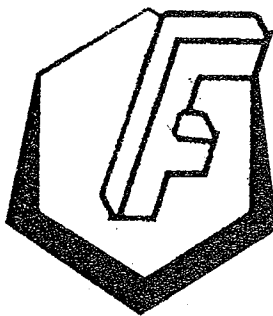


# FISCHER

## 19<sup>th</sup> ANNUAL REPORT 2011-2012



FISCHER CHEMIC LIMITED

**BOARD OF DIRECTORS:**

Mr.G.M.S. Narayanan	-	Whole Time Director
Mr.K. Vasudevan	-	Whole Time 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.

**BANKERS:**

KVB – Triplicane, Chennai – 600 005.  
IB, Abiramapuram, Chennai – 600 018  
Bank of India, Palavakkam, Chennai – 600 041.

**AUDITORS:**

Vivekanandan Associates,  
Chartered Accountants,  
Ground Floor – Murugesu Naicker Office Complex  
81 Greaves Road, Chennai - 600 006.

**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 19<sup>th</sup> annual General meeting of the Company will be held on Friday the 29<sup>th</sup> June 2012 at 10.30 A.M 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 at 31<sup>st</sup> March 2012 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.G.M.S.NARAYANAN, who retires by rotation

and being eligible offers himself for reappointment.

3. To appoint auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring auditors, m/s.Vivekanandan Associates are eligible for reappointment.

By Order of the Board  
For Fischer Chemic Limit

Place : Chennai  
Date : 18.05.2012

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 Registrar of Members and Share Transfer Books of the Company will remain closed from (Tuesday) 26<sup>th</sup> June 2012 to (Friday) 29<sup>th</sup> June 2012. (Both days inclusive)
5. Information pursuant Clause 49 of the Listing Agreement for reappointment of Directors, retiring by rotation:

**Item No.2**

Mr.G.M.S.Narayanan, aged 57 years 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 difference 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 28 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 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.

**DIRECTORS REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting to you the 19th Annual Report together with the AUDITED

ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012.

**a. FINANCIAL PERFORMANCE:**

Particulars	Year ended	
	31st March 2012 (Rs.in Lakhs)	31st March 2011 (Rs.in Lakhs)
Profit (loss) before interest & Depreciation	(25.21)	(0.82)
Interest	1.01	1.99
Depreciation	31.83	30.61
Loss for the year	(55.97)	(31.18)
Loss brought forward from	(438.99)	(407.81)
Previous year Balance Loss:		
Carried forward	(494.96)	(438.99)

**b. DIVIDEND**

In view of the accumulated loss, the Board of Directors have decided not to recommend any dividend for the year 2011 - 2012.

**c. PERFORMANCE DURING THE YEAR 2011-2012**

During the year under review your company has posted a sales Turnover of Rs.163.16 Lakhs against a turnover of Rs.209.85 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 loss of Rs.55.97 Lakhs during the year.

**d. REMEDIAL MEASURES**

The Company has resorted to change in product mix, customer profile, cost reduction. The Company has consciously concentrated in bulk customers for major business. This has resulted in reduction in marketing expenses.

**e. FUTURE PROSPECTS**

Your company's products are well accepted by leading organization and the company is sure to leverage these strength to increase the turnover and profitability during the current year. Further your company has decided to explore a new line of activities via., selling, buying and

dealing of all kinds of Drugs and Pharmaceutical Products in order to expand its business activities and uphold its growth in future.

**f. DIRECTORS**

Mr.G.M.S.Narayanan is retiring at this meeting by rotation and being eligible, offer himself for reappointment and the Board of Directors recommend his reappointment.

**g. PARTICULARS OF EMPLOYEES**

During the year under review there was 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.

**h. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, Your Directors confirm that they had,

- i) Followed in the preparation of Annual Accounts, the applicable Accounting standards and given proper explanations relating to material departures, if any ;
- ii) 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 at the end of the financial year and of the profit of the Company for that period.
- iii) 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
- iv) Prepared the Annual Accounts on a going concern basis.

**i. 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 9001-2008 from M/s. TUV India Private Limited. The Certification is valid upto 2012.

**j. 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 Analysis Report, Corporate Governance and Wholtime Directors Certification Report along with Auditors' Certificate regarding Compliance of the conditions of Corporate Governance are given as part of this Annual Report (Annexure 'A', 'B' and "C").

**k. AUDITORS**

Vivekanandan Associates, Chartered Accountants, retire at this meeting and being eligible are proposed for reappointment. They also expressed their willingness to continue in office if reappointed, at the ensuing annual general meeting.

