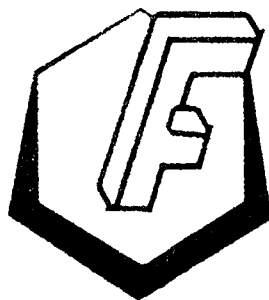


FISCHER

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16th ANNUAL REPORT 2008 - 2009



FISCHER CHEMIC LIMITED

**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.
IB, Abiramapuram, Chennai

AUDITORS:

Manian & Narayanan,
Chartered Accountants,
New No.11 (Old No.42), Sai Prasad, 12th Avenue,
Ashok Nagar, Chennai - 600 083.
Membership No. 27959

SHARE TRANSFER AGENTS:

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

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NOTICE

Notice is hereby given that the 16th Annual General Meeting of the company will be held on Tuesday the 29th September 2009 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 2009 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. R. Venkatachalam, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr. G. M. S. Narayanan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and to fix their remuneration.

Special Business

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

a) **"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Section II (I) of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and based on the recommendation made by the Remuneration Committee and approved by the Board of Directors at their meeting held on 15/02/09, Mr. G M S Narayanan, be and is hereby re-appointed as the Whole Time Director of the company for a further period of five years on rotational basis with effect from 15th February 2009 on a remuneration by way of salary of Rs. 50,000/- per month excluding the allowances/perquisites as detailed in the explanatory statement annexed hereto and the reappointment made by the Board of Directors be and is hereby ratified, confirmed and approved."

b) **"RESOLVED FURTHER THAT** the aggregate of overall remuneration including all perquisites payable to Mr.G.M.S.Narayanan, Whole-time Director shall not exceed Rs. 75,000/- per month calculated as per the provisions of Section II (I) of Part II of Schedule XIII of the Companies Act, 1956."

c) **"FURTHER RESOLVED THAT** the authority be and is hereby granted to the Board of Directors to alter and vary above salary as also the type and amount of perquisites and other benefits payable to Mr. G.M.S.Narayanan, in such manner as may be agreed to between the Board of Directors and Mr. G.M.S.Narayanan, provided, however, that the remuneration payable to him shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

d) **"RESOLVED FURTHER THAT** the company on attaining adequate profits, the Board of Directors/Remuneration Committee constituted by the Board do accept to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to Mr.G.M.S.Narayanan if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the shareholders of the Company."

e) **"RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

f) **"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the above resolution.

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

a) **RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310 read with Section II (I) of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and based on the recommendation made by the Remuneration Committee and approved by

the Board of Directors at their meeting held on 15/02/09, Mr. K.Vasudevan, be and is hereby re-appointed as the Whole Time Director of the company for a further period of five years with effect from 15th February 2009 on a remuneration by way of salary of Rs. 50,000/- per month excluding the allowances/perquisites as detailed in the explanatory statement annexed hereto and the reappointment made by the Board of Directors be and is hereby ratified, confirmed and approved.

- b) **"RESOLVED FURTHER THAT** the aggregate of overall remuneration including all perquisites payable to Mr.K.Vasudevan, Whole-time Director shall not exceed Rs. 75,000/- per month calculated as per the provisions of Section II (I) of Part II of Schedule XIII of the Companies Act, 1956."
- c) **"FURTHER RESOLVED THAT** the authority be and is hereby granted to the Board of Directors to alter and vary above salary as also the type and amount of perquisites and other benefits payable to Mr. K.Vasudevan, in such manner as may be agreed to between the Board of Directors and Mr. K.Vasudevan, provided, however, that the remuneration payable to him shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof."

- d) **"RESOLVED FURTHER THAT** the company on attaining adequate profits, the Board of Directors/Remuneration Committee constituted by the Board do accept to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to Mr.K.Vasudevan, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the shareholders of the Company."
- e) **"RESOLVED FURTHER THAT** the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.
- f) **"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the above resolution

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

Place : CHENNAI
Date : 29.08.2009

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.
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, 23rd September 2009 to Tuesday, 29th September 2009. (Both days inclusive).

