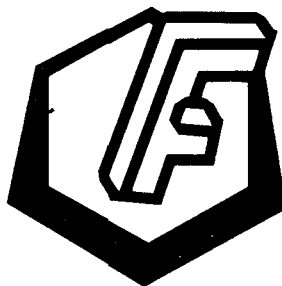


# FISCHER

## 11th ANNUAL REPORT 2003 - 2004



**FISCHER CHEMIC LIMITED**  
**(FORMERLY FISCHER INORGANICS AND AROMATICS LIMITED)**

**BOARD OF DIRECTORS :**

Mr. G.M.S. Narayanan	-	Whole Time Director
Mr. K. Vasudevan	-	Whole Time Director
Mr. V. Ganesh	-	Director
Mr. R. Venkatachalam	-	Director
Mr. D. Dhandapani	-	Director
Mr. D. Sridhar	-	Director

**REGISTERED OFFICE & WORKS :**

Plot No. 111, SIDCO Industrial Estate,  
Kakallur, Thiruvallur District, Tamil Nadu

**BANKERS :**

Vijaya Bank, T.Nagar, Chennai 600 017.  
State Bank of Mysore, T.Nagar, Chennai 600 017.

**BRANCHES :**

Hyderabad, Mumbai, Bangalore, Ahmedabad

**AUDITORS :**

CNGSN & Associates  
Chartered Accountants,  
"Agastyar Manor" New No. 20 Old No. 13  
Raja Street, T.Nagar, Chennai 600 017.

**SHARE TRANSFER AGENTS :**

*Physical & Electronic :*  
Cameo Corporate Services Limited  
"Subramania Building"  
No.1, Club House Road, Chennai 600 002.

**ADMINISTRATIVE OFFICE :**

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

*True Copy*  
**For FISCHER CHEMIC LTD**

*[Signature]*  
**Director.**

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**NOTICE**

NOTICE is hereby given that the 11th Annual General Meeting of the company will be held on Thursday the 23rd day of December 2004 at 10.15 am at Sri Arjuna Mini Hall, No.5, Panagal Street, Tiruvellore- 602001, Tamil Nadu to transact the following Business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit & Loss Account made upto that date together with the report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. G.M.S. Narayanan, who retires by rotation and being eligible & offers himself for reappointment.
3. To appoint a Director in the place of Mr. V. Ganesh who retires by rotation and being eligible & offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or without modification the following ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 310 and other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII to the said Act, and subject to the approval of the remuneration committee and the members at the ensuing general meeting Mr. G M S Narayanan, be and is hereby appointed as the Whole Time Director of the company for a period of five years from 15th February, 2004 on the following terms and conditions.

**TERMS AND CONDITIONS:**

1. Salary Scale per month : Rs. 25,000/ (Rupees Twenty Five Thousand only)
2. Perquisites : As in Category A and B

**CATEGORY A:****HOUSING:**

1. House Rent Allowance of Rs. 7,500/- (Rupees Seven Thousand Five Hundred only) per month.

2. The expenditure incurred by the Company on gas, electricity water, etc., Rs.2,500/- (Rupees Two Thousand Five Hundred only) per month.

**MEDICAL REIMBURSEMENT:**

1. Mr. G M S Narayanan and his family will be covered by a medical claim policy by the company and the premium will be subject to a ceiling of one month's salary per annum.
2. Medical Reimbursement allowance shall be maximum of one month's salary subject to deduction of medical insurance premium

**LEAVE TRAVEL CONCESSION:**

1. For self and family once in a year in accordance with the rules of the Company

**CLUB FEES:**

1. Fees of Club, subject to a maximum of two clubs excluding admission and life membership fees.

**EARN LEAVE:**

1. Can avail of earn leave as per the rules of the company but not exceeding one month's leave for every 11 months subject to that leave accumulated but not availed will not be allowed to be encashed

**CATEGORY B:**

The whole time director shall be entitled for reimbursement of all actual expenses including on entertainment and travelling incurred in the course of the Company's business.

