

THE INDIAN LINK CHAIN MANUFACTURERS LIMITED

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For The Indian Link Chain Mfrs. Ltd.

P. K. Neetia
P. K. Neetia
Managing Director.

ANNUAL REPORT 2008-2009

THE INDIAN LINK CHAIN MFRS.LTD.

DIRECTORS

S.V.Mazumdar
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, 2009 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

28TH SEPTEMBER, 2009

TO

30TH SEPTEMBER, 2009

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 51st ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED WILL BE HELD ON 29th SEPTEMBER 2009 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 2009, 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 appoint auditors of the company for the period commencing from this meeting till the conclusion of the next Annual Meeting of the Company.
4. To consider and if thought fit: to pass, with or without modification(s) the following Resolution as a special Resolution.

"RESOLVED THAT in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri P.K. Nevatia, as Managing Director of the Company, for the period of 5(five) years with effect from October 01, 2009 on the terms and conditions including remunerations are set out hereunder which is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri P.K. Nevatia.

Salary Rs.22,500/- per month.

Accommodation (furnished or otherwise) or house rent allowance in lieu thereof; reimbursement of expenses for utilisation of gas, electricity, water furnishing and repairs; medical reimbursement; leave travel concession for self and his family including dependents; club fees, subject to overall ceiling or remuneration stipulated in Section 198 and 309 of the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per Income Tax Act, 1961 or any rules thereunder (including any statutory modification (s) or re-enactment thereof, for the time being in force).

So long as Mr.P.K. Nevatia functions as Managing Director of the Company, he shall not be subject to the retirement by rotation and shall not be paid any sitting fees for attending meetings of the Board or any Committee thereof.

In the event of loss or inadequacy of profits in any Financial Year, Shri P.K. Nevatia Shall subject to the approval of the Central Government, if any required, be paid remuneration by way of Salary and Perquisites as specified above subject to the restrictions, if any, set out in Schedule XIII of the Companies Act, 1956, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 28th September 2009 to 30th September 2009. Both days inclusive.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:

The explanatory Statement accompanying Notice set out hereinabove is as under :

The present terms of office of Shri P.K. Nevatia expires on 30th September, 2009. The Board of Directors has re-appointed Shri P.K. Nevatia as Managing Director for a further period of five years from the expiry of his terms. The particulars of remuneration payable to and terms of the re-appointment of Shri P.K. Nevatia during the tenure of his re-appointment for a further period of five years are set out in the resolution above.

Shri P.K. Nevatia had agreed to waive all remuneration until further approval by the Directors w.e.f. 01.04.2007. He has agreed to continue the waiver until decision by the Directors and agreed to by Shri P.K. Nevatia.

Your Directors recommend the resolution set out above in the Notice for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri P.K. Nevatia pursuant to Section 302 of the Companies Act, 1956.

Shri P.K. Nevatia is interested in the resolution. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

For THE INDIAN LINK CHAIN MFRS. LTD.
P.K.NEVATIA
MANAGING DIRECTOR

Place : Mumbai
Dated: June 19, 2009

THE INDIAN LINK CHAIN MFRS.LTD.**DIRECTORS' REPORT**

1. Your Directors present their Annual Report and the Audited Account for the year ended March 31, 2009.
2. As reported last year expenses have been reduced to bare minimum to meet statutory requirements.
3. Sale of property at Tarapur has not made progress. MIDC the lessor of the property had revised rules for transfer of the lease. These have been once again revised to old rates. However, the real estate market is poor. It may take some time to find a suitable buyer.
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) Shri S.V.Muzumdar director of the Company retires by rotation but being eligible offers himself for reelection.
 - ii) Shri P.K. Nevatia's appointment as Managing Director ends on 30.09.2009. It is proposed to reappoint him as Managing Director on the terms stated in the notice attached.
6. 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.
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 2009-2010 as Auditors of the Company.
8. Observations made by the Auditors in their report are self explanatory.

Shri P.K.Nevatia
Shri Vidhu Nevatia

Place: Mumbai
Dated: June 19 2009

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 2009, 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 2009 and taken on record by the Board of Directors, we report that no Director is disqualified as on 31st March 2009 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 19 give the information required by the

THE INDIAN LINK CHAIN MFRS.LTD.

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 2009;
- 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 : June 19, 2009

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 2009.

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 was not material and has 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.
- (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. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (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.36,216, Central Sales Tax Rs. 4,835, Value Added Tax of Rs. 5,673, Sales Tax Deferral of Rs. 2,24,574 and Gram Panchayat Tax of Rs.1,71,832, 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.36,216, Works Contract Tax of Rs.2,91,364, Central Sales Tax Rs. 4,835, Sales Tax Deferral of Rs. 2,24,574 and Gram Panchayat Tax of Rs.1,51,594.