

MD	✓		BKC	ND
CS	ND		DPY	ND
RO	✓		DIV	NA
TRA	ND		AC	✓
AGM	NA		SH	✓
YE	✓			

**16th
Annual Report
for
The Year 1996-97**

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CHAIN IMPEX LIMITED

CHAIN IMPEX LIMITED

BOARD OF DIRECTORS : AVINASH JALAN — Chairman
R. K. JALAN
J. N. GUPTA
A. K. ROY
L. H. CHAUHAN — Director Operation

BANKERS : UCO BANK
Rathore Mansion
Bank More
Dhanbad - 826 001

AUDITORS : R. K. PATNIA & CO.
Chartered Accountants
Rathore Mansion
Bank More
Dhanbad - 826 001

REGISTERED OFFICE : 411, Todi Chambers
2, Lal Bazar Street
Calcutta - 700 001

WORKS : Village - Deoji

P. O. Govindpur
Dhanbad - 828 109

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CHAIN IMPEX LIMITED

REPORT OF THE DIRECTORS

The Directors present to the Members the Annual Report together with the Statement of Accounts of the Company for the year ended 31st March 1997 and the Auditors' Report thereon.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	March 31, 1997	March 31, 1996
TURNOVER	485.09	1104.61
OTHER INCOME	2.95	10.17
ACCRETION TO STOCK	(—) 28.80	29.51
GROSS PROFIT	6.87	54.09
DEPRECIATION	6.49	6.36
PROFIT BEFORE TAX	0.38	47.73
PROVISION FOR TAXATION	0.05	0.54
PROFIT AFTER TAX	0.83	47.19
BALANCE BROUGHT FORWARD		
FROM PREVIOUS YEAR	119.91	72.72
BALANCE CARRIED FORWARD	120.24	119.91

PERFORMANCE

Your Company has been experiencing acute shortage of Coal for a long time. Rigorous and Continuous efforts have been made to set up a linkage with Coal India Limited to ensure a regular and uninterrupted supply of coal, which is the prime raw material for the Washery, but the efforts failed to elicit any positive result. The Companies which use raw coal as the primary raw material, such as your Company, have been hard hit by the Government's policy on coal. On the one hand, the Government increased the price of raw coal several times at short notice at steep rates, on the other hand, due to liberalisation of Import of coal and coke, several Countries are now dumping coal and coke of superior quality at cheaper price. The steep rise in the price of indigenous coal seriously and adversely affected the operation of the Washery Division, and resulted in heavy loss of production, turnover and profit.

FINANCE

As a part of prudent resource management, the Company has not availed of the term loan facility of Rs. 90 lacs sanctioned by the Bihar State Credit & Investment Corporation Ltd., and thus has not incurred any interest charge.

CHAIN IMPEX LIMITED

DIVIDEND

Considering the unfavourable trading conditions and low profit earned during the year ended 31st March 1997, your Directors consider that it would not be prudent to recommend any dividend.

PUBLIC ISSUE OF EQUITY SHARES

Calls Receivable as on 31st March 1997 was Rs. 16,41,508 as against Rs. 16,42,258 at the end of the previous financial year.

FUTURE PROSPECTS

Your Directors sincerely hope that there will be a change in the near future in the Government policy of the distribution and pricing of coal, so that the washery may operate at optimum capacity and profitable level.

FIXED DEPOSITS

During the year under report the Company has not accepted any fixed deposits under the Companies (Acceptance of deposits) Rules, 1975 from the shareholders and the public. As on the date of this report, there is, therefore, no matured and/or unclaimed deposits.

PARTICULARS OF EMPLOYEES

There are no employees in respect of whom particulars are required under Section 217 (2A) of the Companies Act, 1956 and the Rules framed thereunder are required to be furnished.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO

A statement giving information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217 (1) (e) of the Companies Act, 1956, is annexed hereto and forms a part of this Report.

DIRECTORS

Sri A. K. Roy retires from the Board by rotation and, being eligible, offers himself for re-appointment.

AUDITORS

The term of office of the Company's Auditors Messrs, R. K. Patnia & Co., Chartered Accountants., Hemant Apartment, 174/16 N. S. Bose Road, Calcutta - 700 040, will expire at the conclusion of the ensuing Annual General Meeting and they, being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with Section 224 (1B) of the Act,

CHAIN IMPEX LIMITED

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their thanks to the Company's shareholders, customers, suppliers, bankers and all benefactors of the Company. Your Directors also wish to place on record their appreciation for the devoted service rendered by the employees of the Company.

BY ORDER OF THE BOARD

AVINASH JALAN
Chairman

Place : Calcutta
Date : 30th July, 1997.

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CHAIN IMPEX LIMITED

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SEC. 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997.

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken :

The Coal Washery Plant has been in operation since 8th November 1994. But due to inadequate and irregular supply of coal, it has not so far been possible to operate at its optimum capacity. Measures for energy conservation will be taken when the Washery will operate at the optimum capacity. The Company does not envisage any measure to be taken at this stage.

b) Additional investment & proposals, if any, being implemented for reduction of consumption of energy :

Further investment at present is not required.

c) Impact of the measures at (a) & (b) above for reduction and consequent impact on the cost of production of goods :

The measures required, if any, will be considered in due course of time and efforts for reduction of energy consumption and cost of production will be made.

d) Total energy consumption and the energy consumption per unit of production as per form A :
Not applicable as the Company is not specified industry as per schedule.

B. TECHNOLOGY ABSORPTION

1. i) RESEARCH & DEVELOPMENT

The Company has taken care for R & D. activities and all care and steps are being taken to see that there is minimum wastage of raw materials, power and for protecting environment.

ii) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION

The latest technology has been / is being adopted in various ways for improving productivity and product quality and reducing the consumption of scarce raw materials and energy.

2. The Company has set up facilities for the manufacture of washed coal based on latest non-polluting technology from Derek Parnaby Cyclones International Ltd., U. K. It has multifarious advantages. The technology has been adopted and absorbed in the process of manufacturing washed Coal.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information on foreign exchange earnings and outgo is nil.