Cost of material Consumed				
			Consumption		Consumption
	Opening Stock		707980.00		959290.00
	Purchases		0.00		0.00
	Closing Bal		707980.00		707980.00
	Less Consumed		0.00		251310.00
16	Changes in Inventories of Finished goods, Stock in trade and Stock in Process				
	Opening Bal.				
	WIP		3266000.00		3266000.00
	Finished Goods		1255071.00		1409496.00
	Total WIP+FinishedGoods		4521071.00		4675496.00
	Closing Bal.				
	WIP		3266000.00		3266000.00
	Finished Goods		1255071.00		1255071.00
			4521071.00		4521071.00
	Change in Inventory		0.00		154425.00
17	Employee Benefit Expenses				
	Employee benefit expense				
	Employer cont. FPF		0.00		4000.00
	Employer cont. ESI		0.00		3200.00
	Employer cont. PF		0.00		1805.00
	Salary & Wages		0.00		23822.00
	Staff welfare exp				
			0.00		32827.00
18	Finance Costs				
	Interest		0.00		0.00
	Total Fin. Cost		0.00		0.00
19	Depreciation and Amortisation Expenses				
	Depreciation		0.00		0.00
			0.00		0.00

Linaks Micro Electronics Ltd
12.6 K M Barabanki Road , Chihat, Lucknow

Note

20 Other Expenses

Expenditure in connection with OTS	152735.00	326211.47
staff welfare exp.	0.00	0.00
Audit Fee	28090.00	0.00
Bank Charges	9692.08	3868.10
Directors' Remuneration	0.00	160000.00
Advertisement Exp.	32117.72	0.00
Conveyance Expenses	0.00	0.00
Courier Expenses	0.00	1405.00
Diesel Expenses	0.00	3700.00
Fax Charges	0.00	103.00
Journal Books & Periodicals	2917.00	10039.00
Legal Expenses	270752.00	109345.00
Listing Expenses	0.00	18580.00
Misc Expenses	24302.00	19324.00
Postage & Telephone Exp.	2516.00	3633.00
Printing & Stationery	71430.72	3161.00
Rate & Taxes		
Repairs & Maintenance (D G Set)	0.00	1813.00
Repairs & Maintenance	0.00	0.00
Repairs & Maintenance (Building)		0.00
Round Off	0.00	-0.26
Expenses Related to Previous Year Rent	0.00	0.00
Factory Rent	0.00	66000.00
Telephone Expenses	27181.00	28034.00
Travelling Expenses	35405.00	3976.00
Watch & Wards	0.00	0.00
Consumable Expenses		
TOTAL	657138.52	759192.31

NOTES ON ACCOUNTS**Significant Accounting Policies****a. BASIS OF ACCOUNTING:**

The Financial Statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956.

b. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. In Cases of Assets borrowed against foreign currency loan, any change, due to Exchange rate has been correspondingly adjusted in the cost of assets.

c. DEPRECIATION:

No depreciation is provided during the period of six month (from 01.10.13 to 31.3.14) since machine were not put to use. Depreciation on Fixed Assets is provided as per the Straight Line Method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

d. RETIREMENT BENEFITS:

The Company's contribution in respect of Provident Fund is charged against revenue every year. In respect of Gratuity, contribution is made to Life Insurance Corporation of India in the form of premium under the Group Gratuity Scheme. However, during the year no payment is made to LIC under the group gratuity Scheme. Such contribution is charged to Profit & Loss Account as they become due.

e. INVENTORIES:

- i. Raw Material, stores and spares are valued at landed cost.
- ii. Work in progress is valued at the cost of inputs plus part of conversion charges as applicable.
- iii. Finished Goods are valued at lower of cost or net realisable value. Excise duty on finished goods at factory is accounted for as and when the materials are cleared.

f. EXCISE DUTY:

Excise duty deposited in PLA and excise duty payable is shown in the Books of Account. Purchases, Sales, Raw material Stock and Work in Progress are inclusive of excise duty. Excise duty on finished goods stock is not provided, since it belongs to goods manufactured for Hindustan Aeronautics Ltd., which has got exemption from Excise.

g. FOREIGN EXCHANGE TRANSACTIONS:

There is no foreign transactions during the year.

