

MD	✓		BEC	
CS	NA		DPY	
RO	✓		DIV	
TRA	NA		AC	
AGM	✓		SHI	
VE	✓			

THE INDIAN LINK CHAIN MANUFACTURERS LIMITED

ANNUAL REPORT 1996-97

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THE INDIAN LINK CHAIN MANUFACTURERS LIMITED

DIRECTORS

Shri S. V. Muzumdar
Prof M. P. Gandhi
Shri Y. N. Shah
Shri P. K. Nevatia (*Managing Director*)

BANKERS

State Bank of India

AUDITORS

M/s. M. L. Bhuwania & Co.

REGISTERED OFFICE

L. B. Shastri Marg, Bhandup,
Mumbai-400 078
Phone: 5782311. Fax: 5783976

WORKS

Chain Division

L. B. Shastri Marg, Bhandup,
Mumbai-400 078

Chemical Division

D-18, MIDC Industrial Area, Boisar,
Dist. Thane-401 506

THE INDIAN LINK CHAIN MFRS. LTD.

Financial Position at a Glance

(In Lacs of Rupees)
As at 31 March

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
WE OWNED					
Fixed Assets after depreciation	224.92	218.42	177.18	179.97	175.76
Loans & Advances	51.67	49.13	52.63	49.83	37.85
Material & Products for use and sale.	288.92	303.14	230.91	185.93	145.75
Amounts due from Customers	305.96	269.35	260.20	213.57	213.99
Cash & Bank Balance	2.29	2.15	2.49	2.90	1.28
	<u>873.76</u>	<u>842.19</u>	<u>723.41</u>	<u>632.20</u>	<u>574.63</u>
WE OW'ED					
To Banks	156.74	177.75	141.86	134.50	117.17
To Others	96.06	63.91	64.78	64.61	79.12
For Materials & Expenses	147.71	217.35	182.34	120.99	107.42
For Gratuity	1.02	4.37	12.56	23.35	21.14
Miscellaneous	99.94	84.38	75.92	58.84	45.11
	<u>501.47</u>	<u>547.76</u>	<u>477.46</u>	<u>402.29</u>	<u>369.96</u>
NET WORTH					
Share Capital	25.00	25.00	25.00	25.00	25.00
Reserves & Surplus	347.29	269.43	220.95	204.91	179.67
	<u>372.29</u>	<u>294.43</u>	<u>245.95</u>	<u>229.91</u>	<u>204.67</u>

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 39th ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED, Will be held on Wednesday the 10th September, 1997 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg, (Rampart Row), Mumbai- 400 001 to transact the following business:

1. To Consider and adopt Balance Sheet as on 31st March, 1997, Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. To declare Divided.
3. To appoint a Director in place of Shri Y. N. Shah who retires by rotation but being eligible, offers himself for re - appointment.
4. To appoint Auditors of the Company for the period commencing from conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution.
"Resolved that pursuant to section 309 & section 310 and other applicable provision, if any, of the Companies act 1956 and schedule XIII to the said act, the resolution for re-appointment of Shri P. K. Nevatia as Managing Director passed in the Extra Ordinary General Meeting held on 6th Sept. 1994 be amended so as to add the following to the existing clause 1 A(ii).
"Additional extra ordinary medical expenses for self and family as may be permitted by the Board of Directors from time to time. Further resolved that this amendment be made effective retrospectively from 1st Nov. 1995".

Notes:

- (a) A member entitled to attend and vote is entitled to appoint proxy, to attend and on a poll, to vote instead of himself and a proxy need not be a member.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from 27th Aug.97 to 10th Sept. 97.
- (c) The Dividend when sanctioned will be made payable on or after the 24th September, 1997 to those shareholders whose names are entered on the Register of the Members of the Company on 10th September 1997.
- (d) Pursuant to section 205A of the Companies Act, 1956 all unclaimed dividend up to the financial year 1992-93 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed dividend warrants upto the said period are requested to claim the amount from the Registrar of Companies, Maharashtra.
- (e) Explanatory statement under section 173 of the Companies Act 1956 in respect of Item no. 5 is annexed hereto.

EXPLANATORY STATEMENT**Re.: Item No. 5 of the Notice.**

Shri P. K. Nevatia was reappointed Managing Director of the Company for a period of 5 years from 1st October, 1994 to 30th Sept. 1999 on terms and conditions stated in resolution passed in the extra ordinary general meeting held on 6th Sept. 1994. Shri P.K.Nevatia had to undergo Heart surgery in November 1995. The Directors in their Meeting held on 26th November of 1996 approved reimbursement of the medical expenses incurred by Managing Director with a stipulation that necessary resolution for the amendment of the terms of appointment will be placed before the share holders at the next General Meeting and sanction obtained therefor.

This resolution has been therefore placed before the Shareholders for their approval. The Directors have permitted reimbursement of an amount of Rs.2,09,841/- in respect of the medical expenses. Shri P.K.Nevatia is interested in this resolution.

The resolution referred to may be taken as an abstract of the memorandum of concern or interest for the purpose of section 302 of the Companies act 1956.

A copy of the Resolution adopted at the Extra Ordinary General Meeting held on 6th Sept. 1994 is available for inspection at the Registered Office of the Company between 11 a.m. to 1 p.m. on any working day up to 10th Sept. 1997.

