

THE INDIAN LINK CHAIN MANUFACTURERS LIMITED

ANNUAL REPORT 1999-2000

Annual Report 1999-2000

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**

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Fixed Assets after depreciation	306.38	317.96	308.73	224.92	218.42
Loans & Advances	59.13	55.80	79.20	51.67	49.13
Material & Products for use and sale	359.40	272.54	267.57	288.92	303.14
Amounts due from Customers	352.59	306.40	273.06	305.96	269.35
Cash & Bank Balance	17.67	10.24	13.17	2.29	2.15
	<u>1095.17</u>	<u>962.94</u>	<u>941.73</u>	<u>873.76</u>	<u>842.19</u>

WE OWED

To Banks	248.97	233.15	188.58	156.74	177.75
To Others	150.48	147.91	125.66	96.06	63.91
For Materials & Expenses	228.08	140.62	102.68	147.71	217.35
For Gratuity	—	3.55	3.55	1.02	4.37
Miscellaneous	108.88	110.03	106.46	99.94	84.38
	<u>736.41</u>	<u>635.26</u>	<u>526.93</u>	<u>501.47</u>	<u>547.76</u>

NET WORTH

Share Capital	50.00	50.00	50.00	25.00	25.00
Reserves & Surplus	308.76	277.68	364.80	347.29	269.43
	<u>358.76</u>	<u>327.68</u>	<u>414.80</u>	<u>372.29</u>	<u>294.43</u>

SHARE HOLDER INFORMATION

ANNUAL GENERAL MEETING ON FRIDAY,
04TH AUGUST, 2000 AT M.C.GHIA HALL,
BHOGILAL HARGOVINDAS BUILDING, 18/20
KAIKHUSHRU DUBASH MARG, (RAMPART ROW)
MUMBAI 400 001

BOOK CLOSURE DATES
1ST AUGUST, 2000 TO
8TH AUGUST, 2000

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 1999-2000

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 42ND ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED, will be held on Friday, 4th August, 2000 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 2000, Profit and Loss account for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. To declare a dividend
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 a Director in place of Shri S.V. Muzumdar who retires by rotation but being eligible, offers himself for re-appointment.
5. 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.
6. 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 1st August 2000 to 8th August 2000.
 - c) The dividend when sanctioned will be payable on or after the 18th August, 2000 to those shareholders whose names are entered in the Register of Members of the Company on 4th August 2000.
 - d) i) Pursuant to section 205 A 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.
 - ii) Members are hereby informed that Dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed dividend from IEPF by the Shareholders.
 - iii) Shareholders are, therefore, advised to send all unencashed Dividend Warrants/seek payment of unclaimed dividend upon compliance with prescribed formalities by contacting the Registered Office of the Company.

By order of the Board of Directors

Mumbai,
31st May, 2000

P. K. NEVATIA
Managing Director

The Indian Link Chain Mfrs. Ltd.

DIRECTORS' REPORT

1) Your Directors present their Annual Report and audited Accounts for the year ended March 31, 2000.

2) Financial Results

	1999-2000	1998-99
	Rs. in Lacs	Rs.in lacs
Gross Turnover	1533.79	1089.11
Gross Profit / (Loss)	63.11	(58.75)
Depreciation	27.06	25.16
Provision for Tax	1.20	—
Net Profit / (Loss)	34.85	(83.91)
Provision for Previous years taxes	—	1.99
Balance from last year	6.98	64.88
Transferred from Investment Allowance Reserve	4.72	—
Transfer (from) / to General Reserve	—	(28.00)
Excess provision for Gratuity of earlier year W/back	3.55	—
Leaving a balance for appropriation	50.10	6.98
The Directors have made the following appropriations :		
Proposed Dividend	5.00	—
Tax on proposed dividend	1.10	—
Balance carried to Balance Sheet	44.00	6.98

3) **Dividend** : The Directors recommend payment of dividend of 10% for the year which will absorb Rs.6.10 lacs (inclusive of Dividend Tax)

4) Operations

a) Chain Division

The performance of Chain Division continued to be un-satisfactory. The economic conditions have not improved and demand continues at lower levels. Production during the year was better than the previous year. Some orders for tyre chains received were executed during the year. Further orders are expected soon. Secondhand Chain Welding Machine imported in the year 1997-98 developed serious problems in the Electronic Controls and did not work for a major part of the year. Contribution expected from this machine did not accrue to the company. New Electronic Control Circuit for the machine developed locally is ready and is being installed in the next few days. It is hoped that the machine will operate to its full capacity soon.

b) Chemical Division

Production of Sulphuric Acid and Allied Products has been higher during the year. At the same time, the market conditions were favourable and unit realisation has been better. Sulphur price continued to remain steady. This has resulted in better performance for the division during the year. Production during the current year is expected to be better due to improvements in the plant made during the annual shut down. Unless business conditions change unexpectedly Chemical Division should perform better and contribute to the growth of the Company.

5) Directors

Mr. Y.N. Shah & S.V. Muzumdar, Directors of the company retire by rotation but being eligible, offers themselves for re-appointment.

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.

Annual Report 1999-2000

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 2000-2001 as Auditors of the Company.

S. V. Muzumdar
Y. N. Shah
N. D. Dalal
Directors

Place : Mumbai,
Date : 31st May, 2000

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

	1999 - 2000	1998-1999
Electricity		
a) Purchased Units (lacs/kwh)	21.77	19.50
Total amount (Rs.in lacs)	86.11	73.81
Rate per Unit (Rs.)	3.96	3.79
b) Own Generation (Diesel)		
Units (lacs/kwh)	0.41	0.49
Units per litre of Diesel	2.56	2.47
Cost per Unit (Rs.)	4.99	4.39
Others (High Speed Diesel)		
Quantity (Ltrs.)	6800	17108
Total Cost (Rs. in lacs)	1.10	1.82
Rate per Unit (Rs. per litre)	16.18	10.64
Consumption per tonne of Sulphuric Acid produced.		
Electricity (kwh)	61.32	68.14
High Speed Diesel Oil (Litre)	0.63	1.26

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.