There are No Transactions in Foreign Currency During the year .

h. SALES:

- i. Sales include Excise Duty Wherever applicable.
- ii. Debit note received from parties for rejection of goods are accounted for after these rejected goods are declared to be beyond rectification.

NOTES ON ACCOUNTS**i. TAXATION:**

The Company has been 'Sick Industrial Company' within the meaning of clause (o) of section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985; hence no provision for Deferred Tax Liability was made. However, it will be made as and when accrue.

j. EARNING PER SHARE**(a) Calculation of Weighted Average:**

	31.3.14 (6months)	30.9.13 (6months)
Number of Equity Shares at the beginning of the year	17335300	17335300
Number of Equity shares outstanding at the end of year	17335300	17335300
(b) Weighted Average no. of equity shares		
Outstanding during the year	17335300	17335300
Net Loss during the year (Rs. in lacs)	(-) 6.57	6.81
(c) Basic & Diluted earning (in Rs. Per Shares)	0.00	0.49

k. Segment Information:

The Company is manufacturing Printed Circuit Boards, presently Multilayer (upto 8 layers) and Double Sided Printed Through Holes (DSPTH) making sales within India and in the international market. It has plan for manufacturing Multi Layers Boards (MLB's) upto 24 layers and also flexi-rigid Multilayer.

1. Related Party Disclosure

1. Party where control exists:
Linaks Pressings, Raebareli - No transaction during the year.
2. Other related Parties with whom transactions have taken place - NIL
3. Directors.
Shri Anil Kumar Singh Managing Director
Shri Udayan Singh,
Shri Siddharth Singh
Dr. Gautam Singh
Mr. U.B. Singh

No remuneration is paid to any of the Whole Time Directors. However, Rs240000/- has been paid to M.D.

2. LIQUIDATED DAMAGES:

Liquidated Damages on late deliveries are accounted for only when they are finally not recoverable inspite of Company's best efforts.

3. i. No interest is provided on Funded CST and UPTT and statutory dues of PF & ESI in view of sanctioned rehabilitation scheme.
- ii) No provision is made for loss on account of discarded /obsolete Plant and Machinery pending completion of transition period .
- iii. No Provision is made for loss due to diminution in value of inventory pending completion of transition period.
- iv. Due to financial crunch the company was not regular in depositing old PF dues of Rs. 3.54 lac previous year Rs. 10.50 lac. However, upto date payments of ESI has been paid by the company. No provision for gratuity has been made and will be paid as and when becomes due.

4. CONTINGENT LIABILITIES:

- i. Estimated amount of contracts remaining to be executed on Capital Account NIL. (Previous year NIL)
 - ii. Outstanding Letters of Credit Rs. NIL Lac (Previous year Rs. NIL)
 - iii. Outstation Cheques purchased by bank but not cleared till the date of Balance Sheet Rs. Nil (Previous Year Rs. Nil Lac).
 - iv. No demand for Income Tax is pending.
 - v. Disputed demand for Rs.63.35 lac (Previous Year 63.35lacs) excluding Interest, for Sales Tax, is in appeal and pending before different authorities.
5. Dues towards SSIs for Rs 1 lac or more outstanding for more than 30 days are not ascertainable as the suppliers have not furnished their SSI registrations.
6. Details of litigated Sales Tax assessments under appeal and finalistaion