The Company shall provide a shoffer driven car to the whole time director and reimburse petrol expenses for car and provide telephone facility at the residence of the whole time director. Reimbursement of petrol for car for the use of Company's business and telephone facility at his residence will not be considered as perquisites.

Personal long distance calls on telephone will not be qualified for reimbursement.

**COMMISSION:**

The Whole Time Director shall be entitled to commission in addition to salary and perquisites mentioned above provided that the sum total of salary, perquisites and commission does not exceed the limits provided under Section 198, 349 and 350 of the Companies Act, 1956.

Mr. G M S Narayanan will not be entitled for any sitting fees to attend the Meetings of the Board of Directors or any Committee thereof.

In the event of absence or inadequacy of profits Mr. G M S Narayanan is entitled to a reimbursement mentioned above including perquisites as minimum reimbursement.

6. To consider and if thought fit to pass with or without modification the following ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 310 and other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII to the said Act, and subject to the approval of the members at the ensuing general meeting Mr. K Vasudevan, be and is hereby appointed as the Whole Time Director of the company for a period of five years from 15th February, 2004 on the following terms and conditions.

**TERMS AND CONDITIONS:**

1. Salary Scale per month : Rs. 25,000/- (Rupees Twenty Five Thousand only)
2. Perquisites : As in Category A and B

**CATEGORY A:****HOUSING:**

1. House Rent Allowance of Rs. 7,500/- (Rupees Seven Thousand Five Hundred only) per month.
2. The expenditure incurred by the Company on gas, electricity water, etc., Rs.2,500/- (Rupees Two Thousand Five Hundred only) per month.

**MEDICAL REIMBURSEMENT:**

1. Mr. K Vasudevan and his family will be covered by a medical claim policy by the

company and the premium will be subject to a ceiling of one month's salary per annum.

2. Medical Reimbursement allowance shall be maximum of one month's salary subject to deduction of medical insurance premium

**LEAVE TRAVEL CONCESSION:**

1. For self and family once in a year in accordance with the rules of the Company

**CLUB FEES:**

1. Fees of Club, subject to a maximum of two clubs excluding admission and life membership fees.

**EARN LEAVE:**

1. Can avail of earn leave as per the rules of the company but not exceeding one month's leave for every 11 months subject to that leave accumulated but not availed will not be allowed to be encashed

**CATEGORY B:**

The whole time director shall be entitled for reimbursement of all actual expenses including on entertainment and travelling incurred in the course of the Company's business.

The Company shall provide a shoffer driven car to the whole time director and reimburse petrol expenses for car and provide telephone facility at the residence of the whole time director. Reimbursement of petrol for car for the use of Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone will not qualify for reimbursement.

**COMMISSION:**

The Whole Time Director shall be entitled to commission in addition to salary and perquisites mentioned above provided that the sum total of salary, perquisites and commission does not exceed the limits provided under Section 198, 349 and 350 of the Companies Act, 1956.

Mr. K Vasudevan will not be entitled for

any sitting fees to attend the Meetings of the Board of Directors or any Committee thereof.

In the event of absence or inadequacy of profits Mr. K Vasudevan is entitled to a reimbursement mentioned above including perquisites as minimum reimbursement.

7. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution :

"RESOLVED THAT Mr. D. Dhandapani, who was appointed as an additional director of the Company at the meeting of the Board of Directors of the Company held on 30th January, 2004 and who holds office as such upto the ensuing Annual General Meeting Pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from one of the Members of the Company, signifying his intention to propose Mr. D.Dhandapani, as a candidate for the office of the Director of the Company and who has also consented, if appointed, to act as a Director of the Company be and is hereby appointed as the Director of the Company."

8. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution:

"RESOLVED THAT Mr. D.Sridhar, who was appointed as an additional Director of the Company at the meeting of the Board of director of the Company held on 30th June, 2003 and who holds office as such upto the ensuing Annual General Meeting pursuant to the provision of Section 260 of the Companies Act, 1956 and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from one of the Members of the Company, signifying his intension to propose Mr. D. Sridhar, as a candidate for the office of the Director of the Company and who has also consented, if appointed, to act as a Director of the Company be and is hereby appointed as the Director of the Company."