**l. 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 enclosed separately.

**m. DEPOSITS**

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

**n. 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	2011-12	2010-11
Unit Consumed	33320	42197
Amount (Rs.in Lakhs)	1.73	2.36
Rate per Unit	5.21	5.60

**o. RESEARCH & DEVELOPMENT**

R & D facilities are used in the areas of development and new grades of Laboratory chemicals, change in methods of manufacturing existing products and to increase the yield of the process. R & D facilities are being continuously used for upgrading the quality of

end products as per the requirement of end users.

**p. Technology Absorption:-**

The company has not adopted / intends to adopt any technology for its business and hence no reporting is required to be furnished under this heading.

**q. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company has earned an amount of \$ 1138 and the company has not incurred any foreign exchange expenses.

**Director Reply to Auditors report**

Note No.7 of the Annexure

The Company has initiated action to strengthen the internal audit system during the current year.

Note No.26(a) of Schedule 20

The Reconciliation process of Sundry Debtors and Creditors is initiated. The Company is awaiting Confirmation for certain minor parties and the same will be completed during the year.

Note No.26(d) of Schedule 20

The Company has already notified to all the suppliers for the confirmation regarding the status of Micro, Small, Medium Enterprises and feed back is not received from certain parties. The same will be completed in the current year.

**r. 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      G.M.S. NARAYANAN      K. VASUDEVAN  
Date : 18<sup>th</sup> May 2012      Whole time Director      Whole time Director

## ANNEXURE A 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 consists of following directors:

1. Mr.G.M.S.Narayanan- Whole Time Director
2. Mr.K.Vasudevan - Whole Time Director
3. V.Ganesh - Non-Executive Independent Director

During the financial year 2011-2012, Five (5) meetings were held viz., from 1st April 2011 to 31st March 2012 on the following dates: 30.04.2011, 30.07.2011, 30.08.2011, 31.10.2011 and 31.01.2012. The Annual General Meeting was held on 30th September 2011. 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 2011-2012 and the last AGM held on 30.09.2011 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 Directorships in other Public companies and Committee Members/Chairmanships		
		Board Meeting	Last AGM (Yes/No)	Other Directorships	Committee Memberships (other than Fischer Chemic)	Committee Chairmanships (other than Fischer Chemic)
Shri.G.M.S.Narayanan	Whole-Time Director – Executive	5	Yes	-	-	-
Shri.K.Vasudevan	Whole Time Director – Executive	5	Yes	-	-	-
Shri. V.Ganesh	Non-Executive Independent	5	No	-	-	-

#### 3. Board Committees:-

##### A. Audit Committee:

The Audit committee of the company functions under the mandate stipulated under Clause 49 of Listing Agreement and the Companies Act, which includes reviewing and taking corrective actions as and when required, in consultation with the Internal Auditors Role and Terms of Reference is as follows:

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:

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

##### Composition:-

1. Mr.G.M.S.Narayanan - Whole Time Director
2. Mr.K.Vasudevan - Whole Time Director
3. V.Ganesh - Non-Executive Independent Director

##### B. Remuneration Committee:

1. Mr.G.M.S.Narayanan - Whole Time Director
2. Mr.K.Vasudevan - Whole Time Director
3. V.Ganesh - Non-Executive Independent Director

##### 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.

##### 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 2011-2012 are as under:

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)	No. of shares held as on 31.3.2012	Relationship with Directors
Shri. G.M.S.Naryanan	3,90,000	-	243276	-
Shri. K. Vasudevan	3,90,000	-	263676	-
Shri. V. Ganesh	-	-	-	-
Total	7,80,000	-	506952	-

### C. Shareholders Committee:

Composition:- The Shareholders Committee comprises of:

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

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

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

Meeting and Attendance of the committee:-

The said Committee met 10 times during the year 2011-2012. Mr. K. Vasudevan, Director is the Compliance officer.

During the Financial Year 2011-2012, The Company received 01 complaint from shareholders and the same is resolved. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2012.

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

### 4. GENERAL BODY MEETINGS:

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

Year	Date and Time	Venue
2008-2009	29th September 2009	Sri Arjuna Mini Hall, #5, at 10.30 a.m. Panagal Street, Thiruvallur -602001
2009-2010	30th September 2010	Sri Arjuna Mini Hall, #5, at 10.30 a.m. Panagal Street, Thiruvallur -602001
2010-2011	30th September 2011	Sri Arjuna Mini Hall, #5, at 10.30 a.m. Panagal Street, Thiruvallur -602001

- Special Resolution Passed in the Past three AGM's:- No special resolutions were passed during the last three annual general meetings.
- Postal Ballots:  
No resolutions were passed through Postal Ballot during the financial year under review. However during the current year 2012-13, the Company has proposal to

pass Resolution as to disposal of assets, alteration of Main objects in the Memorandum of Association and change of registered office of the company by way of Postal Ballot.

