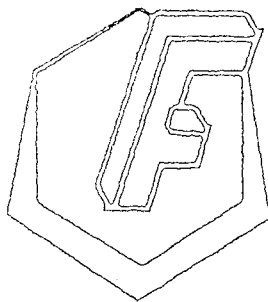


FISCHER

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15th ANNUAL REPORT 2007 - 2008



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

www.reportjunction.com

**BOARD OF DIRECTORS:**

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

BANKERS:

Bank of Baroda
ECST, Chennai – 600 001.
KVB – Triplicane, Chennai – 5.
IOB – Thiruvannamiyur, Chennai – 41.

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.

CONTENTS

Notice	2
Report of the Directors	3
Report of the Auditors	10
Balance Sheet	13
Profit and Loss Account	14
Schedules	15
Notes on Accounts	20
Cash Flow Statement	25

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the company will be held on Tuesday the 30th December 2008 at 10.30 a.m at Sri Arjuna Mini Hall, #5, Panagal Street, Tiruvellore 602 001, Tamil Nadu to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet at 31st March 2008 and the Profit and 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. V. Ganesh, who retires by rotation and

being eligible offers himself for reappointment

4. To appoint auditors and to fix their remuneration.

Resolved that M/s.Manian & Narayanan, Chartered Accountants, 3D,3rd Floor, Kences Tower, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017 be and is hereby appointed as Auditors of the Company in place of M/s.CNGSN & Associates, Chennai and to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company.

By the order of the Board
for FISCHER CHEMIC LTD

Place: Chennai

G.M.S.NARAYANAN

Date : 29th November, 2008

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.
2. Members are requested to bring their copies of the annual report to the meeting.
3. Members are requested to notify immediately any change in their address to the Company's registered office or to the Registrar and transfer agent.
4. The Register of Members and share transfer books of the company will remain closed from Wednesday, 24th December 2008 to Tuesday, 30th December 2008. (Both days inclusive).
5. Information pursuant to Clause 49 of the Listing Agreement for reappointment of Directors, retiring by rotation:

Item No.2:

Mr. K. Vasudevan aged 52 years is a post graduate in Chemistry from Anna University, Chennai. He is a Promoter Director of the Company. He has worked in M/s.Glaxo Laboratories India Limited. He does not hold any other directorships.

Item No 3:

Mr. V.Ganesh aged about 40 years is a post graduate in Commerce from University of Madras. He has good exposure to marketing of Laboratory consumables in India and Abroad. He does not hold any other directorships. He does not hold any shares in the company.

DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 15th Annual Report together with the AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008.

a. FINANCIAL PERFORMANCE:

Particulars	Year Ended	
	31 st March 2008	31 st March 2007
	(Rs in lakhs)	
Profit (loss) before interest		
& Depreciation	85.46	54.91
Interest	11.02	11.88
Depreciation	26.13	24.53
Loss brought forward from		
Previous year	(429.22)	(448.47)
Balance Loss:		
Carried forward	(376.05)	(429.22)

b. DIVIDEND:

In view of the accumulated loss, the Board of Directors have decided not to recommend any dividend for the year 2007 - 2008.

c. PERFORMANCE DURING THE YEAR 2007-2008

During the year under review your company has posted a sale of Rs.366.00 Lakhs against a turnover of Rs.337.00 Lakhs in the previous year. Your company continues to focus in contract manufacturing, Speciality chemicals and Customs synthesis. The Company has also strengthened the manufacturing facility and infrastructure requirement towards this business objective. There has been a marginal increase of sale compared to the previous year. The company has made a net profit of Rs. 48.31 compared to 18.5 lakhs during the previous year. The thrust on Exports and Speciality Chemicals is being strengthened.

d. FUTURE PROSPECTS:

Your company will continue its thrust on high profitable speciality chemicals, custom synthesis, contract manufacturing activities and export of laboratory chemicals. To this effect your company has invested quite substantially to strengthen manufacturing activity by creating additional facilities on a continuous basis.

e. DIRECTORS:

Mr.K.Vasudevan and Mr. V. Ganesh, Directors

of the Company retire at the ensuing 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. 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 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.

h. 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	2007-08	2006-07
Unit consumed	113240	107595
Amount (Rs. In lakhs)	5.64	6.34
Rate per Unit	4.98	5.90

i. AUDITORS:

The Present Auditor M/s. CNGSN & Associates has tendered the resignation and hence as per section 224 of the Company Act 1956 a new auditor has to be appointed at the General Meeting. Hence the present Resolution. The consent to act as Auditor of the company from the proposed Auditor under section 224 1 (a) of the companies act was also received by the company.

j. DEPOSITS:

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

k. RESEARCH & DEVELOPMENT:

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

l. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has earned an amount of US \$ 15037 and the company has not incurred any foreign exchange expenses.

m. DIRECTORS REPLY TO THE QUALIFICATIONS SPECIFIED IN AUDIT REPORT:**4 (f) (i), (ii), of Auditor's report**

(i) As regards Retirement benefits the company is following the policy of providing for retirement benefits as and when they become eligible and as per the rules of the employment terms. The company has already provided gratuity for all eligible employees.