Serial Number	Financial Year	Provincial Disputed Amount	Central Disputed Amount
1	1993-94	nil	Rs 1,52,559.00
2	1994-95	Rs 1,41,955.45	Rs 75,369.00
3	1995-96	Rs 6,10,018.00	Rs 12,22,323.00
4	1996-97	Rs 3,82,600.00	Rs 1,01,628.90
5	1997-98	Rs 4,57,577.00	Rs 4,94,262.00
6	1999-00	Rs 92,025.00	Rs 87,611.00
7	2000-01	Rs 4,81,957.00	Rs 7,81,350.55
8	2001-02	Rs 92,204.29	Rs 8,77,018.00
9	2002-03	nil	Rs 2,84,919.40

7. EXPENSES AND EARNING

(In foreign Exchange)

a) Values of Direct Imports (CIF)

Raw Material

Stores & Spare Parts

b) Expenditure in Foreign Currency

Travelling Expenses

Other matters

c) Earnings in Foreign exchanges (FOB)

Export

	Upto 31.03.14	Upto 30.09.13
	Rs Lacs	Rs lacs
a) Values of Direct Imports (CIF)	Nil	Nil
Raw Material		
Stores & Spare Parts	Nil	Nil
b) Expenditure in Foreign Currency	Nil	Nil
Travelling Expenses		
Other matters		
c) Earnings in Foreign exchanges (FOB)	Nil	Nil
Export		

8.(a) CONSUMPTION OF RAW MATERIAL

(i) Copper clad Laminates

(ii) Dry Film Photo Resist & Dry Film Solder Mask

(iii) Exit Entry Sheet

(iv) Liquid Chemicals

(v) Solid Chemicals

(vi) Others

	Upto 31.3.14	Up to 30.9.13
	Qty	Rs.in lacs
(i) Copper clad Laminates	-	-
(ii) Dry Film Photo Resist & Dry Film Solder Mask	-	-
(iii) Exit Entry Sheet	-	-
(iv) Liquid Chemicals	-	-
(v) Solid Chemicals	-	-
(vi) Others	-	-

(b) RAW MATERIALS IMPORTED & INDIGENOUS

Imported

Indigenous

	Upto 31.3.14	Upto 30.9.13
	Rs.in lacs	(Rs.in lacs)
Imported	0	0
Indigenous	0	0

9.(a) OPENING & CLOSING STOCK OF FINISHED GOODS

Opening Stock

Closing Stock

(b) SALES

	Upto 31.3.14	Up to 30.9.13
	Qty.(sqm)	Qty.(sqm)
Opening Stock	327.00	332.30
Closing Stock	327.00	327.00

5.00

Printed Circuit Boards

10. DETAILS OF LICENSED & INSTALLED CAPACITIES AND PRODUCTION

(I) Installed Capacity

Single Sided Glass Epoxy

PCB

Single Sided paper Phenolic

(plerced and blanked)

Double Sided non-PTH PCB

Double Sided PTH PCB

MLB 4 Layer

MLB 6 Layer

	Installed Capacities	Upto 30.09.13	Licensed Capacities
	Upto 31.03.14		Upto 31.03.14
Single Sided Glass Epoxy	5000 sqmt	5000 sqmt	5000 sqmt
PCB			
Single Sided paper Phenolic	10000 sqmt	10000 sqmt	10000 sqmt
(plerced and blanked)			
Double Sided non-PTH PCB	500 sqmt	500 sqmt	500 sqmt
Double Sided PTH PCB	48000 sqmt	48000 sqmt	48000 sqmt
MLB 4 Layer	5000 sqmt	5000 sqmt	5000 sqmt
MLB 6 Layer	3000 sqmt	3000 sqmt	3000 sqmt
(ii) Actual Production	Upto 31.3.14	Upto 30.9.13	

11. Previous year figures have been regrouped and rearranged where ever required to make it comparable with current period's figures.

