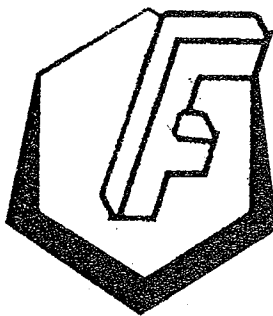


# FISCHER

## 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.

**CONTENTS**

Notice.....	2
Report of the Directors.....	3
Report of the Auditors.....	11
Balance Sheet.....	14
Profit and Loss Account.....	15
Schedules.....	16
Cash Flow Statement.....	27

**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,

- 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 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.
- 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.

**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



- (xv) E-Mail ID of Investor Grievance redressal cell :  
fischerchemic@gmail.com

#### 9. NON-MANDATORY REQUIREMENTS:

- a. Chairman of the Board: The Company maintains the office of the Chairman at its Corporate Office and also reimburses the expenses incurred in performance of duties.
- b. On appointment of new independent Directors the remuneration committee will be reconstituted.
- c. Shareholder Rights: The financial results are published in newspapers.
- d. Audit qualifications: The Company is moving towards a regime of unqualified financial statements.
- e. Training of Board members: Periodical meetings are held with skilled consultancy agencies for the Board

members to appraise them in recent developments and existing laws and practices.

- f. Mechanism of evaluating Non-executive directors: Same as above.
- g. Whistle Blower Policy: As mentioned earlier, the Company does not have a Whistle blower policy.

#### DECLARATION

I G. M. S. Narayanan, Whole-Time Director of the company, hereby declare that the Board of Directors has laid down a code of conduct for its Board members and senior Management of the company and Board members have affirmed compliance with the said code conduct. The code of conduct is posted on the website of our company at [www.fischerchemic.com](http://www.fischerchemic.com).

for Fischer Chemic Limited

Place : Chennai  
Date: 18.05.2012

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

#### ANNEXURE B 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 line/SS reactors, distillation assemblies – glass/stainless steel and finished products are packed under controlled conditions.

**Quality Control :** Fischer Chemic 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 products 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 Company's 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 76% Speciality Chemicals, contract manufacturing and custom synthesis 24%.

##### 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 company is also passing through a difficult cash flow situation currently and are looking at the option of selling the assets to overcome the situation.

**v) Risks and concerns:**

The Cost of Raw Materials, Packing Materials, and 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. The Company is also consciously reducing the dependence on dealer sale and retail business and instead concentrating on bulk business and direct sales to the end users.

**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.163.16 Lakhs during the year and made a loss of Rs. 25.21 Lakhs before interest and Depreciation.

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

During the year the company changed the customer profile and hence reduced marketing strength to the minimum. The company has also reduced the unutilized technical manpower and made efforts to retain the important technical personnel and also strengthened the Research and Development Team. The Industrial relationship has been very cordial throughout the year.

**ANNEXURE C TO DIRECTORS REPORT**

**WHOLE TIME DIRECTORS CERTIFICATION**

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31st March, 2012, we G.M.S.Narayanan, Whole Time Director and K.Vasudevan, Whole Time Director certify that

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee significant changes in internal control over financial reporting during the year; significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**G.M.S.Narayanan**  
Whole Time Director

**K.Vasudevan**  
Whole Time Director

**CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the members of  
FISCHER CHEMIC LIMITED,

We have examined the compliance of conditions of Corporate Governance by FISCHER CHEMIC LIMITED, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The objective of our examination is to give our opinion on whether the company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the listing Agreement entered into by the company by the listed stock exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of review and according to the information and explanations given to us and representations made to us by management we state that to the best of our knowledge and belief the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement, except the appointment of Independent Director and the constitution of various committees which is required under Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency effectiveness with which the management has conducted the affairs of the Company.

