

THE INDIAN LINK CHAIN MANUFACTURERS LIMITED

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ANNUAL REPORT 1998-99

The Indian Link Chain Mfrs. Ltd.

DIRECTORS

S.V.Muzumdar
Y.N.Shah
N.D.Dalal
Dr.(Ms.) Usha J. Parekh
P.K. Nevatia (Managing Director)

BANKERS

State Bank of India
Industrial Finance Branch,
World Trade Centre,
Cuffe Parade,
Mumbai - 400 005.

AUDITORS

M/s. M.L. Bhuwania & Co.
(Chartered Accountants)
Dahanukar Bldg.,
5th Floor,
480, Kalbadevi Road,
Mumbai - 400 002.

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****WE OWNED**

	1999	1998	1997	1996	1995
Fixed Assets after depreciation	317.96	308.73	224.92	218.42	177.18
Loans & Advances	55.80	79.20	51.67	49.13	52.63
Material & Products for use and sale	272.54	267.57	288.92	303.14	230.91
Amounts due from Customers	306.40	273.06	305.96	269.35	260.20
Cash & Bank Balance	10.24	13.17	2.29	2.15	2.49
	962.94	941.73	873.76	842.19	723.41

WE OWED

To Banks	233.15	188.58	156.74	177.75	141.86
To Others	147.91	125.66	96.06	63.91	64.78
For Materials & Expenses	140.62	102.68	147.71	217.35	182.34
For Gratuity	3.55	3.55	1.02	4.37	12.56
Miscellaneous	110.03	106.46	99.94	84.38	75.92
	635.26	526.93	501.47	547.76	477.46

NET WORTH

Share Capital	50.00	50.00	25.00	25.00	25.00
Reserves & Surplus	277.68	364.80	347.29	269.43	220.95
	327.68	414.80	372.29	294.43	245.95

SHARE HOLDER INFORMATION

ANNUAL GENERAL MEETING ON THURSDAY,
23RD SEPTEMBER, 1999 AT M.C.GHIA HALL,
BHOGILAL HARGOVINDAS BUILDING, 18/20
KAIKHUSHRU DUBASH MARG, (RAMPART ROW)
MUMBAI 400 001

BOOK CLOSURE DATES
17TH SEPTEMBER, 1999 TO
24TH SEPTEMBER, 1999

For Share transfer, transmission, change of address, duplicate/missing share certificate and any other assistance please write to the Registered office of the Company.

Annual Report 1998-99**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 41ST ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED, will be held on Thursday 23rd September 1999 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 1999, Profit and Loss account for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri S.V. Muzumdar who retires by rotation but being eligible, offers himself for re-appointment.
3.
 - a) To appoint Dr. (Ms.) Usha J. Parekh as Director of the Company, who was appointed as additional Director and holds office until the date of this meeting but being eligible offers herself for appointment.
 - b) To appoint Shri Nalinkant D. Dalal as Director of the Company, who was appointed as an additional Director and holds office until the date of this meeting but being eligible offers himself for 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. 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 17th September '99 to 24th September '99.
 - c) Pursuant to section 205A of the Companies Act, 1956 all unclaimed dividend up to the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed dividend warrants up to the said period are requested to claim the amount from the Registrar of Companies, Maharashtra.

By Order of the Board of Directors

P.K. NEVATIA
Managing Director

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 FOR ITEM NO.3 OF THE ACCOMPANYING NOTICE SET OUT HEREIN ABOVE IS AS UNDER :

Dr. (Ms) Usha Jaya Parekh and Shri Nalinkant D. Dalal were appointed as additional Directors on 27th July '99 and hold office till the date of the Annual General Meeting under section 260 of the Companies Act, 1956. Dr. (Ms.) Usha Jaya Parekh, a management consultant of repute, has been advising the company on Human Resource Development (HRD) for a number of years. Shri Nalinkant D. Dalal was a Director of the Company from 1973 to 1983 and is a businessman having vast experience. Nominations from shareholders for both appointments as Directors of the Company together with requisite deposits have been received by the Company.

The Indian Link Chain Mfrs. Ltd.

DIRECTORS' REPORT

- 1) Your Directors present their Annual Report and audited Accounts for the year ended March 31, 1999.
- 2) **Financial Results**

	1998-99	1997-98
	Rs.in lacs	Rs. in lacs
Gross Turnover	1089.11	1203.42
Gross Profit / (Loss)	(58.75)	79.09
Depreciation	25.16	16.11
Provision for Tax	-	13.20
Net Profit / (Loss)	(83.91)	49.78
Provision for Previous years taxes	1.99	-
Balance from last year	64.88	27.15
Transfer (from) / to General Reserve	(28.00)	6.00
Leaving a balance for appropriation	6.98	70.93
The Directors have made the following appropriations :		
Proposed Dividend	-	5.50
Tax on proposed dividend	-	0.55
Balance carried to Balance Sheet	6.98	64.88

In view of the loss incurred during this year no dividend can be recommended.

3) Operations

a) Chain Division

Production and demand of Chains during the year remained stagnant though better than last year. There was considerable loss of production in the last year due to agitation of the workmen and illegal strike for about 4 months. The economic conditions did not improve during the year, consequently the demand has remained at lower levels. The economy is better during the current year and it is hoped that with revival of demand, performance of the division will improve. Large orders for non-skid chains received will be executed during the current year.

b) Chemical Division

Production of Sulphuric Acid and Allied Products is better as compared to the previous year. The performance of the division had a serious set back during January/March, 99 as raw material price went up and selling price of acid went down considerably due to surplus in the market. The selling prices have improved from April,99 and if this trend continues, the performance of the division should be satisfactory.

4) Directors

Prof. M.P. Gandhi who was director of the Company since 1963 passed away at the age of 97 years. The directors place on record their sincere appreciation of the valuable guidance and sound advice given by him in conducting the affairs of the Company.

Dr.(Ms) Usha J. Parekh and Shri Nalinkant D. Dalal have been appointed as additional directors of the Company and hold office upto the Annual General Meeting. Being eligible they offer themselves for re- election.

Shri S.V. Muzumdar director of the Company retires by rotation but being eligible, offers himself for re-appointment.

- 5) The Company has achieved Year 2000 (Y2K) compliance, for all its internal operations. The expenditure incurred in this regard has no material financial impact.

Annual Report 1998-99**6) Energy, Technology and Foreign Exchange**

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

7) 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 1999-2000 as Auditors of the Company.

S.V.Muzumdar
Y.N.Shah
N.D.Dalal
Usha J. Parekh
Directors

Place : Mumbai,
Dated : 27th July, 1999.

P.K. Nevatia
Managing Director

ANNEXURE TO DIRECTOR'S REPORT

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 steam and use it for Sulphur melting, part of the excess being sold to nearby users.

Power & Fuel Consumption

	1998-99	1997-98
Electricity		
a) Purchased Units (lacs/kwh)	19.50	16.95
Total amount (Rs.in lacs)	73.81	60.52
Rate per Unit (Rs.)	3.79	3.57
b) Own Generation (Diesel)		
Units (lacs/kwh)	0.49	0.46
Units per litre of Diesel	2.47	2.85
Cost per Unit (Rs.)	4.39	3.33
Others (High Speed Diesel)		
Quantity (Ltrs.)	17108	12430
Total Cost (Rs. in lacs)	1.82	1.32
Rate per Unit (Rs. per litre)	10.64	10.62
Consumption per tonne of Sulphuric Acid produced.		
Electricity (kwh)	68.14	63.85
High Speed Diesel Oil (Litre)	1.26	1.05

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.