### 5. DISCLOSURES:

- 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.
- No penalty / stricture was imposed on company by the stock exchanges, SEBI or any other authority or any matter related to capital market during the year.
- Disclosure on accounting treatment: No differential treatment from the Accounting standard was followed in the preparation of the financial statements.
- 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.
- No money has been raised through Public / right / Preferential issue during the year.

### 6. MEANS OF COMMUNICATION:

The financial results are published in newspapers.

### 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

### 8. GENERAL SHAREHOLDERS INFORMATION:

- Date of Annual General Meeting : 29<sup>th</sup> June 2012  
Time : 10.30 a.m.  
Venue : Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001

### (ii) Financial Calendar :

Results for the quarter ending June 30, 2012	Second week of August 2012
Results for the quarter ending September 30, 2012	Second week of November 2012
Results for the quarter ending December 31, 2012	Second week of February 2013
Results for the quarter ending March 31, 2013	Second week of May 2013
Annual General Meeting	By 3rd/4th week of September 2013

### (iii) Book-Closure Dates :

26<sup>th</sup> June 2012  
to 29<sup>th</sup> June 2012  
(Both days inclusive)

(iv) Dividend Payment Date :	No Dividend recommended for the year 2011-12	5001-10000	333	3.5902	2638000	7.6686
		10001-20000	174	1.8760	2713000	7.8866
		20001-30000	63	0.6792	1596000	4.6395
(v) Listing on the Stock Exchanges	The Equity shares of the Stock Exchanges Company are listed in the Bombay, Madras and Coimbatore stock exchanges.	30001-40000	15	0.1617	535000	1.5552
		40001-50000	20	0.2156	946000	2.7500
		50001-100000	16	0.1725	1109000	3.2238
		100001 & above	18	0.1940	12951520	37.6497
		Total	9275	100.0000	34400000	100.0000

(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 2011 to 31st March 2012:

Month	Share Prices (Rs.)	
	High	Low
April 2011	-	-
May 2011	-	-
June 2011	8.98	8.98
July 2011	8.54	8.54
August 2011	8.12	7.72
September 2011	-	-
October 2011	-	-
November 2011	-	-
December 2011	-	-
January 2012	-	-
February 2012	7.36	5.85
March 2012	8.17	7.07

(viii) Registrar and Share Transfer Agents :  
M/s.Cameo Corporate Services 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 31.3.2012:

Range	No. of share-holders	% to total	Share/Debenture Amount (Rs.)	% to total
10-5000	8636	93.1105	11911480	34.6263.

(xi) Shareholding Pattern as on 31.3.2012:

Category	No. of Shares Held	Percentage of Share holding
<b>A. PROMOTER HOLDING</b>		
1. Promoters		
Indian Promoters	506952	14.74%
Foreign Promoters	Nil	Nil
2. Persons acting in concert	Nil	Nil
Sub-Total	506952	14.74%
<b>B. Non-Promoters Holding</b>		
3. Institutional Investors		
a. Mutual Funds and UTI	3300	0.10%
b. Banks, financial Institutions, Insurance Companies (central/state Govt. Institutions/ Non-government Institutions)	Nil	Nil
c. FIs	Nil	Nil
Sub-Total	3300	0.10%
4. a. Private Corporate Bodies	1,35,500	3.66%
b. Indian Public	27,88,948	81.36%
c. Clearing Member	200	0.01%
d. Hindu Undivided Family	5100	0.15%
Sub-Total	2929748	85.17%
Total Public Holding	2933048	85.26%
Grand Total	3440000	100.000%

(xii) Dematerialisation of shares: The equity shares of the company have been admitted for dematerialization with CDSL. The ISIN No. of the Company is INE771F01017. 9.17% of the Company's paid up Equity share capital has been dematerialized upto March 31, 2012.

(xiii) Registered Office and Works:  
Plot No. 111, SIDCO Industrial Estate,  
Kakallur, Thiruvallur District,  
Tamil Nadu

(xiv) Address for Correspondence:  
Fischer Chemic Limited,  
3/240, Govindan Nagar,  
Palavakkam, Chennai-600 041