

# FISCHER

4<sup>th</sup> ANNUAL REPORT  
1996-97

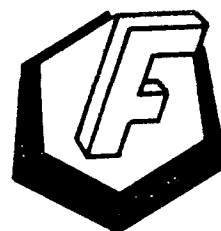
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For FISCHER INORGANICS AND AROMATICS LIMITED

Director.

Director.

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**FISCHER INORGANICS  
AND AROMATICS LIMITED**


**FISCHER INORGANICS & AROMATICS LIMITED**
**BOARD OF DIRECTORS:**

Mr. G. M. SANKARANARAYANAN      *Managing Director*  
 Mr. K. VASUDEVAN  
 Mr. S. GOPALAKRISHNAN  
 Mr. V. SIVAKUMAR  
 Mr. B. R. CHANDRAN  
 Mr. C. SESHADRI

**REGISTERED OFFICE:**

No. 13, 11th Cross Street,  
 Sastri Nagar, Adyar,  
 Chennai 600 020.

**BRANCHES:**

Hyderabad, Bangalore,  
 Baroda, Mumbai.

**AUDITORS:**

A. N. JAMBUNATHAN & CO.,  
 13, Deivasigamani Road,  
 Lakshmipuram,  
 Royapettah, Chennai 600 014.

**WORKS:**

111, Sidco Industrial Estate,  
 Kakkalur, Thiruvallore Taluk,  
 Thiruvallore District,  
 Tamilnadu

**BANKERS:**

The Catholic Syrian Bank Limited  
 Hind Line Beach, Chennai 600 001.

**SHARE TRANSFER AGENTS:**

Hi-Tech Share Registry Private Limited  
 Hind Floor,  
 No. 66, Cathedral Road,  
 Chennai 600 086.

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**CONTENTS**

Notice.....	1
Report of the Directors.....	4
Report of the Auditors .....	6
Balance Sheet .....	8
Profit & Loss Account .....	9
Schedules (A-U) .....	10
Notes on Accounts.....	15

**FISCHER INORGANICS & AROMATICS LIMITED****NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Fourth Annual General Meeting of the Members of FISCHER INORGANICS & AROMATICS LIMITED will be held on Thursday, the 25th September 1997 at 10.00 A.M. at Karnataka Sangha, 36, Habibullah Road, T. Nagar, Chennai 600 017.

**SPECIAL BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 1997, the Profit & Loss Account for the year ended on that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Mr. K. Vasudevan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. V. Sivakumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. The retiring Auditors M/s. A. N. Jambunathan & Co, Chartered Accountants, Chennai are eligible for re-appointment.

**SPECIAL BUSINESS:**

To consider and if thought fit to pass the following resolutions as:

**SPECIAL RESOLUTION:**

5. "RESOLVED THAT the action of Board of Directors in appointing Mr. V. Sivakumar pursuant to the provisions of Sections 198, 269, 309, 310 & 314 of the Companies Act, 1956 as a Wholetime Director with effect from 3.10.96 for a period of five years on such terms and conditions contained in the Explanatory Statement annexed hereto, be and is hereby confirmed, approved and ratified."

**SPECIAL RESOLUTION:**

6. "RESOLVED THAT Mr. B. R. Chandran, Director whose term of Office expires at this Annual General Meeting and in respect of whom the Company had received a Notice under Section 257 of the Companies Act, 1956

from a Member proposing the candidature of Mr. B. R. Chandran for the Office of Director, be and is hereby appointed as Director subject to retirement by rotation".

**SPECIAL RESOLUTION:**

7. "RESOLVED THAT the action of Board of Directors in appointing Mr. B. R. Chandran as a Wholetime Director pursuant to the provisions of Sections 198, 269, 309, 310 & 314 of the Companies Act, 1956, with effect from 3.10.96 for a period of five years on such terms and conditions contained in the Explanatory Statement annexed hereto, be and is hereby confirmed, approved and ratified."

**SPECIAL RESOLUTION:**

8. "RESOLVED THAT Mr. C. Seshadri, Director whose term of Office expires at this Annual General Meeting and in respect of whom the Company had received a Notice under Section 257 of the Companies Act, 1956 from a Member proposing the candidature of Mr. C. Seshadri for the Office of Director, be and is hereby appointed as Director subject to retirement by rotation".

**SPECIAL RESOLUTION:**

9. "RESOLVED THAT the action of Board of Directors in appointing Mr. C. Seshadri as a Wholetime Director pursuant to the provisions of Sections 198, 269, 309, 310 & 314 of the Companies Act, 1956, with effect from 3.10.96 for a period of five years on such terms and conditions contained in the Explanatory Statement annexed hereto, be and is hereby confirmed, approved and ratified."

**SPECIAL RESOLUTION:**

10. "RESOLVED THAT the Registered Office of the Company be shifted from 13, 11th Cross Street, Sastri Nagar, Adyar, Chennai 600 020 to Plot No. III, SIDCO Industrial Estate, Kakkalur, Thiruvallore Taluk, Thiruvallore District within the state of Tamilnadu."