For S.R. Gupta & Co.
Chartered Accountants

V.K. Gupta
Partner
M.No. 14745
Place: Lucknow
Date : 30.05.2014

(U.B. Singh)
Director

(Anil K. Singh)
Managing Director

CASH FLOW STATEMENT FOR 2012-2013

A. CASH FLOW OPERATING ACTIVITIES:	As at 31.3.14	As at 30.9.13 (Rs. In lacs)
Net profit before tax and extraordinary Items	-6.57	6.82
Items Adjustment for:		
1. Depreciation		
2. Foreign Exchange		
3. Investments		
4. Interest/Dividend		
Operating profit before working capital	-6.57	6.82
Change adjustment for:		
1. Trade and other receivables	16.86	-20.80
2. Inventories		4.06
3. Trade and other payables	66.41	36.09
Cash generated from operations		26.17
Interest paid		
Direct taxes paid		
CASH FLOW BEFORE EXTRAORDINARY ITEM:	76.70	
1. Extra ordinary items (Prov, for Doubtful debts)		
Decrease in Share capital		-260.03
Increase in reserves		-260.03
2. Expenses pertaining to previous year		
2. Net Cash from operating activities		
B. CASH FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	-45.58	-34.06
Net Cash used in investing activities		
Total	31.12	-34.06
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans		
Repayment of finance/lease liabilities		
Increase in Cash credit borrowings		
Waiver of loans		
payment of unsecured Loans		
NET CASH USED IN FINANCING ACTIVITIES		
Net increase in cash and cash equivalent	31.12	-7.89
Cash and cash Equivalents as at-1.10.13 (Opening Balance)	2.10	9.99
Cash and cash Equivalents as at 31.03.14	33.22	2.10
Closing Balance		

PLACE : Lucknow

Date : 30.05.14

U.B. Singh

DIRECTOR

ANIL K. SINGH

Managing Director

AUDITORS' REPORT

We have checked the attached cash flow statement of Linaks Microelectronics Ltd. for the year ended March 31st, 2014 from the books & records maintained by the company in the ordinary course of business and have found in accordance therewith.

For S.R. GUPTA & CO.
(Chartered Accountant)

V.K.GUPTA
(Partner)
Place: Lucknow
Date : 30.05.14

LINA KS MICROELECTRONICS LIMITED

Regd. Office: 12.6 km. Barabanki Road, Chinha t, Lucknow-227 105.

PROXY FORM

Name of Proxy (in BLOCK LETTERS).....

Signature of Proxy, (if the shareholders wish to attend, all of them must sign this slip on the box provided below)

A/c No.(Please quote your Account No.)

I/We..... of or failing
him of as my/our Proxyto attend and vote for me/us and/or on my/our behalf at the **29th** Annual General Meeting of the Company to be held on 30th September, 2014
and at any adjournment thereof.

As witness my hand/our hands this day of2014

Signed by the said

Revenue
Stamp

One Rupee

Note: The proxy must be deposited fortyeight hours before the meeting at the registered office.

.....

LINA KS MICROELECTRONICS LIMITED**Regd. Office: 12.6 km. Barabanki Road, Chinha t, Lucknow-227 105.****Attendance - Slip**

(Please complete this Attendance Slip and hand it over at the entrance of the Hall)

I/We hereby record my/our presence at the 29th Annual General Meeting held at the Regd. Office of the Company at Lucknow on Tuesday, the
30th September , 2014 at 11:00 A.M.

Folio A/c No. Name and Address of the Shareholder

Signature

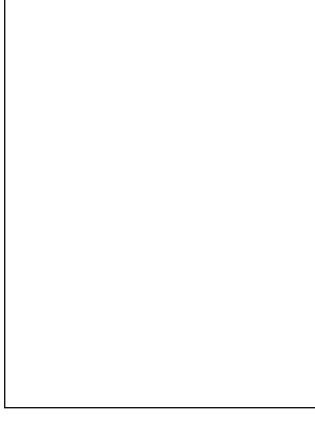
1.....

2.....

3.....

BOOK-POST

To,



if undelivered, please return to :
Linaks Microelectronics Limited.
12.6 K.M., Barabanki Road,
Chinhat, Lucknow- 227 105