

FISCHER

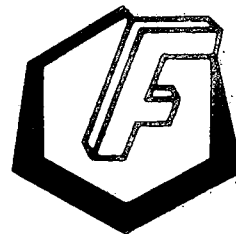
MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	DIV	NA
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		

5th ANNUAL REPORT

1997-98

For FISCHER INORGANICS AND AROMATICS LIMITED

(K. VASUDEVAN)
Director-Comr



**FISCHER INORGANICS
AND AROMATICS LIMITED**

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FISCHER INORGANICS & AROMATICS LIMITED
BOARD OF DIRECTORS:

MR. G. M. SANKARANARAYANAN	<i>Managing Director</i>
MR. K. VASUDEVAN	<i>Wholetime Director</i>
MR. C. SESHADRI	<i>Wholetime Director</i>

REGISTERED OFFICE & WORKS:

Plot No. 111, Sidco Industrial Estate
Kakallur, Thiruvallore Taluk,
Thiruvallore District.
Tamilnadu.

ADMINISTRATIVE OFFICE:

3/240, Govindan Nagar,
Palavakkam,
Chennai - 600 041.
Tamilnadu

BRANCHES:

Hyderabad, Bangalore,
Baroda,

BANKERS:

The Catholic Syrian Bank Limited,
IInd line Beach, Chennai 600 001.

AUDITORS:

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

SHARE TRANSFER AGENTS:

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

FISCHER INORGANICS & AROMATICS LIMITED



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Fifth Annual General Meeting of the Members of FISCHER INORGANICS & AROMATICS LIMITED will be held on Saturday, the 26th September, 1998 at 11.30 A.M. at K.C.B. Hall, C. V. Naidu Salai, Thiruvallore, Thiruvallore District, Tamilnadu to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1998, the Profit & Loss

Account for the year ended on that date and the Director's Report and the Auditors' Report thereon.

2. To appoint a Director in the place of Mr. G. M. Sankaranarayanan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. The retiring Auditors M/s. A. N. Jambunathan & Co, Chartered Accountants, Chennai are eligible for re-appointment.

By Order of the Board

Place: Chennai

G. M. SANKARANARAYANAN

Date : 31.08.98

MANAGING DIRECTOR

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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. Members are requested to bring their copies to the Annual General Meeting.
- c. Members are requested to notify immediately any change in their address to the Company's Registered office / Share Transfer Agents.
- d. The Register of Members of the Company shall remain closed from 22.09.98 to 26.09.98 (both days inclusive).



FISCHER INORGANICS & AROMATICS LIMITED

DIRECTOR'S REPORT:

The Directors have pleasure in presenting their Fifth Annual Report and the Audited accounts for the financial year ended 31st March, 1998.

FINANCIAL RESULTS:

	(Rs. in Lacs)	
Year ended	Year ended	
31.03.98	31.03.97	
Profit before interest and depreciation	30.01	31.84
Interest	41.42	44.90
Depreciation & Non-cash Charges	27.21	46.84
Profit(Loss) before tax	(38.62)	(59.90)
Provision for tax	—	1.36
Profit (Loss) after tax	(38.62)	(61.26)
Balance brought forward from Previous year	(101.98)	(40.72)
Less: Excess Depreciation W/back	37.62	Nil
Balance carried forward	(102.98)	(101.98)

PERFORMANCE DURING THE YEAR:

During the year under review, your company achieved a sales turnover of Rs. 244.96 lakhs as against Rs. 269.16 Lakhs in the previous year. Due to general slow down in the economy, the demand has dramatically come down from various user segments. The reduction in customs duty for various chemicals has severely affected the operation of the Company. Added to this the chemical market witnessed very severe and unhealthy competition, resulting in erosion of profit margin for the products manufactured by the Company.

Laboratory Chemicals have been brought into Excise fold with effective from March 01, 1997 for the first time and the same had affected the Cash flow and available working capital requirements.

DIRECTORS:

Mr. G. M. Sankaranarayanan, Director is retiring at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The Managing Director Mr. G. M. Sankaranarayanan, who is re-appointed as a director immediately on retirement by rotation shall continue to hold his office of Managing Director and such reappointment shall not be deemed to constitute a break in his appointment as Managing Director.

AUDITORS':

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

ADDENDUM TO THE BOARD'S REPORT

AUDITORS REPORT:

The remuneration paid to the directors mentioned in paragraph 4 (i) and (ii) of the auditors report are well within the limits provided in Part II of Schedule XIII of the Companies Act. The Company is examining the matter of recovery of the amounts paid and if considered necessary will be applying to the concerned authorities for waiver.

Regarding the Note No. 13, the Company had not invited or accepted any deposits from public as observed by Auditors in their Report. It was a Loan Borrowed against the personnel guarantee of the Directors which was construed as deposits by auditors. However, the Company shall comply with Section 58 A, if required, for the current financial year 1998-99.

OTHER INFORMATION

Particulars of Information required under Section 217 (1) (a) of the Companies Act, 1956:

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

FISCHER INORGANICS & AROMATICS LIMITED

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:

	1997-98	1996-97
Purchased:		
Units consumed	92810	96390
Amount (Rs. in Lacs)	3.09	2.78
Rate per unit (Rs.)	3.32	2.80

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:

	1997-98	1996-97
	(Rs. In Lakhs)	
Earning in foreign currency		
Export Sales (FOB)	Nil	9.05
Out go:		
Import of Capital goods		
(CIF value)	Nil	Nil

4. Research & Development:

Research & Development facilities created by the Company are used extensively for introduction of various value added new products. The Company has introduced IP Grade Chemicals during the year. The company has also critically monitoring the change in Market condition and has already developed tailor made products for specific user industry.

ACKNOWLEDGEMENT:

The Board of Directors thank the various Government authorities, Company's Bankers, Customers and Suppliers for their unstinted support during the year. Your Directors also thank the shareholders for their continued support.

The Directors wish to place on record their appreciation of the dedicated services and efforts put in by the employees of the Company at all level during the year.

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

K. VASUDEVAN
WHOLETIME DIRECTOR

C. SESHADRI
WHOLE TIME DIRECTOR

G. M. SANKARANARAYANAN
MANAGING DIRECTOR

Place: Chennai

Date : 31.08.98