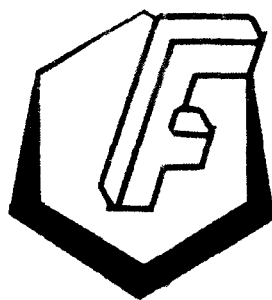


FISCHER

12th ANNUAL REPORT **2004 - 2005**



FISCHER CHEMIC LIMITED
(Formerly Fischer Inorganics & Aromatics Ltd.)

**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.

ADMINISTRATIVE OFFICE:

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

BRANCHES:

Hyderabad, Mumbai, Bangalore and Ahmedabad.

BANKERS:

Bank of Baroda
ECST, Chennai - 600 001.

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.

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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the company will be held on Tuesday the 27th September 2005 at 10.15 am at Sri Arjuna Mini Hall, #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 2005 and the Profit & Loss Account made upto that date together with the report of the Directors and Auditor thereon.
2. To appoint a Director in the place of Mr. K. Vasudevan, who retires by rotation and being eligible offers himself for

reappointment.

3. To appoint a Director in the place of Mr. D. Dhandapani who retires by rotation and being eligible offer himself for reappointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board
for **FISCHER CHEMIC LIMITED**

G.M.S. NARAYANAN
Director

Place : CHENNAI
Date : 18-08-05

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.** immediately any change in their address to the Company's registered office
2. Members are requested to bring their copies of the annual report to the meeting.
3. Members are requested to notify
4. The register and share transfer books of the company will remain close from 23rd September 2005 to 27th September 2005 (Both days inclusive).

DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 12th Annual Report together with the audited Accounts for the year ended 31st March 2005.

a. Financial Performance :

Particulars	Year Ended	
	31st March 2004	31st March 2005
	(Rs. in lakhs)	
Profit (loss) before interest & Depreciation	(28.84)	20.10
Interest	3.32	1.90
Depreciation	16.97	17.75
Loss brought forward from Previous year	(435.49)	(484.63)
Balance Loss:		
Carried forward	(484.63)	(484.18)

b. Dividend

In order to conserve the resources the Directors have decided not to recommend any dividend for the year ended 31st March 2005.

c. Performance during the year 2004-05

During the year your company has posted sales performance of Rs.262 lakhs against a turnover of Rs. 175.29 lakhs in the previous year posting an increased business of 50% over the last year performance. The company has posted a very marginal net profit this year and Company's specialty products are approved by leading organizations and we got repeat orders. Company's Trading activity is also contributing to the sales.

d. Future Prospects

The company's initiative on specialty chemicals manufacturing has yielded the desired result as reputed organizations have started placing orders. Company's export thrust is yielding desired result as against an export earning of US\$ 7702.8 in the year 2002-03 the company has earned US\$39762.51 during 2004-05 and company is hopeful of generating more export orders in the coming years. Company has also

finalized overseas distributors in Middle East for Laboratory Chemicals. Company has also taken efforts to improve the sales of Laboratory Chemicals.

Company has entered into a strategic arrangement with M/s. Glace Chemie P Limited., Chennai for promoting Specialty Chemicals and M/s. Glace Chemie P Limited has provided the necessary machineries for manufacturing specialty chemicals through a Memorandum Of Understanding. M/s. Glace Chemie P Limited, will market Specialty Chemicals to their customers and our Company manufacture those products. This arrangement will boost company's capacity on manufacturing of Specialty Chemicals.

e. Directors

Mr. K. Vasudevan & D. Dhandapani Directors who retire at the annual general meeting and being eligible offer themselves for reappointment.

f. 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 Directors report.

g. Postal Ballot

For extension of Corporate Guarantee by way of mortgaging of existing and future movable / immovable properties of the company to M/s. Glace Chemie P Limited in connection with Loan(s) to be availed by them from Banks, pursuant to the provisions of Section 372 A read with 293 (1) (a) of the Companies Act 1956, read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2001 was voted with overwhelming majority. I thank the shareholders for the enormous support extended to the success of postal ballot and confidence evinced on the Company and the Management.

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 policies and applied them consistently and made judgements 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.

Conservation of Energy

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

Power consumption

Particulars	2003-04	2004-05
Unit consumed	109084	99506
Amount (Rs. in lakhs)	5.38	4.96
Rate per unit	4.92	4.98

Auditors

The Auditors of the Company M/s. CNGSN & Associates retire at this annual general

meeting and being eligible to offer themselves for reappointment.

k. Deposits

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

l. Research & Development

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

m. foreign exchange earnings and outgo

The company has incurred \$925 and MYR2530 towards the foreign business trip of the Directors during the year under review and there was an earning of \$39762.51 during the year.

n. Directors reply to the qualifications specified in Audit Report

4(f. i, ii) Pending confirmation of balance as on 31.3.05 for Sundry Debtors. sundry creditors. Loans and advances, the company has already initiated the process and reconciliation is being done wherever felt necessary.

o. 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.

By Order of the Board
for **FISCHER CHEMIC LIMITED**

G.M.S. NARAYANAN

Director

Place : CHENNAI

Date : 18-08-05

AUDITOR'S REPORT

To

The Members

Fischer Chemic Limited,(formerly Fischer In organics & Aromatics Limited),
Chennai

1. We have audited the attached Balance Sheet of Fischer Chemic Limited, (formerly Fisher In organics & Aromatics Limited) as at 31st March 2005 and the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph above, we report that:-

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 from being appointed as a Director in terms of Clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.
- (f) Attention is invited to the following material matters:
 - i. Confirmation of balance as on 31st March 2005 is pending, from Sundry Debtors, Sundry Creditors, Unsecured Loans, Loans & Advances, Deposits and Other Current Assets as mentioned in Note.13(a) of Schedule No.17 where in the effect on the profit is not quantifiable.
 - ii. The provisions of section 383 A of the Companies Act, 1956 are yet to be complied for appointment of full time company secretary as mentioned in Note No.13(b) of Schedule No.17.

(g) In our opinion and to the best of our information and according to the explanations given to us read together with the accounting policies and notes thereon, the said accounts, subject to sundry debtors balances being classified as debts outstanding for more than six months and other debts separately being given as mentioned in Note.13(c) of Schedule No.17 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

i. in the case of the Balance Sheet,

of the State of Affairs of the Company as at 31st March, 2005;

ii. in the case of the Profit & Loss Account of the PROFIT of the company for the year ended on that date.

iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date

For **CNGSN & Associates**
Chartered Accounts.

V Vivek Anand,

Partner

Place : CHENNAI

Date : 18-08-05

M No.208092

ANNEXURE

RE: FISCHER CHEMIC LIMITED,

(formerly Fischer In organics & Aromatics Limited)

REFERRED TO IN PARAGRAPHS 3 OF OUR REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets which are not being updated.

(b) The fixed assets have not been verified by the management at reasonable interval. The discrepancies (between physical verification and book records) and accounting for such discrepancies does not arise.

(c) The Company has not disposed off any fixed assets during the year.

(i) (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper record of its inventories and no material discrepancies were noticed on physical verification.

(iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(b) The rate of interest and other terms and conditions of loans are not applicable.

(c) The receipt of principal and interest on loans granted are not applicable.

(d) The overdue amount of loans granted is not applicable.

(e) The company has taken loans from 3 directors and 2 parties covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party is five and amount involved is Rs.68.37 lakhs. The maximum amount involved during the year was Rs.123.49 lakhs and year-end balance of loan taken was Rs.98.48 lakhs.