5. Information pursuant to Clause 49 of the Listing Agreement for reappointment of Directors, retiring by rotation:

Item no. 2:

Mr.R.Venkatachalam aged 54 years is a Science Graduate from University of Madras and CAIIB and has rich experience in Banking Industry as a Senior Manager in a leading Nationalised Banks. His rich experience shall help the company for better management of working capital and Finance management. He does not hold any other directorships.

Item nos. 3 & 5:

Mr. G.M.S.Narayanan, aged 54 is a Post Graduate in Chemistry and he is a promoter Director of the company and is a director of the company since its

inception. He has worked in different capacities with erstwhile M/s. Glaxo Laboratories India Ltd. and resigned as a Senior Manager before joining M/s. Fischer Chemic Ltd. He has more than 25 years experience in the marketing and manufacturing of laboratory chemicals and he is well-known name in the industry. He has to his credit steering the company right from the inception and he is responsible for the company venture into speciality chemicals and contract manufacturing. He does not hold any other directorships.

He retires at the ensuing Annual General Meeting and is eligible for reappointment. On his re-election he shall continue to be Whole time Director. Mr.G.M.S.Narayanan, has been reappointed by the Board of Directors as Whole-time Director for a further period of five years.

Item nos. 6

Mr.K.Vasudevan, aged 53 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 Ltd. He has rich and varied experience in the manufacture and marketing of laboratory chemicals. He does not hold any other directorships.

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

Item No. 5 :

Mr.G.M.S.Narayanan, was appointed as Whole-time Director at the Annual General Meeting held on 23rd December 2004 with effect from 15th February 2004 for a period of five years upto 14th February 2009. The Board of Directors reappointed him as a Whole Time Director at its meeting held on 15th February, 2009 for a further period of five years based on the recommendation of the remuneration committee, on the following terms and conditions:

TERMS AND CONDITIONS:

1. Salary Scale per month : Rs. 50,000/- (Rupees Fifty 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. R. 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.

EARNED LEAVE

1. Can avail of earned 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 traveling incurred in the course of the company's business.

The company shall provide a chauffeur driven car to the Whole Time Director and reimburse petrol expenses for the 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.

The overall remuneration payable to Whole-time Director including salary and perquisites shall not exceed Rs. 75,000/- per month calculated as per the provisions of Section II (I) of Schedule XIII of the Companies Act, 1956.

On the company attaining profitability, the Remuneration Committee and the Board of Directors shall have the power to revise the remuneration in accordance with the limits form under Section 198 read with Section 309 of 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.

The re-appointment and remuneration is as per the provisions of Section II (I) of Part II of Schedule XIII to the Companies Act, 1956. As the re-appointment and remuneration payable requires the approval of the shareholders, the Directors recommend the resolution 5 above.

The information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

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, was appointed as Whole-time Director at the Annual General Meeting held on 23rd December 2004 with effect from 15th February 2004 for a period of five years upto 14th February 2009. The Board of Directors reappointed him as a Whole Time Director at its meeting held on 15th February, 2009 for a further period of five years based on the recommendation of the remuneration committee, on the following terms and conditions:

TERMS AND CONDITIONS:

1. Salary Scale per month : Rs. 50,000/- (Rupees Fifty 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. R. 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.

EARNED LEAVE

1. Can avail of earned 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.

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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 chauffeur driven car to the Whole Time Director and reimburse petrol expenses for the 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.

The overall remuneration payable to Whole-time Director including salary, perquisites etc shall not exceed Rs. 75,000/- per month calculated as per the provisions of Section II (I) of Part II of Schedule XIII 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.

On the company attaining profitability, the Remuneration Committee and the Board of Directors shall have the power to revise the remuneration in accordance with the limits form under Section 198 read with Section 309 of Companies Act, 1956.

