

**THE INDIAN
LINK CHAIN
MANUFACTURERS
LIMITED**

**ANNUAL REPORT
2010-2011**

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)
F-11, 3rd Floor, Manek Mahal,
90, Veer Nariman Road, Churchgate,
Mumbai- 400 020

REGISTERED OFFICE

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

SHARE HOLDER INFORMATION

ANNUAL GENERAL MEETING ON 30th
SEPTEMBER, 2011 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, 2011
TO
30TH SEPTEMBER, 2011

FOR SHARE TRANSFER, TRANSMISSION, CHANGE OF ADDRESS, DUPLICATE/MISSING SHARE CERTIFICATE AND ANY OTHER ASSISTANCE PLEASE CONTACT REGISTRAR AND TRANSFER AGENT M/S. UNIVERSAL CAPITAL SECURITIES 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 53rd ANNUAL GENERAL MEETING OF THE INDIAN LINK CHAIN MFRS. LIMITED WILL BE HELD ON 30th SEPTEMBER 2011 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 2011, 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 Shri S. V. Muzumdar, who retires by rotation and is being 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.

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 the 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 2011 to 30th September 2011, both days inclusive.

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

Place: Mumbai
Dated: 31.05.2011

P.K. NEVATIA
MANAGING DIRECTOR

DIRECTORS' REPORT

Shareholders,

Your Directors present the Annual Report and Audited Accounts for the year ended on 31st March 2011.

1. The financial results show a loss of Rs.6.36 Lacs.
2. The Developer, who had entered into MOU for the transfer of land at Tarapur could not complete the formalities of the authorities and therefore a fresh agreement was entered into for Rs.1.65 Crores . The work on getting the permission is in hand and as soon as this is obtained the transfer of the land will be completed. In the meanwhile full consideration of Rs.1.65 Crores has been received by the Company.
3. The demand raised by the Customs is pending. No hearing against our representation has taken place. The Directors are hopeful that this will be decided in favour of the Company.
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 along with 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 state of affairs of the company at the end of the financial year and the profit and loss account 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) the directors have prepared the annual accounts on going concern basis.
5. Shri S. V. Muzumdar, Director of the Company retires by rotation but being eligible offers himself for reelection.
6. As required under Section 383A 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., Chartered Accountants, Auditors of the Company, retires, but are eligible for re-appointment and have furnished to the Company Certificate for their eligibility, for their re-appointment. The Directors recommend their reappointment for the year 2011-12 as Auditors of the Company.
8. The Directors refer to the Notes of the Statutory Auditors and of the Company Secretary in their reports as regards deposits with Mahindra & Mahindra Financial Services Ltd. The Directors regret that by oversight the provisions of Section 372A of the Companies Act 1956 were not complied with in advance. Mahindra & Mahindra Financial Services Ltd. is a reputed company and amount deposited is expected to be returned to the company on maturity in Sep. /Oct. 2011. However, in order to regularize the matter approval of shareholders is being obtained thru postal ballots, notice for which is being sent to the shareholders soon.
9. Other observations of the Auditors are self explanatory.

P.K. Nevatia

Place: Mumbai
Dated: 31.05.2011

Vidhu Nevatia

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 2011, 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;
 - (v) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that no Director is disqualified as on 31st March 2011 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. 8 and Note No. 11 of Schedule 19 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 subject to that:
1. The Company has invested in deposits of other body corporate in violation of Section 372A of the Companies Act, 1956.
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - 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
Firm Registration No. 101484W

Ashish Bairagra
Partner
Membership No. 109931

Place: Mumbai
Date : 31/05/2011

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 2011.

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 from the 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) During the year, the Company has not granted/taken any loan, secured or unsecured, to/from Companies, firms and other parties listed 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, 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 Gram Panchayat Tax of Rs.2,12,308 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 Gram Panchayat Tax of Rs.1,92,070, Capital Incentive of Rs. 20,42,000 and Custom Duty of Rs. 36,41,450.

According to the records of the Company, there are no dues of Income Tax, Wealth Tax, Service Tax, Excise Duty, and Cess, which have not been deposited on account of any dispute. The the disputed amounts in respect of Custom Duty is as under:

Name of Statute	Nature of Dues	Financial Year	Amount (Rs.)	Forum where dispute is pending
Central Board of Excise and Customs	Differential custom duty	2004-2005 and 2005-2006	1,09,24,351	Assistant Commissioner of Customs (Preventive)