

**19TH
ANNUAL REPORT
FOR
THE YEAR 1999-2000**



CHAIN IMPEX LIMITED

CHAIN IMPEX LIMITED

BOARD OF DIRECTORS : J. N. GUPTA
A. K. ROY
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

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CHAIN IMPEX LIMITED

DIRECTORS' REPORT

The Directors present to the Members, the 19th Annual Report together with the Statement of Accounts of the Company for the year ended 31st March 2000 and the Auditor's Report thereon.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	March 31, 2000	March 31, 1999
TURNOVER	267.40	334.71
OTHER INCOME	10.34	11.54
ACCRETION(+) / DECRETION(-)		
TO STOCK	(+) 6.18	(+) 2.96
GROSS PROFIT	3.00	4.36
DEPRECIATION	2.89	4.25
PROFIT BEFORE TAX	0.11	0.11
PROVISION FOR TAX	0.01	0.01
PROFIT AFTER TAX	0.10	0.10
BALANCE BROUGHT FORWARD		
FROM PREVIOUS YEAR	120.63	120.53
TRANSFER TO GENERAL RESERVE	-	-
BALANCE CARRIED FORWARD	120.73	120.63

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 Coal & Coke at cheaper rate. Your Company is faced with stiff and uneven competition from the imported Coal & 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 unfavourable trading conditions and low profit earned during the year ended 31st March 2000, your Directors consider that it would not be prudent to recommend any dividend.

PUBLIC ISSUE OF EQUITY SHARES

Call Receivable as on 31st March 2000 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)(c) of the Companies Act 1956 is annexed hereto and forms a part of this Report.

CHAIN IMPEX LIMITED

DIRECTORS

Sri Avinash Jalan resigned from the Board. The Board accepted his resignation on 11.01.2000 and placed on record its deep appreciation for the service rendered by Sri Avinash Jalan during the tenure of his office.

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

Y2K COMPLIANCE

Your Company has successfully entered the new millennium without any disruption in systems due to Y2K issues.

AUDITORS

The term of office of the Company's Auditors Messers. 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.

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.

Place: Calcutta

Dated: 21st August, 2000.

By ORDER OF THE BOARD

J. N. GUPTA
DIRECTOR

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 THEIR YEAR ENDED 31ST MARCH, 2000.

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 no 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 been 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 EARNING AND OUTGO :

The information on foreign exchange earnings and outgo is nil.

CHAIN IMPEX LIMITED

AUDITOR'S REPORT TO THE MEMBERS OF M/S CHAIN IMPEX LIMITED

We have audited the annexed Balance Sheet of M/s Chain Impex Limited, as at 31st March'2000 and also the annexed profit and loss account of the company for the year ended on that date and we report as follows :

- 1) As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Central Government in terms of Section 227(4A) of the companies Act, 1956, we enclose Annexure "A", a statement on the matters specified in the said order.
- 2) Further to our comments in Annexure "A" referred to in paragraph (1) 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 purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as it appears from our examination of the books.
 - iii) The Balance sheet and profit & loss accounts dealt with by the report are in agreement with the books of account.
 - iv) In our opinion, the Balance sheet and profit & loss account dealt with by this report are in compliance with the accounting standard (AS) referred to in section 211 (3C) of the Companies Act, 1956, except accounting standard 15 regarding provision in respect of retirement benefits to employees as mentioned in Annexure-"B".
 - iv) In our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - a) In the case of Balance sheet of the state of affairs of the company as at 31st March'2000.
 - A N D
 - b) In the case of the Profit & Loss Account of the Profit for the year ended on that date.

1st Floor, Rathore Mansion
Bank More,
Dhanbad-826 001

For R. K. Patnia & Co.
Chartered Accountants

Dated the 21st day of August ,2000.

(R. K. Patnia)
Partner
M. No. 71376

ANNEXURE "A" TO THE AUDITOR'S REPORT ON ACCOUNTS OF M/S CHAIN IMPEX LIMITED FOR THE YEAR ENDED 31ST MARCH 2000

(Referred to in paragraph (1) of our Report of even date)

- i) The company has maintained proper records of Fixed Assets so as to show full particulars including quantitative details and their situation. The fixed assets have been physically verified by the management during the year and no material discrepancy has been noticed on such verification.
- ii) None of the Fixed Assets have been revalued during the year.
- iii) The Stock of finished goods have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable intervals.
- iv) In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- v) No material discrepancy was noticed on physical verification as compared to books of records .
- vi) In our opinion, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding years.
- vii) The Company has not taken any loans, secured or unsecured from the Companies, firms or other parties required to be listed in the register maintained under section 301 of the Companies Act, 1956 . In terms of sub section (6) of Section 370 of the Indian Companies Act, 1956, provisions of the section are not applicable to a Company on or after the commencement of the Indian Companies (Amendment) Act,1999
- viii) The Company has not granted any loan secured or unsecured to the Companies, firms or parties required to be listed in the register required to be maintained under section 301 of the Companies Act, 1956 .. In terms of sub section (6) of Section 370 of the Indian Companies Act, 1956, provisions of the section are not applicable to a Company on or after the commencement of the Indian Companies (Amendment) Act ,1999
- ix) No stipulation for repayment have been prescribed by the Company for interest free advances in the nature of loans / advances given to staff of the company. However, the staff members were repaying the principal amounts as and when the same were demanded.