The re-appointment and remuneration is as per of Section II (I) of Part II of Schedule XIII to the Companies Act, 1956. As the re-appointment and remuneration payable requires the approval of the shareholders, the Directors recommend the resolution 6 above.

The information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956.

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

By Order of the Board
for FISCHER CHEMIC LIMITED

Place : CHENNAI
Date : 29.08.2009

G.M.S. NARAYANAN
Whole time Director

ANNEXURE A TO DIRECTORS REPORT

MANAGEMENT DISCUSSION ANALYSIS REPORT:

i) Industry Structure and Developments :

Profile : The Company is manufacturing laboratory chemicals under the brand name "FISCHER" and the brand is known to customers for more than two decades. Company has elaborate manufacturing facility near Chennai in the state of Tamil Nadu, India.

Product Range : Our product range varies from laboratory reagent grade which are normally used in any laboratory for estimate, to highly specialized grade like HPLC grade solvents.

Production : Production of various grades of laboratory chemicals is done through GMP using custom made machineries like glass lined/rubber lines/SS reactors, distillation assemblies – glass/stainless steel and finished products are packed under controlled conditions.

Quality Control : Fischer Chem Limited gives much importance to the end product quality which is well reflected in the Company's growth as well as increased customer preference for the Company's Products. All Products are tested as per international standards using state of the art quality control instruments like UV Spectrophotometer, GC, HPLC, etc. which are ISO certified instruments. Company also has got good wet analysis laboratory for volumetric and gravimetric work. People engaged in the activity of certifying the end quality of our product are so dedicated ensuring the right quality to our customers.

Distribution : Company has got a well established net work of distributors who are also supplementing our effort to give effective service to our customer. Company has also entered into rate contract with premier institutions/ industries across the country.

Speciality Chemicals : The Company has created new facility for manufacturing custom made molecules for Research purpose. The Company is also engaged in Contract manufacturing of complex Organic molecules intermediates under CRAM model.

ii) **Opportunities and Threats :** The facility created by the company are being put to use for manufacturing Speciality Chemicals, Contract Manufacturing of complex organic molecules, intermediates and Laboratory Chemicals and Reagents. The Companies Products are also being exported to Prestigious Countries like US, Sri Lanka, Middle East etc., In view of the varied Customer Profile / Product Profile the

company is sure to come out from the recession being experienced by the user industries.

iii) Segment - wise or Product - wise performance

The company has a well diversified and balanced sales performance in the various divisions: Laboratory chemicals 50% Specialty Chemicals, contract manufacturing and custom synthesis 50%.

iv) **Outlook :** The Company is experiencing severe recession due to slump in demand faced by the user industries. The Company has resorted to severe cut in production, manpower, and are effectively tackling the situation. The Recession still continues and the company sale is severely affected in the first quarters of the current year. (i.e 2009-2010). The Company is confident that significant improvement is in the offing from end of October, 09.

v) **Risks and concerns:** The Cost of Raw Materials, Packaging Materials, Consumables, used by the company are increasing continuously, due to steep increase in Raw Material price, cost of various inorganic metal, Consumables. Due to severe competition the company is unable to pass on the increased cost to the customers, resulting in reduced profitability. However the company is managing by means of tight control on cost and inventories, cashflow etc.

vi) Internal Control systems and their adequacy

For the type of operation, the company has effective internal control system in all areas of operation.

vii) Discussion on financial performance with respect to operational performance

The company has clocked a turnover of Rs.260.58 lakhs during the year and made a profit of Rs.60.92 lakhs. This is possible due to better utilization of various facilities and concentrating into profitable product mix. The company has also crated additional facilities, balancing equipment to strengthen the manufacturing activities.

viii) Material Development in Human Resources / Industrial Relations Front, including number of People employed.

During the year the company has closed the marketing activities in West Bengal and Orissa due to poor response and logistic reasons. The number of field force is also reduced from 15 nos to 5 nos as a cost cutting measures. The Company is making all efforts in retaining the technical manpower numbering about 70 during the year and the attrition rate is within the industrial average. The Industrial relationship has been very cordial throughout the year.

