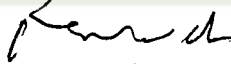


THE INDIAN LINK CHAIN MANUFACTURERS LIMITED

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For The Indian Link Chain Mfrs. Ltd.



P. E. Narada
Managing Director.

ANNUAL REPORT 2007-2008

THE INDIAN LINK CHAIN MFRS.LTD.

DIRECTORS

S.V.Muzumdar
Vidhu Nevatia
P.K.Nevatia (Managing Director)

BANKERS

Central Bank Of India
Mumbai Main Branch,
M.G.Road, Fort, Mumbai

AUDITORS

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

REGISTERED OFFICE

59, Sonawala Building,
2nd Floor, Mumbai Samachar Marg,
Fort, Mumbai - 400 023

SHARE HOLDER INFORMATION

ANNUAL GENERAL MEETING ON 29th
SEPTEMBER, 2008 AT 3.30 P.M. AT
IEEMA, INDIAN ELECTRICAL & ELECTRONIC
MANUFACTURERS ASSOCIATION, 501, KAKAD
CHAMBERS, 132, DR. ANNIE BESANT ROAD,
WORLI, MUMBAI - 400018.

BOOK CLOSURE DATES

27TH SEPTEMBER, 2008

TO

30TH SEPTEMBER, 2008

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 - 400093 TELEPHONE NO.28366620. SHARES CAN BE DEMATERIALIZED WITH CDSL. THE CODE ALLOTTED TO THE COMPANY IS ISIN INE 359 D 01016

THE INDIAN LINK CHAIN MFRS.LTD.**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 50TH ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED WILL BE HELD ON 29TH SEPTEMBER 2008 AT 3.30 PM AT 'IEEMA', INDIAN ELECTRICAL & ELECTRONIC MANUFACTURERS ASSOCIATION, 501, KAKKAD CHAMBERS, 132 DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400018 TO TRANSACT THE FOLLOWING BUSINESS.

1. To consider and adopt Balance Sheet as on 31st March 2008, Profit & 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 S.V.Muzumdar who retires by rotation and is eligible for re-appointment.
3. To consider and thought fit to pass with or without modifications(s) as ORDINARY RESOLUTION the following "RESOLVED THAT Mr. Vidhu Nevatia, who was appointed as an additional director holds office up to the date of this Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director."
4. To appoint auditors of the company for the period commencing from this meeting till the conclusion of the next Annual Meeting of the Company

NOTES:

- a) A member entitled to attend and vote is entitled to appoint a proxy, to attend and on 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 September 2008 to 30th September 2008. Both days inclusive.
- c) Mr. Vidhu Nevatia was appointed on 28 March 2008 as Additional Director. Pursuant to the provisions of section 260 of the Companies Act, 1956, Mr. Vidhu Nevatia will hold office up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Vidhu Nevatia for the office of a Director Except Mr. Vidhu Nevatia none of the Directors is concerned or interested in the Resolution.

For THE INDIAN LINK CHAIN MFRS. LTD.

P.K.NEVATIA
MANAGING DIRECTOR

Place: Mumbai
Dated: August 18 2008

DIRECTORS' REPORT

1. Your Directors present their Annual Report and the Audited Account for the year ended March 31, 2008.
2. There have been no manufacturing activities during the year. Trading has produced a small surplus. In order to reduce the operating expenses all expenses particularly for Employees Remuneration have been extensively curtailed and services on part time/ on contract are used to follow up the routine outstanding matters.
3. Efforts to sell the residential property at Tarapur are continuing but no offer considered acceptable has been received. At present discussions with some builders for the development of the property are in advanced stage. There should be reasonable surplus in the hands of the company after payment of applicable taxes. The Director's will consider the possibility to commence some trading/manufacturing activity afterwards.
4. As stipulated in Section 217 (2AA) of the Companies Act, 1956 your Directors subscribe to the "Directors' Responsibility Statement" and Confirm as under:
 - i) that in 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 judgments 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 the profit or loss of the company for the period;
 - iii) that the directors have taken proper and sufficient care of the maintenance of adequate account 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 going concern basis.
5.
 - i) Dr. Mrs. Usha J Parekh resigns as a Director of the company w.e.f. March 28 2008.
 - ii) Shri S.V.Muzumdar director of the Company retires by rotation but being eligible offers himself for reelection.
 - iii) Shri Vidhu Vadan Nevatia was approved as an additional Director w.e.f. March 28, 2008, and therefore ceases to be a director on the day of the AGM but offers himself for reappointment.
6. As required under Section 383 A f the Company act a certificate of compliance with the provision of the Act from a Secretary in whole time practice is attached herewith.
7. M/s.M.L.Bhuwania & Co., Auditors of the Company, retire, but are eligible for re-appointment and have furnished to the Company Certificate for their eligibility, for their re-appointment. The Directors recommend their re-appointment for the year 2008-2009 as Auditors of the Company.
8. Observations made by the Auditors in their report are self explanatory.