(ii) The company is in the process of reconciling the Sundry Debtors and in view of the continuous transactions with the parties the reconciliation is not completed. The same will be completed in the course of the current year.

4 (g) of Auditors' report

The company has already provided Gratuity for all eligible employees. Retirement benefits are provided and settled as and when they become eligible as per the employment terms. The company is in the process of reconciling Sundry Debtors and Creditors. In view of the continuous transactions with the parties the

reconciliation will be completed in the course of the current year.

(i)(a) & (b) of Annexure to Auditors Report

(a) The records of Quantitative details and situation of fixed assets are being updated and physical verification will be completed during the course of the year.

(b) The company is taking initiative to ensure that physical verification are done once in a year.

(ii) (a), (b) & (c) of Annexure to Auditor's report
The company has initiated plans to strengthen the verification of inventories. Presently the verification is done on a quarterly basis.

(ix) (a) & (b) of Annexure to Auditor's report

The company has already cleared major arrears of Sales Tax and Provident Fund during the year. As regards TDS the company has paid the amount in full during the Financial Year 2007-08. As regards Sales Tax the company has paid part amount of Sales Tax arrears.

(x) of Annexure to Auditors report

Being an SSI industry the company is not coming under the purview of BIFR.

11 (a) & (c) of Notes on accounts

(a) The company has already initiated reconciliation of account of creditors & Debtors during the year and due to the continuous dealing with the creditors and debtors, the reconciliation is still under progress

(c) The company is in the process of segregating the Debtors outstanding as per the ageing that is more than six months and other debts. The same will be completed during the current year.

n. 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 the continued support.

By Order of the Board

Place : Chennai	G.M.S.Narayanan	K.Vasudevan
Date : 29-11-2008	Whole time Director	Whole time Director

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Governance:**

Fischer Chemic Ltd. is committed to good Corporate Governance. The core objective is "enhancement of the long term shareholders value while at the same time protecting the interests of individual shareholders". Fischer Chemic's code of Corporate Governance has been drafted in compliance with the code of Corporate Governance as amended by the Securities and Exchange Board of India (SEBI).

2. Board of Directors:

The Board of Directors of Fischer Chemic Limited has the right mix of executive and non-executive directors, i.e. Two Executive Directors and three Non-executive Independent Directors. During the financial year 2006-2007, Five (5) meetings were held viz., from 1st April 2007 to 31st March 2008 on the following dates: 30.4.2007, 30.7.2007, 29.10.2007, 15.11.2007 and 30.1.2008. The Annual General Meeting was held on 27th December 2007.

Composition, Attendance of each director at the Board Meetings during the financial year 2007-08 and at the Last AGM and the number of other directorship, committee memberships are set out below:-

Name of the Director	Category	Attendance Particulars	Number of other Directorships and Committee Memberships/			
			Board Meetings	Last AGM (Yes/No)	Other Directorships	Committee Memberships (other than Fischer)
Shri.G.M.S.Naryanan	Whole-Time Director - Executive	5	Yes	-	-	-
Shri.K.Vasudevan	Whole-Time Director - Executive	5	Yes	-	-	-
Shri. V. Ganesh	Non-Executive Independent	5	Yes	-	-	-
Shri.R.Venkatachalam	Non-Executive Independent	5	Yes	-	-	-
Shri.V.Balakrishna	Non-Executive Independent	5	Yes	-	-	-

3. BOARD COMMITTEES:-**A. Audit Committee:****Role and Terms of Reference:**

The role and terms of reference of the Audit Committee cover the area mentioned under Clause 49 of the Listing agreement besides other terms as may be referred from time to

time by the Board of Directors of the Company.

The broad terms of reference of the audit committee were to review the following issues:

- Oversee company's financial reporting process and disclosures of its financial statements are correct, sufficient and credible.
- Recommend appointment and removal of statutory auditors, fixation of audit fee and also approve payment of other service.
- Review the adequacy of internal control system with the Management, Statutory auditors and Internal auditors.
- Review the Company's financial and risk management policies.

Composition:-

The company derived immense benefit from the deliberation of audit committee with the following three Non-Executive Independent Directors of the company:

Shri.V.Balakrishna	Chairman
Shri.R.Venkatachalam	Member
Shri.V.Ganesh	Member

Meeting and Attendance of the Committee:-

During the financial year five Audit Committee meetings were held on the following dates: 30.4.2007, 30.7.2007, 29.10.2007, 15.11.2007 and 30.1.2008

The Attendance of Directors at the Audit Committee Meetings held during the year 2007-2008 is given below:

Name of the Director	Attendance Meetings Held	Particulars Meetings Attended
Shri.V.Balakrishna	5	5
Shri.R.Venkatachalam	5	5
Shri. V.Ganesh	5	5

B. Remuneration Committee:

The Remuneration Committee comprises of three non-executive Directors viz.:

Shri.V.Balakrishna	Chairman
Shri.R.Venkatachalam	Member
Shri. V.Ganesh	Member

Terms of reference:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

No meeting of the remuneration committee was held during the year.