ANNEXURE B TO DIRECTORS REPORT**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 2008-2009, Eight (8) meetings were held viz., from 1st April 2008 to 31st March 2009 on the following dates: 30.4.2008, 31.7.2008, 25.08.2008, 13.10.2008, 31.10.2008, 29.11.2008, 30.01.2009 and 15.02.2009 The Annual General Meeting was held on 30th December 2008.

The composition and membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 2008-2009 and the last AGM held on 30.12.2008 is given below.

Composition, Attendance of each director at the Board Meetings 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 Members/Chairmanships	
		Board Meeting	Last AGM (Yes/)	Other Directorships	Committee (Other than Fischer)
Shri.G.M.S.Naryanan	Whole-Time Director -- Executive	8	Yes	-	-
Shri. K. Vasudevan	Whole-Time Director -- Executive	8	Yes	-	-
Shri. V.Ganesh	Non-Executive Independent	8	Yes	-	-
Shri.R.Venkatachalam	Non-Executive Independent	8	Yes	-	-
Shri.V.Balakrishna	Non-Executive Independent	8	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: 30.04.2008, 31.07.2008, 31.10.2008, 29.11.2008, 30.1.2009.

The Attendance of Directors at the Audit Committee Meetings held during the year 2008-2009 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.

During the year one meeting of the remuneration committee was held on 15/02/2009, to consider and recommend the remuneration payable to Mr.G.M.S.Narayanan, Whole-Time Director and Mr.K.Vasudevan, Whole-Time Director on their reappointment with effect from 15/02/2009 for a further period of five years.

k. COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956, and Companies (Certificate) Rules, 2001, the Company has obtained a certificate from M/s. Lakshmmi Subramanian & Associates, Chennai, Secretary in whole time practice and a copy of such certificate is annexed (Annexure C) to this report.

l. DEPOSITS

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

m. 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	2008-09	2007-08
Unit Consumed	138278	113240
Amount (Rs.in Lakhs)	6.21	5.64
Rate per Unit	4.49	4.98

n. RESEARCH & DEVELOPMENT

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

o. FOREIGN EXCHANGE EARNINGS AND OUTGO

The company has earned an amount of US \$ 25414 and the company has not incurred any foreign exchange expenses.

p. DIRECTORS REPLY TO THE QUALIFICATIONS SPECIFIED IN AUDIT REPORT**4.6.1 of Auditors Report and 15(a) of Notes on Accounts**

The Company has already initiated Reconciliation of Accounts of Sundry Debtors, Creditors Unsecured Loans, Deposits and in view of the continuous dealing with some of the Creditors and Debtors the Reconciliation is still under process. However, Reconciliation is completed for major parties.

4.4 & 4.6.2 of Auditors Report and 15(b) of Notes on Accounts

The Company is following the policy of providing Gratuity and encashment of leave as and when they become eligible and as per the rules of the employment terms and as per the management estimates. The same is provided current year also. The Company will arrange for independent actuarial valuation during the course of the current year. Any difference estimated will be duly provided.

4.7.1. of Auditors Report

The Company has initiated actions to segregate

vendors as per the status Micro, Small, Medium by intimating vendors and the same will be completed in the current year.

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

Records and Quantitative details is being updated and the same will be completed in the course of the current year. Physical verification of the Fixed Assets is also initiated.

(vii) of Annexure to Auditors Report

The Company has initiated plans to strengthen the internal audit system during the course of the year.

(ix) of Annexure to Auditors Report

Major portion of Provident Fund has been cleared, regarding ESI, payment is regular for the current year and demand for the earlier years will be cleared during the course of the year. The company has plan to clear the dues of Wealth Tax and FBT during the current year.