For VIVEKANANDAN ASSOCIATES  
Chartered Accountants  
Firm Registration No. 05268 S

N. SUBRAMANIAN  
Partner

Date : 18th May 2012

Membership Number: 021628

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## AUDITOR'S REPORT

To,  
The Members,

**M/s. FISCHER CHEMIC LIMITED**  
Chennai

1. We have audited the attached Balance Sheet of M/s. FISCHER CHEMIC LIMITED, CHENNAI, as at March 31, 2012 and the Statement of Profit and Loss and 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 have conducted our audit in accordance with the auditing statement 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 mis-statement. An audit 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 (Auditors' Report) Order, 2003 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 paragraph 4 & 5 of the said Order.
4. Further to my comments in the Annexure referred to 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 purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those 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 and the profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to Note No.7 of the Annexure relating to strengthening of internal audit system, Note No. 26(a) of Schedule 20 - Notes to Accounts relating to non-obtaining of confirmation of balances from debtors, creditors and other parties, Note No. 26(d) of Schedule 20 - Notes to Accounts relating to their status under Micro, small and Medium Enterprises Development Act, 2006 give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. In the case of Balance Sheet of the State of Affairs of the Company as at March 31, 2012;
  - ii. In the case of the profit and loss account, of the Loss for the year ended on that date;
  - iii. In the case of the Cash Flow statement of the cash flows for the year ended on that date.

For VIVEKANANDAN ASSOCIATES  
Chartered Accountants  
Firm Registration No. 05268 S

N.SUBRAMANIAN  
Partner

Date : 18th May 2012

Membership Number: 021628

**Annexure to Auditors' Report**

(Referred to in paragraph 3 of our report of even date )

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The same needs to be updated.
- (b) All the assets have been physically verified by the management during the year in accordance with a programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company has not sold/dispensed off any significant portion of the fixed assets during the year.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. In respect of loans granted:
  - (a) The company had not granted any loan, secured or unsecured, to any party covered in the register maintained under section 301 of the Companies Act, 1956.

In respect of loans taken:

  - (a) The company had taken unsecured loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.43,25,607/- and the year-end balance of loans taken from such parties was Rs.43,25,607/-.
  - (b) No interest has been paid on such unsecured loans and the same is not prejudicial to the interest of the company or its members.
  - (c) There are no terms and conditions or period specified with regard to repayment of loans and hence we are

unable to express an opinion on the repayment of loans taken or given.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Act:
  - a) According to the information and explanations given to me, the particulars of contracts or arrangements referred to in Section 301 of the Act that needed to be entered into the register have been so entered;
  - b) According to the information and explanations given to me, there were no purchase or sale transactions or provision of any services during the year with parties covered under Section 301 of the Companies Act, 1956
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public during the year as per the provisions of sections 58A and 58AA of the Companies Act, 1956
7. In our opinion, the internal audit system of the company needs to be strengthened to commensurate with the size and nature of its business carried on during the year under review.
8. In our opinion and according to the information and explanations given to me, maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 has not been prescribed for the products dealt by the company.
9. Statutory and other dues
  - (a) According to the information and explanations given to us, the company is regular in depositing the undisputed statutory dues relating to the contribution under Income Tax, Provident Fund Act, Employee's State Insurance Act and the Sales Tax dues, Wealth Tax, Fringe Benefit Tax wherever applicable to it with appropriate authorities. The Company is generally regular in depositing other statutory dues including Customs duty, excise-duty, cess and other statutory dues applicable to it with the appropriate authorities during the year.
  - (b) According to the information and explanations given to us, undisputed amounts payable in respect of contribution under Provident Fund Act, Employee's

State Insurance Act, Wealth-tax under Wealth tax act and Fringe Benefit tax under Income Tax Act which were in arrears as at 31st March 2012 for a period of more than 6 months from the date they became payable are as given below:

Nature of Statute	Nature of dues	Amount (Rs.)	Period to which the Amount relates
Income Tax Act, 1957	Fringe benefit tax	569,770	2005-06, 2006-07, 2007-08, 2008-09
Wealth Tax Act, 1957	Wealth tax	100,166	2006-07, 2007-08, 2008-09.

(c) According to the information and explanations given to us, there was no dues income-tax/sales tax/service tax/ wealth tax/ customs duty/excise duty or cess which have not been deposited on account of any disputes during the year.

