

18TH
ANNUAL REPORT
FOR
THE YEAR 1998-99




CHAIN IMPEX LIMITED

CHAIN IMPEX LIMITED

BOARD OF DIRECTORS : AVINASH JALAN—Chairman
J. N. GUPTA
A. K. ROY
L. H. CHAUHAN
S. N. SHARMA

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

AUDITORS : R. K. PATNIA & CO.
Chartered Accountants
1st Floor
Rathore Mansion
Bank More
Dhanbad - 826 001

 **REGISTERED OFFICE :** 4, Jagmohan Mullick Lane
2nd Floor
Calcutta - 700 007

WORKS : Village – Deoli
P. O. Govindpur
Dhanbad - 828 109

CHAIN IMPEX LIMITED

REPORT OF THE DIRECTORS

The Directors present to the Members, the 18th Annual Report together with the Statement of Accounts of the Company for the year ended 31st March 1999 and the Auditors' Report thereon.

FINANCIAL HIGHLIGHTS

	(Rs.in lacs)	
	March 31, 1999	March 31, 1998
TURNOVER	334.71	415.14
OTHER INCOME	11.54	4.05
ACCRETION (+)/DECRETION(-)		
TO STOCK	(+) 2.96	(+) 6.00
GROSS PROFIT	4.36	4.65
DEPRECIATION	4.25	4.33
PROFIT BEFORE TAX	0.11	0.32
PROVISION FOR TAX	0.01	0.03
PROFIT AFTER TAX	0.10	0.29
BALANCE BROUGHT FORWARD		
FROM PREVIOUS YEAR	120.53	120.24
TRANSFER TO GENERAL RESERVE		
BALANCE CARRIED FORWARD	120.63	120.53

PERFORMANCE

During the period under review, the economic activities in the Country slowed down to a state of stagnancy. Marked fall in the scale of operations of industries consuming the products of your Company caused reduction of orders placed on your Company, resulting in lower capacity utilisation, and substantial fall in production and turnover. Secondly, the price of indigenous coal fixed by the Government continues to be high resulting in increase in the cost of production. In a highly competitive market situation, your Company is unable to pass on adverse impact on the cost of production to the customer and is forced to absorb the impact to a large extent causing erosion of margin. Thirdly, taking advantage of the Government's policy of import liberalisation several countries are dumping coke at cheaper price. Your Company is faced with stiff and uneven competition from the imported coke. The cumulative effect of all these factors has taken a heavy toll on the profit of the Company.

FINANCE & MANAGEMENT

As a part of its prudent resource management, the Company has not availed of the loan facility of Rs.90 lacs sanctioned by the Bihar State Credit & Investment Corporation Ltd., and thus has not incurred any interest charges. The Company also exercised strict cost control in all areas.

DIVIDEND

Considering the unfavorable trading conditions and low profit earned during the year ended 31st March 1999, your Directors consider that it would not be prudent to recommend any dividend.

PUBLIC ISSUE OF EQUITY SHARES

Calls Receivable as on 31st March 1999 remained unchanged at Rs.16,41,508.00.

FUTURE PROSPECTS

Your Directors sincerely hope that under the regime of the present Government at the Centre, there will be a favourable all round change in the economic scenario which will boost the activities of all industrial enterprises including your Company.

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 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 under Section 217 (2A) of the Companies Act, 1956 and the Rules framed thereunder are required to be furnished.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO

A statement giving information regarding conservation of energy, technology absorption, 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.

CHAIN IMPEX LIMITED

DIRECTORS

Sri R.K.Jalan resigned from the Board. The Board accepted his resignation on 31.3.99 and placed on record its deep appreciation for the service rendered by Sri R.K.Jalan during the tenure of his office.

Sri Avinash Jalan retires from the Board by rotation and, being eligible, offers himself for re-appointment.

Sri L. H. Chauhan has been appointed as an Additional Director on the Board of the Company with effect from 22.3.99. He holds office up to date of Annual General Meeting and is eligible for re-appointment.

Sri S.N.Sharma has been appointed as an Additional Director on the Board of the Company with effect from 19.8.99. He holds office up to date of Annual General Meeting and is eligible for re-appointment.

AUDITORS

The term of office of the Company's Auditors Messrs. R.K. Patnia & Co., Chartered Accountants., 1st Floor, Rathore Mansion, Bank More, Dhanbad -826 001, 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.

Y2K

Your Directors sincerely hope to make all Software and Hardware used for financial and other operations, Y2K compliant at their earliest.

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
J.N.GUPTA
DIRECTOR

Place : Calcutta

Dated : 23rd August, 1999.

ANNEXURE TO DIRECTORS' REPORT :

INFORMATION UNDER SEC. 217 (i) (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, 1999.

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 not required.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption 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 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.