

**THE INDIAN
LINK CHAIN
MANUFACTURERS
LIMITED**

Report  junction.com

45th

ANNUAL REPORT

2002 - 2003

ANNUAL REPORT 2002-2003

DIRECTORS

S. V. Muzumdar
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 - 25782311
Fax : 2578 3976

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

	2003	2002	2001	2000	1999
WE OWNED					
Fixed Assets after depreciation	241.90	254.47	282.04	306.38	317.96
Loans & Advances	58.00	51.08	51.00	59.13	55.80
Material & Products for use and sale	233.75	295.70	304.31	359.40	272.54
Amounts due from Customers	279.35	282.43	321.25	352.59	306.40
Cash & Bank balance	30.14	14.07	8.63	17.67	10.24
Deferred Tax	101.26	50.40	-	-	-
Miscellaneous Expenses	12.10	-	-	-	-
	956.50	948.15	967.23	1095.17	962.94
WE OWED					
To Banks	281.57	291.39	266.01	248.97	233.15
To Others	132.71	116.58	125.69	150.48	147.91
For Materials & Expenses	298.29	246.63	222.35	228.08	140.62
For Gratuity	7.29	8.92	4.28	-	3.55
Miscellaneous	160.33	106.62	76.22	108.88	110.03
	880.19	770.14	694.55	736.41	635.26
NET WORTH					
Share Capital	50.00	50.00	50.00	50.00	50.00
Reserves & Surplus	57.59	128.01	222.68	308.76	277.68
Profit & Loss a/c Dr.balance	(31.28)	-	-	-	-
	76.31	178.01	272.68	358.76	327.68

SHARE HOLDER INFORMATION

**ANNUAL GENERAL MEETING ON WEDNESDAY,
10TH SEPTEMBER, 2003 AT 2.30 PM AT
'IEEMA', Indian Electrical & Electronic
Manufacturers Association : 501, Kakkad
Chambers, 132, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.**

**BOOK CLOSURE DATES
8TH SEPTEMBER, 2003 TO
10TH SEPTEMBER, 2003**

FOR SHARE TRANSFER, TRANSMISSION, CHANGE OF ADDRESS, DUPLICATE/MISSING SHARE CERTIFICATE AND ANY OTHER ASSISTANCE PLEASE CONTACT REGISTRAR AND TRANSFER AGENT M/S. MONDKAR COMPUTERS PVT. LTD., 25, SHAKIL NIWAS, OPP. SATYA SAIBABA TEMPLES, MAHAKALI CAVES ROAD, ANDHERI (E), MUMBAI - 400 093. TELEPHONE NO. 836 6620. SHARES CAN BE DEMATERIALIZED WITH NSDL OR CDSL. THE CODE ALLOTTED TO THE COMPANY IS ISIN INE 359 D 01016.

ANNUAL REPORT 2002-2003**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 45TH ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED, WILL BE HELD ON 10TH SEPTEMBER, 2003 AT 2.30 PM AT 'IEEMA', INDIAN ELECTRICAL & ELECTRONIC MANUFACTURERS ASSOCIATION : 501, KAKKAD CHAMBERS, 132, DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400 018. TO TRANSACT THE FOLLOWING BUSINESS.

1. To consider and adopt Balance Sheet as on 31st March 2003, Profit and Loss Account for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. 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.

NOTES :

- a) Shri N. D. Dalal who retires by rotation, has expressed his desire not to continue as a Director thereafter. It is proposed not to fill this vacancy at present. Directors shall appoint additional Director/s at an appropriate time.
- b) 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.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from 8th September, 2003 to 10th September, 2003. Both days inclusive.
- d) 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. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lay for the unclaimed dividend from IEPF by the Shareholders. 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,
30th June, 2003.

DIRECTORS' REPORT

1) Your Directors present their Annual Report and the audited Accounts for the year ended March 31, 2003.

2) **Financial Results.**

	2002-2003 Rs.in lacs	2001-2002 Rs.in lacs
Gross Turnover	1062.90	1072.96
Gross Profit/(loss)	(122.56)	(116.58)
Depreciation	22.95	27.26
Net Profit/(loss)	(145.51)	(143.84)
Balance from last year	Nil	(22.36)
Extra Ordinary Item	(5.83)	Nil
Transfer from General Reserve	69.20	115.03
Deferred Tax Assets	50.86	51.17
Leaving a balance carried to Balance Sheet	(31.28)	Nil

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

4) **Operations**

a) **Chain Division** :- Performance of the Chain Division has been once again poor. Company initiated several measure to improve the performance. Voluntary retirement scheme was successful and about 25% of eligible employees accepted the same. Savings were made on power through efficient use - costs were cut on packing and administrative expenses. However, unfortunately the price of steel increased during October/March period and has gone up by about 20%. Beside due to payment of VRS amount the liquidity available for operations was squeezed and therefore shortage of funds affected the output. Efforts to raise additional facilities from Banks have not been successful, In view of the above the expected turnaround could not be achieved during the year. It is now proposed to reorganize and restructure the operations during the year to unlock unproductive assets and ensure that funds are available to solve the problems of working capital and for the chemical division to improve upon its performance simultaneously. Cost reduction measures shall continue. These measures should make this division profitable.

b) **Chemical Division** :- Production during the year has been lower than in the previous year. The average unit realization of sale of products of the division has been significantly higher. Sulphur prices during the year ranged from US\$50 per tonne to US\$90 per tonne. Due to shortage of working capital production had to be kept lower than possible. On completion of restructuring of chain division funds should be available. It is proposed to put up a steam turbine to make use of surplus steam. This shall make large savings on power consumption and increase the profitability of the division.

5) As stipulated in Section 217 (2AA) of Companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement." And confirm as under :

- (i) that in the preparation of the annual accounts, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a going concern basis.

6) **Directors** Shri N.D. Dalal, a Director of the company retires by rotation, but has expressed his desire not to continue as a Director thereafter. It is proposed not to fill this vacancy at present. Directors shall appoint additional Director/s at an appropriate time.

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- 7) **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.
- 8) **Compliance Certificate** : As required under Section 383 A of the Companies Act a certificate of compliance with the provision of the Act from a secretary in whole time practice is attached herewith.
- 9) **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 2003-2004 as Auditors of the Company.

S. V. Muzumdar

N. D. Dalal

Dr (Ms.) Usha J. Parekh

Directors

P. K. Nevatia

Managing Director

Place : Mumbai

Date : 30th June, 2003.

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 utilization 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	2002-2003	2001-2002
Electricity		
a) Purchased units (Lacs./KWH)	19.80	22.43
Total amount (Rs.in lacs)	71.39	85.81
Rate per unit (Rs.)	3.61	3.83
b) Own Generation (Diesel)		
Units (lacs/KWH)	0.37	0.34
Units per litre of Diesel	2.54	2.17
Cost per Unit (Rs.)	8.41	8.94
Others (high Speed Diesel)		
Quantity (litre)	13630	6742
Total Cost (Rs. in lacs)	3.08	1.31
Rate per Unit (Rs.per litre)	22.50	19.43
Consumption per Tonne of Sulphuric Acid produce.		
Electricity (KWH)	62.31	61.08
High Speed Diesel Oil (litre)	0.87	0.60

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 8 d e f g of Schedule 19 in notes on accounts.