10. The company's accumulated losses exceeded its net worth at the end of the year. The company has incurred cash losses during the current year and in the year immediately preceding the current financial year.
11. According to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the bank. The company does not have any debenture holders.
12. According to the information and explanations given to us and based on our examination of the documents and records, we are of the opinion that no loans or advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or nidhi / mutual benefit fund/society. Therefore, provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.

Accordingly, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

15. According to the information and explanations given to us and based on our examination of the documents and records, no guarantee was given by the company for loans taken by others from banks or other financial institutions during the year.
16. In our opinion and according to the information and explanation given to us, the Company had applied the any term loan for the purpose for which they were raised during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The company has not any made preferential allotment of shares during the year to parties covered in the register maintained under section 301 of the Act.
19. The company had not issued any debentures in the current year.
20. The company had not raised any money through public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.

For VIVEKANANDAN ASSOCIATES  
Chartered Accountants  
Firm Registration No. 05268 S

N.SUBRAMANIAN  
Partner

Date : 18th May 2012

Membership Number: 021628

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	SCH. NO	As at March 31, 2012 Amount in Rupees	As at March 31, 2011 Amount in Rupees
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**I. EQUITY AND LIABILITIES****(1) Shareholders' Funds**

(a) Share Capital	2	344,00,000	3,44,00,000
(b) Reserves and Surplus	3	(4,78,45,354)	(4,22,48,051)

**(2) Share application money pending allotment****(3) Non-Current Liabilities**

(a) Long Term borrowings	4	1,98,77,189	2,33,82,210
(b) Deferred tax liabilities (Net)		25,74,794	27,82,713
(c) Other Long term liabilities	5	1,27,00,000	1,17,70,000
(d) Long-Term Provisions	6	8,38,815	7,38,815

**(4) Current Liabilities**

(a) Short Term borrowings	7	12,33,545	3,57,384
(b) Trade payables	8	18,98,915	9,46,691
(c) Other Current Liabilities	9	3,22,05,655	1,19,27,890
(d) Short-Term Provisions	10	6,69,937	6,69,937

<b>TOTAL</b>		<b><u>5,85,53,496</u></b>	<b><u>4,47,27,593</u></b>
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**II. ASSETS****(1) Non-Current Assets**

(a) Fixed Assets			
(i) Tangible Assets	11	2,58,58,754	2,69,39,190
(ii) Capital Work-in-progress		1,76,44,525	NIL
(b) Non-Current investments		NIL	NIL
(c) Deferred tax assets (net)		NIL	NIL
(d) Long term Loans and advances	12	12,26,333	5,34,153
(e) Other non-current assets	13	1,81,858	1,91,858

**(2) Current Assets**

(a) Current Investments		NIL	NIL
(b) Inventories	14	80,88,000	93,20,129
(c) Trade Receivables	15	44,18,184	72,58,818
(d) Cash and cash equivalents	16	9,03,427	1,46,284
(e) Short-Term Loans and advances	17	2,32,415	3,37,160
(f) Other Current assets		-	-

<b>TOTAL</b>		<b><u>5,85,53,496</u></b>	<b><u>4,47,27,593</u></b>
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Significant Accounting Policies