(x) of Annexure to Auditors Report

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

15 (c) of Notes on Accounts

As regards the observation of the auditor regarding the appointment of Company Secretary, we would like to clarify that as per the amendment dated 5th January 2009 to Section 383A of the Companies Act, 1956, any company having a paid up share capital of less than Rs.5 crores, can obtain a certificate from a secretary in whole time practice under Rule 3 of the Companies (Companies Certificate) Rules, 2001 in case of whole time company secretary is not appointed. Hence the Company has obtained a certificate from M/s. Lakshmmi Subramanian & Associates, Chennai, Secretary in whole time practice, which is annexed to this report.

q. ACKNOWLEDGEMENTS:

The Board of Directors of the company would like to thank and wish to express the appreciation for the committed services by all the employees of the company. The Board place on record their appreciation for the support and cooperation your company has been receiving by bankers, customers, distributors, suppliers. The Directors also wish to thank the stakeholders, regulatory and government authorities for their support.

By Order of the Board
for FISCHER CHEMIC LIMITED

Place : CHENNAI

Date : 29th August 2009

G.M.S. NARAYANAN

Whole time Director

K. VASUDEVAN

Whole time Director

DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting to you the 16th Annual Report together with the AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009.

a. FINANCIAL PERFORMANCE:

Particulars	Year Ended	
	31 st March 2009	31 st March 2008
	(Rs.in Lakhs)	(Rs.in Lakhs)
Profit (loss) before interest & Depreciation	95.40	86.06
Interest	2.93	11.02
Depreciation	31.55	26.13
Loss brought forward from Previous year	(376.05)	(429.22)
Balance Loss: Carried forward	(317.75)	(376.05)

b. DIVIDEND

In view of the accumulated loss, the Board of Directors have decided not to recommend any dividend for the year 2008 - 2009.

c. PERFORMANCE DURING THE YEAR 2008-2009

During the year under review your company has posted a sale of Rs.260.58 Lakhs against a turnover of Rs.366.00 Lakhs in the previous year. Your Company's sale is severely affected during the year under review due to severe recession experienced by the user segment. The company has to cut the production drastically and had to resort to severe reduction in expenses. The Company made a net profit of Rs.60.92 Lakhs during the year.

d. FUTURE PROSPECTS

Your company has created substantial facilities for Custom Synthesis, Contract Manufacturing and Speciality Chemicals. This infrastructure will certainly help the company to leverage on Market Opportunities being presented in the coming years. The company is operating on large segment of customers and assure to reap benefits in the coming years.

e. DIRECTORS

Mr.G.M.S.Narayanan and R.Venkatachalam Directors of the company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The approval of the shareholders for confirmation to the reappointment of Mr.G.M.S. Narayanan, as Whole-time Director and Mr.K.Vasudevan, as Whole-time Director is required at the ensuing Annual General Meeting.

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

Pursuant to Section 217(2AA) of the Companies Act, 1956, Your Directors confirm that they had : Followed in the preparation of Annual Accounts, the applicable Accounting standards and given proper explanations relating to material departures, if any ;

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 at the end of the financial year and of the profit of the Company for that period.

Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and Prepared the Annual Accounts on a going concern basis.

h. CORPORATE SOCIAL RESPONSIBILITIES

The Manufacturing process and plants of your company adhere with the standards laid down by various statutory / regulatory authorities for the protection of environment and workers safety. Your company has obtained ISO 9001-2000 from M/s. TUV India Private Limited.

i. CORPORATE GOVERNANCE

Your company recognizes the importance and need of good Corporate Governance as an important step in creating stakeholders confidence and for a healthy and stable Capital Market thereby enhancing the long term enterprise value. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report and Corporate Governance Report along with Auditors' Certificate regarding Compliance of the conditions of Corporate Governance are given as part of this Annual Report (Annexure 'A', 'B', 'C').

j. AUDITORS

M/s.Manian & Narayanan, Chartered Accountants, Chennai Statutory Auditors of the company retires at the ensuing Annual General Meeting and being eligible have given the consent for reappointment. The Company has also received a confirmation from them that their appointment would be within the limits prescribed under Proviso of Section 224 (1B) of the Companies Act, 1956.