Remuneration Policy:

The remuneration of the Executive Directors is recommended by the Remuneration committee, based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry and responsibilities shouldered. The Company pays remuneration by way of salary and perquisites to its Executive Directors.

The Non-executive Directors are not paid any remuneration. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors.

The details of the remuneration paid/payable to the Directors during the Financial Year 2007-2008 are as under:

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)	No. of shares held
Shri.G.M.S.Naryanan	426000	-	243276
Shri.K.Vasudevan.	426000	-	263676
Shri.V.Ganesh	-	Nil	Nil
Shri.R.Venkatachalam	-	Nil	45800
Shri.V.Balakrishna	-	Nil	7700

C. Shareholders Committee:

Composition:-The Shareholders Committee comprises of:

1. Mr. R.Venkatachalam, Chairman of the Committee
2. Mr. K.Vasudevan, Member
3. Mr. G.M.S.Narayanan, Member

The terms of reference of this committee are as under:-

The shareholders/investor grievance committee specifically looks into redressing of shareholder's and investor's complaints such as transfer of shares, non-receipt of shares, Annual Report, non-receipt of declared dividend and to ensure expeditious share transfers.

Meeting and Attendance of the committee:-

The said Committee met 15 times during the year 2007-2008. Mr.K.Vasudevan, Director is the Compliance officer.

Shareholders queries received and replied in 2007-2008.

During the Financial Year 2007-2008, one investor complaint was received from a shareholder. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2008.

In case of any investor complaint, shareholders are requested to address the same to fischerchemic@gmail.com

6. General Body Meetings:

The particulars of Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2004-2005	27 th December 2005 at 10.15 a.m	Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001
2005-2006	29 th December 2006 at 10.30 a.m.	Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001
2006-2007	27 th December 2007 at 10.30 a.m.	Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001

I) Special Resolution Passed in the Past three AGM's:-

No special resolutions were passed during the last three annual general meetings.

II) Postal Ballots:

No resolutions were passed through Postal Ballot during the financial year under review.

7. Disclosures:

- a. Related Party Transactions: The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions are given in the Notes to the Accounts.
- b. The trading of the equity shares of the company have been suspended from the Bombay Stock Exchange since September 20, 2006. Steps are being taken by the company for revocation of the suspension. There were no penalties or strictures imposed on the Company by SEBI or any statutory authority on any matter related to Capital Markets during the last three years.
- c. Disclosure on accounting treatment: No differential treatment from the Accounting

standard was followed in the preparation of the financial statements.

- d. The company does not have a Whistle Blower Policy and no employee has been denied access to approach the audit committee to report any serious concerns.
- e. No money has been raised through Public / right / Preferential issue during the year.

8. Means of Communication:

The financial results are published in newspapers.

9. Management Discussion and Analysis Report:

Management Discussion and Analysis Report forms part of the Directors Report.

10. General Shareholders Information:

- (i) Date of Annual General Meeting : 30th December 2008
Time : 10.30 a.m.
Venue : Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001
- (ii) Financial Calendar : Last week of July 2008
Results for the quarter ending June 30, 2008 : Last week of October 2008
Results for the quarter ending September 30, 2008 : Last week of January 2009
Results for the quarter ending December 31, 2008 : Last week of April 2009
Annual General Meeting : By 3rd/4th week of September 2009
- (iii) Book-Closure Dates : 24th December 2008 to 30th December 2008 (Both days inclusive)
- (iv) Dividend Payment Date : No Dividend recommended for the year 2007-08
- (v) Listing on the Stock Exchanges : The Equity shares of the Company are listed in the

Bombay, Madras and Coimbatore stock exchanges. The company confirms that it has paid annual listing fees due to the Bombay and Madras stock exchanges for the year 2008-2009.

(vi) Stock Code : Bombay Stock Exchange - 524743

(vii) Stock Market Data :
Bombay Stock Exchange: High and Low quotations of the Company's shares during the period 1st April 2007 to 31st March 2008:

The trading of the equity shares of the company have been suspended from the Bombay Stock Exchange since September 20, 2006. Steps are being taken by the company for revocation of the suspension.

(viii) Registrar and Share Transfer Agents :
M/s.Cameo Corporate Service Limited.
"Subramanian Buildings"
1, Club House Road, Chennai- 600 002

(ix) Share Transfer System: Presently the share transfer documents which are received by the Company are processed, approved and kept ready for despatch within 15 days from the date of the receipt.

(x) Distribution of Shareholding as on 31.3.2008:

Range (Rs.)	No. of share holders	% to total	Share/ Debenture Amount (Rs.)	% to total
Up to 5000	8727	93.1575	12017480	34.9345
5001-10000	342	3.6507	2705000	7.8633
10001-20000	169	1.8040	2625000	7.6308
20001-30000	58	0.6191	1484000	4.3139
30001-40000	17	0.1814	604000	1.7558
40001-50000	22	0.2348	1050000	3.0523
50001-100000	15	0.1601	1026000	2.9825
100001 & above	18	0.1921	12888520	37.4666
Total	9368	100.0000	34400000	100.0000