Place: Chennai  
Date : 14.08.97

By Order of the Board  
**G. M. SANKARANARAYANAN**  
MANAGING DIRECTOR



## FISCHER INORGANICS & AROMATICS LIMITED

### NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THIS MEETING. THE PROXY FORM IS ENCLOSED.
- b. Explanatory Statement Pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, for item Nos.5 to 10 are annexed.
- c. Members are requested to bring their copies of the Annual General Meeting.
- d. Members are requested to notify immediately any change in their address to the Company's Registered Office.
- e. The Register of Members of the Company shall remain closed from 21.09.97 to 25.09.97 (both days inclusive).

### EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### FOR ITEM NO 5:

Mr. V. Sivakumar was appointed as Whole time Director in the meeting of Board of Directors held on 3.10.96 for a period of five years subject to his office of director liable to be determined by rotation on the following terms and conditions.

#### V. SIVAKUMAR

Salary Rs. 14,500/- per month.

Commissions on Net profit: 1% based on the net profit of the Company in a year, payable annually but subject to a ceiling of Rs. 1 lacs per month.

Perquisites shall be in addition to salary. They shall be restricted to an amount equal to annual salary.

Since appointment of Whole time Director requires confirmation of members in a General Meeting, the above resolution is placed at the forthcoming Annual General Meeting.

None of the Directors other than Mr. V. Sivakumar is interested in the above resolution.

The Explanatory Statement along with the accompanying notice is and shall be deemed to an abstract under Section 302 of the Companies Act, 1956.

#### FOR ITEM NO. 6 & 7:

Mr. B. R. Chandran was appointed as Additional Director and subsequently as Wholetime Director in the Meeting of Board of Directors of the Company held on 3.10.96 for a period of five years subject to the confirmation of his office of director and subject to retirement by rotation thereafter on such remuneration and terms and conditions as given below:

#### B. R. CHANDRAN

Salary Rs. 14,500/- per month.

Commissions on Net profit: 1% based on the net profit of the Company in a year, payable annually but subject to a ceiling of Rs. 1 lacs per month.

Perquisites shall be in addition to salary. They shall be restricted to an amount equal to annual salary.

Since appointment of Whole time Director requires confirmation of members in a General Meeting, the above resolution is placed at the forthcoming Annual General Meeting.

None of the Directors other than Mr. B. R. Chandran is interested in the above resolution.

The Explanatory Statement along with the accompanying notice is and shall be deemed to an abstract under Section 302 of the Companies Act, 1956.

#### FOR ITEM NO. 8 & 9:

Mr. C. Seshadri was appointed as Additional Director and subsequently as Wholetime Director in the Meeting of Board of Directors of the Company held on 3.10.96 for a period of five years subject to the confirmation of his office of director and subject to retirement by rotation thereafter on such remuneration and terms and conditions as given below:

#### C. SESHADRI

Salary Rs. 14,500/- per month.

Commissions on Net profit: 1% based on the net profit of the Company in a year, payable annually but subject to a ceiling of Rs. 1 lacs per month.

Perquisites shall be in addition to salary. They shall be restricted to an amount equal to annual salary.

Since appointment of Whole time Director requires confirmation of members in a General Meeting, the above resolution is placed at the forthcoming Annual General Meeting.

**FISCHER INORGANICS & AROMATICS LIMITED**

None of the Directors other than Mr. C. Seshadri and Mr. K. Vasudevan is interested in the above resolution.

The Explanatory Statement along with the accompanying notice is and shall be deemed to an abstract under Section 302 of the Companies Act, 1956.

FOR ITEM NO.10:

The Chemical Unit of the Company is situated at Plot No.III, SIDCO Industrial Estate, Kakkalur, Thiruvallore Taluk, Thiruvallore District within the state of Tamilnadu. Since the activities have already commenced there, most of the time the Directors and Executives of the Company have to be present at the Factory to look after the day to day activities

of the Company and hence all the records have to be necessarily maintained at the factory premises itself. In order to have effective control over the affairs of the Company, the Board of Directors, felt it necessary to shift the Registered Office to the Factory premises itself.

Hence the above resolution is placed before the members for their approval.

None of the Directors are concerned or interested in the above resolution.

Place: CHENNAI  
Date : 14.08.97

By Order of the Board  
**G. M. SANKARANARAYANAN**  
MANAGING DIRECTOR

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## FISCHER INORGANICS & AROMATICS LIMITED

### DIRECTORS' REPORT

The Directors have pleasure in presenting their Fourth Annual Report and the Audited accounts for the financial year ended 31st March, 1997.