By order of the Board  
for **FISHER CHEMIC LIMITED**

**G. M. S. NARAYANAN**  
WHOLE TIME DIRECTOR

#### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH 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.
2. Explanatory Statement pursuant to the provisions of section 173 of the Companies Act, 1956, is enclosed and forms part of the notice
3. Members are requested to bring their copies of the Annual Report to the meeting.
4. Members are requested to notify immediately any change in their address to the company at its registered office.
5. The register and share transfer books of the company will remain closed from 18th December 2004 to 23rd December 2004 (Both days inclusive)

Place: Chennai

Date: 5th November, 2004

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM No. 5:**

Mr. G M S Narayanan is the promoter Director of the Company and is the Director of the Company since its inception. The Board appointed him as a Whole Time Director at its meeting held on 15th February 2004 for a period of five years subject to the approval of the remuneration committee.

The Remuneration Committee at its meeting held on 15th February, 2004 determined the salary payable to whole time director as given in the resolution. The appointment and remuneration is as per Schedule XIII to the Companies Act, 1956. As the appointment and remuneration payable required the approval of the shareholders the directors recommend the resolution in item number 5 above.

None of the Directors except Mr. G M S Narayanan, as the appointee is concerned or interested in the resolution.

**ITEM No. 6:**

Mr. K Vasudevan is the promoter Director of the Company and is the Director of the Company since its inception. The Board appointed him as a Whole Time Director at its meeting held on 15th February 2004 for a period of five years subject to the approval of the remuneration committee. The Remuneration Committee at its meeting held on 15th February, 2004 determined the salary payable to whole time director as given in the resolution. The appointment and remuneration is as per Schedule XIII to the Companies Act, 1956. As the appointment and remuneration payable required the approval of the shareholders the directors recommend the resolution in item number 6 above.

None of the Directors except Mr. K Vasudevan, as the appointee is concerned or interested in the resolution.

**ITEM No. 7:**

Mr. D. Dhandapani is a postgraduate in commerce and is aged around 40 with more than 20 years of experience in chemical business. He has wide experience in both whole and retail chemical business both in domestic market and overseas market.

The Directors felt that his induction into the Board as Director would be of great help to the Company. Accordingly, he was inducted into the Board as additional director at the meeting held on 30th January 2004. As per Article of Associations and Section 260 of the Companies Act, 1956 any person who is appointed as additional director shall hold office only upto the next annual general meeting. Accordingly Mr. D. Dhandapani retires at this meeting and is eligible for re-appointment. The Company has received a notice along with the requisite deposit pursuant to section 257 of the Companies Act, 1956 from one of the shareholders signifying his intention to nominate Mr. D. Dhandapani as a Director of the Company, hence the resolution in item number 7 is placed before the shareholder for approval.

None of the Directors are neither concerned nor interested in the Resolution except Mr. D. Dhandapani himself as appointee and Mr. D. Sridhar as the brother of the appointee.

**ITEM No. 8:**

Mr. D. Sridhar is a Master in Business Administration and is aged around 38 with more than 15 years of experience in Chemical Business. He was inducted into the Board as additional Director at the meeting held on 30th June 2003. As per Article of Association and Section 260 of the Companies Act, 1956 any person who is appointed as additional Director shall hold office only upto the next Annual General Meeting. Accordingly Mr. D. Sridhar retires at this meeting and is eligible for re-appointment. The Company has received a notice along with the requisite deposit pursuant to Section 257 of the Companies Act, 1956 from one of the shareholders signifying his intention to nominate Mr. D. Sridhar as a director of the Company, hence the resolution in item number 8 is placed before the shareholders for approval.

None of the Directors are neither concerned nor interested in the Resolution except Mr. D. Sridhar himself as appointee and Mr. D. Dhandapani as the brother of the appointee.