By Order of the Board

P. K. NEVATIA
Managing Director

Mumbai, July 4, 1997

THE INDIAN LINK CHAIN MFRS. LTD.

DIRECTORS REPORT

1. Your Directors present their Annual Report and audited Accounts for the year ended March 31, 1997.

2. **Financial Results.**

		(Rs.in Lacs)
	1996-97	1995-96
Gross Turnover	1582.03	1494.50
Gross Profit	147.89	86.65
Depreciation	13.81	10.73
Provision for Tax	49.50	22.22
Net Profit	84.58	53.70
Balance from last year	5.07	6.23
Leaving a balance for appropriation	89.65	59.93
The Directors have made the following appropriation		
Proposed Dividend	5.00	4.00
Tax on proposed dividend	0.50	—
Transfer to General Reserve	57.00	50.86
Balance carried to Balance Sheet	27.15	5.07
Earning per Share	338.32	214.80

3. **Dividend**

The Directors recommend payment of a dividend of 20% for the year which will absorb Rs.5.00 lacs.

4. **Operations**

Your company has consolidated the growth and improved profitability during the year. Though the turnover has not risen significantly but the Net Profit has improved by about 50%.

5. **Chain Division**

Production of Chain during the year has remained the same as compared to the previous year. The first Nine months of the year were better with production and sales showing increasing trend but fell considerably in the last quarter. The price of steel and chain has not shown any significant change.

Demands for revision of wages and other benefits of the workmen are presently under negotiation. The Workmen are agitating for significantly higher wages, resulting in slow down of production. It is hoped that the workmen and the union representing them will accept the realities and a settlement will be possible soon.

6. **Chemical Division**

Production of Sulphuric Acid and allied products is lower as compared to previous year. On the advice of Maharashtra Pollution Control Board considerable maintenance and Pollution control measures were undertaken. The Plant therefore was not operational for a long period in Dece.96/Jan.97. Consumption of Stores & Spares and cost of machinery maintenance have been higher.

The plant after this work has been operating efficiently. Sulphur prices as indicated in the last year report remained at lower levels while the Acid prices improved during the year. The margins, even with the lower production, were better and have contributed to increased profit.

In the current year Sulphur price continues to prevail at lower levels but the selling price of Acid has shown some weakening. It is hoped that the Acid Prices will revive in the second half of the year after the monsoon.

7. **Directors**

Shri Y.N.Shah Director of the Company retires by rotation but being eligible, offers himself for re-election.

8. **Energy, Technology and Foreign Exchange**

Additional information in respect of the Chemical Division required under the provisions of Section 217 (1)(e) of the Companies Act, 1956 together with the Companies (Disclosure of particulars in the report of Board of Directors) Rule 1988 and forming part of the Report is also annexed hereto.

9. Particulars required under Section 217(2A) of the Companies Act, 1956 are set out in a separate statement attached to this report.

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10. Auditors

M/s.M.L.Bhuwania & Co., Auditors of the Company, retire, but are eligible for re-appointment and have furnished to the Company a certificate for their eligibility, for the re-appointment. The Directors recommend their re-appointment for the year 1997-98 as Auditors of the Company.

S.V.Muzumdar
M.P.Gandhi
Y.N.Shah
Directors

Mumbai, 4th July, 1997

P.K.Nevatia
Managing Director

ANNEXURE TO DIRECTOR'S REPORT**1. Annexure to Director's Report as per Section 217(1)(e) of the Companies Act, 1956.****A. Conservation of Energy**

The Company continues to recover energy by utilisation of process heat and converting the same into the steam and use it for Sulphur melting, part of the excess being sold to nearby users.

Power & Fuel Consumption

	1996-97	1995-96
Electricity		
a) Purchased Units (lacs/kwh)	15.29	16.98
Total amount (Rs.in lacs)	50.59	46.95
Rate per unit (Rs.)	3.30	2.77
b) Own Generation (Diesel)		
Units (lacs/kwh)	1.02	0.81
Units per litre of Diesel	3.21	2.76
Cost per Unit (Rs.per litre)	2.60	2.82
Others (High Speed Diesel)		
Quantity (Ltr.)	10908	13192
Total Cost (Rs.in lacs)	0.98	1.03
Rate per Unit (Rs. per litre)	8.95	7.80
Consumption per tonne of Sulphuric acid production		
Electricity	61.38	60.02
High Speed Diesel Oil (litre)	1.62	1.44

B. Technology Absorption

As reported earlier, no technology has been imported. New developments are being continuously evaluated and adopted through technical consultants. There is no direct research and development activity since the operations are small.

C. Foreign Exchange Earnings

The information is contained in item 6 d e f g of Schedule 17 in notes on accounts.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 annexed to and forming part of the Directors' Report for the year ended 31st March, 1997.

Name of the Employee	Designation	Remuneration	Qualification	Experience (Years)	Date of Employment	Age (Years)	Particulars of last employment
Nevatia P.K.	Managing Director	Rs.441516/-	B.A., L.L.B.	38	15.5.1959	60	

Notes : 1. The appointment is non-contractual. Remuneration shown above includes Salary, Bonus, LTA, Medical Reimbursement, Company's contribution to P.F., provision of Gratuity and value of perquisites evaluated in accordance with Income Tax Rules.