### FINANCIAL RESULTS

	(Rs. in Lacs)	
	Year ended 31.03.1997	Year ended 31.03.1996
Sales	269.16	226.94
Other Income	1.45	1.39
Profit before interest and depreciation	31.84	3.81
Interest	44.90	20.18
Depreciation & Non-cash charges	46.84	37.76
Profit(Loss) before tax	(59.90)	(54.13)
Provision for tax	1.36	NIL
Profit (Loss) after tax	(61.26)	(54.13)
Add: Previous year adjustments	NIL	NIL
Balance brought forward from previous year	(40.72)	13.41
Balance carried forward	(101.98)	(40.72)

### PERFORMANCE DURING THE YEAR:

During the year under review, your company achieved a sales turnover of Rs.269.16 Lakhs as against Rs. 226.94 Lakhs in the previous year. During the year under review, the manufacturing sector have experienced severe cash flow problems due to stringent monetary policy followed by the Reserve Bank of India, which was relaxed only during the last quarter of the financial year. This financial crunch affected your Company also. The Chemical industry in particulars, has been facing tremendous changes in the market place due to liberalisation process. The continuous reduction in custom tariff in the last few years has intensified the advantageous position in importing goods from foreign countries.

The Branches opened by the Company during 1995-96 have ensured availability of the Company's products to the customers in time and reduced the lead time in executing orders. These advantages were offset during the year by offering more than the required credit terms and face the severe competition from multinationals and other indigeneous manufacturers.

The Finance Act, 1997 brought the laboratory chemicals for the first time, into the net of levy of Central Excise which had affected the sales performance of the Company during the second half of the financial year which otherwise would have shown better results.

### DIRECTORS:

During the year Mrs. Bhanumathy Hariharan resigned as a Director on 01.10.96. Mr. S. Hariharan was appointed as a Director with effect from 03.10.96 in the casual vacancy caused by the resignation of Mrs. Bhanumathy Hariharan. He also resigned as a Director with effect from 18.06.97. The Board places on record the valuable guidance given by Mrs. Bhanumathy Hariharan and Mr. S. Hariharan during their tenure as Directors.

Mr. B. R. Chandran and Mr. C. Seshadri were co-opted as Additional Directors on 03.10.96 and they vacate their office at this Annual General Meeting. Notices have been received from members proposing the candidature of Mr. B. R. Chandran and Mr. C. Seshadri to the office of Directors along with a deposit of Rs. 500/- each.

Mr.V. Sivakumar, Director was appointed as a Wholetime Director, with effect from 03.10.1996. However, he shall continue the office of wholetime Director after reappointment still he is retiring by rotation and being eligible offers himself for re-election.

Mr. K. Vasudevan, Director retire by rotation at the ensuing Annual General Meeting being eligible, offer himself for re-appointment. However, on his re-appointment as Director he will continue to hold the office of Wholetime Director till the remaining tenure of the previous appointment i.e., 1999.

### AUDITORS:

M/s. A. N. Jambunathan & Co., Chartered Accountants, Chennai, retire at ensuing Annual General Meeting and are eligible for re-appointment.

### AUDITORS REPORT:

Regarding Note No. 4 by the Auditors, the Board of Directors wishes to clarify that an application to the Central Government had already been preferred during 1996 and application are pending with them.

With regard to the payment of Remuneration to the Whole time Directors, the same is being placed before the Shareholders vide item Nos. 5,7 & 9 for their confirmation and ratification pursuant to the provisions of the Companies Act, 1956.

**FISCHER INORGANICS & AROMATICS LIMITED****OTHER INFORMATION:****Particulars of employees:**

There were no employees who were in receipt of remuneration aggregating to Rs. 3,00,000/- or more per annum if employed throughout the financial year or were in receipt of remuneration aggregating to Rs. 25,000/- or more per month, if employed for part of the financial year.

The Information required under Section 217 (1) (e) of the Companies Act, 1956 are given below:

**1. Conservation of energy:**

The Company's manufacturing operations are not power intensive. However, efforts are being taken on a continuous basis to conserve energy wherever possible.

**[A] Power Consumption:**

	1996-97	1995-96
Purchased:		
Units consumed	96390	73996
Amount [Rs. in lacs]	2.78	1.99
Rate per unit [Rs.]	2.80	2.70

**[B] Consumption per unit of production:**

As the products manufactured by the Company are large in number involving different process, energy consumption per unit of production is not ascertainable.

**2. Technology absorption:**

The technology adopted by the Company is developed in-house and hence, absorption of technology does not arise.

**3. Foreign Exchange Earnings and Out go:**

	1996-97	1995-96
	(Rs. in lacs)	
Earning in foreign currency		
Export sales (FOB)	9.05	Nil
Outgo:		
Import of Capital goods [CIF value]	Nil	11.64

**4. Research & Development :**

Research & Development facility created by the Company are continuously used for introduction of various new products.

During the year the Company introduced HPCL grade solvents like Acetone, Acetonitrile, Nitric acid, Chloroform and Methanol which are received well in the Market. The Company is making efforts to introduce a few more products of better grade / quality during the current year.

**ACKNOWLEDGEMENT:**

Your Directors thank the Government authorities, Company's bankers, Customers and Suppliers for their kind co-operation during the year. your Directors also thank the shareholders for their continued interest and support. The Directors also place on record their appreciation to the employees at all levels for their dedicated services during the year.

For and on behalf of the Board of Directors of  
**FISCHER INORGANICS & AROMATICS LIMITED**

**K. VASUDEVAN**  
WHOLETIME DIRECTOR

**G. M. SANKARANARAYANAN**  
MANAGING DIRECTOR

Place: Chennai

Date: 14.8.97