By order of the Board  
for **FISHER CHEMIC LIMITED**

**G. M. S. NARAYANAN**  
WHOLE TIME DIRECTOR

Place: Chennai

Date: 5th November, 2004

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting to you the 11<sup>th</sup> Annual report together with the audited Accounts for the year ended 31<sup>st</sup> march, 2004.

**a. Financial Performance:**

Particulars	Year Ended	
	31 <sup>st</sup> Mach 2003	31 <sup>st</sup> March 2004
	(Rs in lakhs)	
Profit/(loss) before Interest & Depreciation	(47.45)	(28.84)
Interest	68.70	3.32
Depreciation	16.08	16.97
Loss brought forward From previous year	(302.62)	(435.49)
Balance Loss:		
Carried forward	(435.49)	(484.63)

**b. DIVIDEND**

In order to conserve the resources the Directors have decided not to recommend any dividend for the year ended 31<sup>st</sup> March, 2004.

**c. Performance during the year 2003-04**

During the financial year your company has posted sales performance of Rs.175.29 Lakhs against a turnover of Rs.206.00 Lakhs in the previous year. Due to continued recession and coupled with stiff competition, the company could not increase the sales considerably. The company is still managing the complete operation without any Working Capital resulting in loss of business opportunity.

Company's specialty chemicals project has taken the desired shape and products supplied under this category to some overseas & local customers have been accepted and we also got repeat orders. Bulk orders are expected during the next year.

**d. Remedial Measure**

Company has initiated an effort to focus on high value products and give thrust on exports. These measures will bring the desired results in the coming years.

**e. Future Prospects**

The Company's specialty products are approved by leading organizations. Introduction of Specialty chemicals and ISO Accreditation and thrust for exports & strengthening of local markets will certainly improve the sales & revenues in the current year.

**f. Directors**

Mr. G.M.S.Narayanan & V.Ganesh Directors retire at the annual general meeting and being eligible & offer themselves for reappointment.

**g. Particulars of employees**

During the year under review there were no employee in respect of whom information as per Section 217(2A) of the companies Act,1956 is required to be given in the Director's report.

**i. Directors Responsibility Statement**

In terms of Section 217(2AA) of the Companies Act, 1956 , your directors confirm as under:

1. that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. that the directors had selected such accounting polices and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. that the directors had prepared the annual accounts on a going concern basis.

**k. Auditors**

The Auditors of the company M/S.CNGSN & Associates retire at this annual general meeting and being eligible to offer themselves for reappointment.

**l. Conservation of Energy**

The company has been continuously taking all possible measures to conserve energy. The company's manufacturing process is not power intensive.

**Power consumption**

Particulars	2002-03	2003-04
Unit purchased/consumed	83085	109084
Amount (Rs. In Lakhs)	3.74	5.38
Rate per unit	4.49	4.92

**m. Foreign Exchange Earnings & Outgo**

The company has incurred \$1,000.00 towards the foreign business trip of the directors during the year under review and there was an earning of \$21,128.00 during the year.

**n. Directors' reply to the qualifications specified in Audit Report**

4(g i, ii & iii) Pending confirmation of balance as on 31<sup>st</sup> march 2004, for Sundry Debtors, Sundry Creditors, Loans & Advances as mentioned in note 13(a) of Schedule No.17, and the provisions of Sections 383A of the Companies Act, 1956, yet to be complied for appointment of full time company secretary,... and non-disclosure

of debtors outstanding for more than 6months separately...

The management has taken necessary steps to get the confirmation of Balances from Sundry Debtors, Sundry Creditors etc., and reconciliation is being done wherever felt necessary.

The company has already initiated the steps to recruit a company Secretary.

**o. Research & Development**

R&D facilities are continuously used for upgrading the quality of end products and also for synthesizing specialty chemicals.

**p. Deposits:**

The company has not accepted any fixed deposits from the public during the year under review.

**q. Acknowledgements**

The board of directors of the company would like to thank various Government Authorities, Customers and suppliers for their unstinted support. The directors wish to place on record their appreciation for the dedicated services and contribution made by the employees at all levels during the year under review and thank the shareholders of the company for their continuous support.