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THE INDIAN LINK CHAIN MANUFACTURERS LIMITED

ANNUAL REPORT 2000-2001

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☐ 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				
	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
WE OWNED					
Fixed Assets after depreciation	282.04	306.38	317.96	308.73	224.92
Loans & Advances	51.00	59.13	55.80	79.20	51.67
Material & Products for use and sale	304.31	359.40	272.54	267.57	288.92
Amounts due from Customers	321.25	352.59	306.40	273.06	305.96
Cash & Bank Balance	8.63	17.67	10.24	13.17	2.29
	<u>967.23</u>	<u>1095.17</u>	<u>962.94</u>	<u>941.73</u>	<u>873.76</u>
WE OWED					
To Banks	266.01	248.97	233.15	188.58	156.74
To Others	125.69	150.48	147.91	125.66	96.06
For Materials & Expenses	222.35	228.08	140.62	102.68	147.71
For Gratuity	4.28	--	3.55	3.55	1.02
Miscellaneous	76.22	108.88	110.03	106.46	99.94
	<u>694.55</u>	<u>736.41</u>	<u>635.26</u>	<u>526.93</u>	<u>501.47</u>
NET WORTH					
Share Capital	50.00	50.00	50.00	50.00	25.00
Reserves & Surplus	222.68	308.76	277.68	364.80	347.29
	<u>272.68</u>	<u>358.76</u>	<u>327.68</u>	<u>414.80</u>	<u>372.29</u>

SHARE HOLDER INFORMATION

ANNUAL GENERAL MEETING ON FRIDAY,
17TH AUGUST,2001 AT REGISTERED
OFFICE OF ILCM LTD., AT L.B.S.MARG,
BHANDUP, MUMBAI - 400 078.

BOOK CLOSURE DATES
17TH AUGUST,2001 AND
18TH AUGUST,2001

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 2000-2001**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 43RD ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED, WILL BE HELD ON 17TH AUGUST, 2001 AT 4.00 P.M AT THE ILCM LTD., L.B. SHASTRI MARG, BHANDUP, MUMBAI - 400 078 TO TRANSACT THE FOLLOWING BUSINESS.

1. To consider and adopt Balance Sheet as on 31st March 2001, 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 N.D. Dalal who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director place of Dr. Ms. Usha J Parekh who retires by rotation but being eligible, offers herself 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.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 31 of the Act, the following Article be substituted as Article No.16A in the Articles of Association of the Company:

16A - DEMATERIALISATION OF SHARES :

- (1) For the purpose of this Article : 'Beneficial Owner' means a person whose name is recorded as such with a depository; 'SEBI' means the Securities & Exchange Board of India; 'Depository' means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.
- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is a beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a Depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

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- (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (5) a) Notwithstanding anything to the contrary in the Act or these Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- (6) a) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- b) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- c) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- d) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- e) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be Register and Index of Members and Security holders for the purposes of these Articles.

6. To consider and if thought fit, to pass with or without any modifications, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable, the Articles of Association of the Company, be and are, hereby altered as under :

The following new clause No.33A be inserted after the existing Article - 33.

33A Nomination :

A holder or joint holders of shares or debentures may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956, or any statutory modification or re-enactment thereof and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder/s. Any nomination so made shall be dealt with by the Company in accordance with and in the manner prescribed by and/or under the provisions of Section 109B of the Companies Act, 1958 or any statutory modification or re-enactment thereof for the time being in force."

ANNUAL REPORT 2000-2001**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.**

Re : Item No. 5

The Company has received a letter from Stock Exchange, Mumbai, requiring it to offer the facility of dematerialisation to its shareholders and enter into agreements with both the depositories, viz. Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The commencement of the said facility would require an amendment to the Articles of Association of the Company by way of insertion of a new clause relating to "Dematerialisation of Shares". The necessary Resolution as set out under Item No.5 of the accompanying Notice in respect of the aforesaid clause of "Dematerialisation of Shares" is accordingly, recommended by the Board of Directors of the Company.

None of the Directors are interested or concerned in the passing of the aforesaid Resolution.

Re : Item No.6

The Companies (Amendment) Act, 1999, has inter-alia, made a provision through Sections 109A and 109B whereby a holder or joint holders of shares can nominate a person to whom all the rights in the shares or debentures of a Company shall vest in the event of the death of such holder/s. Such a nominee can elect either to be registered himself as the holder of the shares or debentures or make such transfer of the shares or debentures as the deceased holder/s of shares or debentures could have made. It is, therefore, proposed to incorporate a new Clause 33A (as set out under Item No. 6 of the accompanying notice) in the Articles of Association of the Company providing for nomination facility in accordance with the provisions of Section 109A and 109B of the Companies Act, 1956. The Special Resolution under Item No.6 is, therefore, proposed pursuant to Section 31 of the Companies Act, 1956. The Directors recommend the Resolution for the approval of the Shareholders.

None of the Directors of the Company is concerned or interested in the Resolution.

The Articles of Association of the Company referred to in the Resolutions at Item No. 5&6 together with the proposed alteration are available for inspection of the members of the Company at the Registered Office of the Company between 11.00 A.M. and 3.00 P.M. on all working days, excepting Saturdays upto and including the day of the meeting.

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 on 17th August 2001 and 18th August 2001.
- c)
 - i) Pursuant to section 205A of the Companies Act, 1956 all unclaimed dividend upto 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 for the financial year ended 31st March 1996 and thereafter 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.

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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

P. K. NEVATIA
Managing Director

Mumbai, 26th June, 2001.



ANNUAL REPORT 2000-2001**DIRECTOR'S REPORT**

1) Your Directors present their Annual Report and audited Accounts for the year ended March 31, 2001.

2) **Financial Results**

	2000-2001 Rs.in Lacs	1999-2000 Rs. in Lacs
Gross Turnover	1330.86	1533.79
Gross Profit/(Loss)	(57.50)	63.11
Depreciation	27.36	27.06
Provision for Tax	--	1.20
Net Profit/(Loss)	(84.86)	34.85
Balance from last year	44.00	6.98
Transferred from Investment Allowance Reserve	--	4.72
Transfer from / (to) General Reserve	18.50	--
Excess provision for Gratuity of earlier year W/back	--	3.55
Leaving a balance for appropriation	(22.36)	50.10
The Directors have made the following appropriations :		
Proposed Dividend	--	5.00
Tax on proposed dividend	--	1.10
Balance carried to Balance Sheet	(22.36)	44.00

3) **Dividend** : In view of the losses for the year no dividend can be recommended.

4) **Operations**

a) **Chain Division**

The Performance of Chain division continued to be un-satisfactory. Secondhand Chain Welding Machine has started working from February 2001 and should contribute to the results during the year 2001-2002.

The economic conditions continue to be sluggish and most of the manufacturing sectors have recorded negative or lower rate of growth as compared to previous year. This has affected the demand and lower realisation for the finished product. Most of the consumer sectors should show positive growth due to a normal monsoon forecast. It is hoped that the 2nd half of the year should have increased demand for chain as also all engineering goods.

Exports of chains are continuing in small volumes and will take time to build up confidence amongst overseas customers.

b) **Chemical Division**

Production has remained at same level as last year. There has been a wide fluctuation in the