Shri S.V.Muzumdar
Shri Vidhu Nevatia
Shri P.K.Nevatia

Place: Mumbai
Dated: August 18 2008

THE INDIAN LINK CHAIN MFRS.LTD.

AUDITOR'S REPORT TO THE MEMBERS OF INDIAN LINK CHAIN MANUFACTURES LIMITED.

1. We have audited the attached Balance Sheet of Indian Link Chain Manufactures Limited ('the Company') as at 31st March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; except Accounting Standards 15 on "Employee Benefits".
 - (v) On the basis of written representations received from the Directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that no Director is disqualified as on 31st March 2008 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, *more particularly note no.13 of Schedule 18* give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;
 - b. in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
M. L. BHUWANIA & CO.
Chartered Accountants
Ashish Bairagra
Partner
Membership No. 109931

Place: Mumbai
Date : 18-08-2008.

Annexure referred to in paragraph 3 of Auditor's report to the members of Indian Link Chain Manufactures Limited for the year ended 31st March 2008.

On the Basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information provided to us, all the fixed assets have been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Unit and the nature of its assets. Discrepancies noticed between the book records and the physical verification were not material and have been properly dealt with in the accounts.
- (c) *In our opinion and based on our verification, we state that the company has disposed off substantial part of the fixed assets during the last few years. Hence it raises substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, in the opinion of the Board of Directors, the company intends to invest the surplus money, if any, from the future sale of the assets into a profitable business and also the company is doing trading activity, hence the company should be viewed as a going concern in the foreseeable future.*
- (ii) (a) The company does not have any inventory during the year. Accordingly, clause 4 (ii) (a) and (b) of the Order is not applicable to the Company.
- (b) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. Since the company does not have any inventory during the year, the issue of discrepancies on account of physical verification does not arise.
- (iii) The Company has not taken/granted any loan from any companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (iii) (a) to (g) of the Order is not applicable to the Company.

THE INDIAN LINK CHAIN MFRS.LTD.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The company has not provided any services during the year. During the course of our audit, we have not observed any major weakness in internal controls.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under section 301. Accordingly, clause 4 (v) (a) and (b) of the Order is not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public during the year covered by the audit.
- (vii) The company does not have an internal audit system. However the internal controls are commensurate with the size of the company and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities except Maharashtra Labour Welfare Fund of Rs.8,897, Works Contract Tax of Rs.2,91,364, Sales Tax of Rs.36,716 and Gram Panchayat Tax of Rs.1,51,594, which had fallen due for deposit with the appropriate authorities but has not been so deposited. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable except Maharashtra Labour Welfare Fund of Rs.8,897, Sales Tax of Rs.14,409, Works Contract Tax of Rs.2,91,364 and Gram Panchayat Tax of Rs.1,31,306. According to the records of the Company, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty and Cess, which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year March 31, 2008. Further, the Company has incurred cash losses during the current financial year. However, it has not incurred cash losses in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken any loan from banks, financial institutions and has not issued debentures during the year. Accordingly, clause 4 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Accordingly, clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable to the Company.
- (xvi) The Company has not taken any term loans during the year. Accordingly, clause 4 (xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year. Accordingly, clause 4 (xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money by way of public issue during the year. Accordingly, clause 4 (xx) of the Order is not applicable to the Company.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2008.

For and on behalf of
M. L. BHUWANIA & CO
Chartered Accountants
Ashish Bairagra
Partner
Membership No. 109931

Place: Mumbai
Date: 18-08-2008