1

Sch 1 to 17, 25 and 26 form an integral part of this Balance Sheet

For and on behalf of the Board  
for **Fischer Chemic Limited**

**G.M.S. NARAYANAN**  
Whole-Time Director

**K.VASUDEVAN**  
Whole-Time Director

Vide our report of even date attached

for **VIVEKANANDAN ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 05268S

**N.SUBRAMANIAN**  
(Partner)  
Membership Number: 021628

Place : Chennai  
Date : 18th May 2012

# **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

	SCH	For the year ended	
		March 31, 2012	March 31, 2011
		(Amount in Rs.)	
I. Revenue from Operations	18	1,63,16,851	2,09,85,077
II. Other Income	19	51,322	62,838
III. Total Revenue (I+II)		<u>1,63,68,173</u>	<u>2,10,47,915</u>
IV. Expenses :			
Cost of materials consumed	20	65,73,174	69,81,252
Purchases of Stock-in-Trade		NIL	NIL
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	11,11,000	1,86,000
Employee benefits expense	22	46,42,243	50,77,478
Finance Costs	23	1,01,006	1,99,264
Depreciation and amortization expense		31,83,049	30,61,818
Other expense	24	65,62,924	87,20,710
Total Expenses		<u>2,21,73,396</u>	<u>2,42,26,521</u>
V. Profit before exceptional and extraordinary items and taxes (III-IV)		<u>(58,05,223)</u>	<u>(31,78,606)</u>
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and taxes (V-VI)		(58,05,223)	(31,78,606)
VIII. Extraordinary Items		-	-
IX. Profit before Tax (PBT) (VII-VIII)		<u>(58,05,223)</u>	<u>(31,78,606)</u>
X. Tax Expense			
Current Tax		-	-
Deferred Tax		(2,07,920)	(61,099)
XI. Profit/(loss) for the period from continuing operations		(55,97,303)	(31,17,507)
XII. Profit/(loss) for the period		(55,97,303)	(31,17,507)
XIII. Earnings per equity share			
(1) Basic		-1.63	0.91
(2) Diluted		-	-

Sch 1,18 to 24 form an integral part of this Statement of Profit and Loss

For and on behalf of the Board  
for Fischer Chemic Limited

**G.M.S. NARAYANAN**  
Whole-Time Director

**K.VASUDEVAN**  
Whole-Time Director

Vide our report of even date attached  
for **VIVEKANANDAN ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 05268S  
**N.SUBRAMANIAN**  
(Partner)  
Membership Number: 021628

Place : Chennai  
Date : 18th May 2012



**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012****Sch 1. SIGNIFICANT ACCOUNTING POLICIES:****a. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention on the accrual basis and in accordance with Generally Accepted Accounting Principles (GAAP) applicable in India, the Accounting Standards notified under section 211(3C) and other relevant provisions of the Companies Act, 1956.

**b. USE OF ESTIMATES**

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

**c. FIXED ASSETS:**

Fixed Assets are stated at cost less accumulated depreciation. All significant costs relating to the acquisition and installation of fixed assets are capitalized. Assets acquired under finance lease are recognized at the inception of lease at the lower of the fair value or present value of Minimum Lease payments. The initial direct costs incurred in connection with the finance lease are recognized as an assets under the lease.

**d. DEPRECIATION AND AMORTISATION:**

Depreciation on Fixed Assets has been provided on Straight-line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 which coincides with the useful life of the assets as estimated by the management. Depreciation on assets sold/discarded during the period is proportionately charged. Individual low cost assets (acquired for less than Rs.5,000/-) are depreciated in the year of acquisition. Intangible assets are amortized over their estimated useful life on straight-line basis.

**e. INVESTMENTS:**

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments". All other investments are classified as Long-term investments.

Current Investments are carried at lower of cost or market/fair value determined on an individual investment basis.

Long Term Investments are valued at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in nature.

**f. FOREIGN CURRENCY TRANSACTIONS:**

Foreign exchange transactions are normally recorded at the exchange rate prevailing on the date of the respective transaction. Foreign exchange monetary items in the balance sheet are translated at the year-end rates. Exchange differences on settlement of/ conversion are recognized in the Profit or Loss Account.

**g. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for the intended use. All other borrowing costs are charged to revenue.

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012****h. REVENUE RECOGNITION**

- i. The Company recognizes revenue on sale of goods when goods are dispatched to the customers which are when the risk and rewards of the ownership of the goods pass on to the customers.
- ii. Sales are net of discounts and inclusive of Excise Duty and Sales tax, wherever applicable.
- iii. Interest income is recognized on time-proportion basis.

**i. INVENTORIES:**

Inventories are valued at lower of cost and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Cost includes taxes, duties and all incidental expenses directly attributable to the purchases. Method of assignment of cost is as under:

- i. Raw Material, Stores and Spares: First in First out Method
- ii. Work In Progress: Direct Expenses plus appropriate factory overheads on the basis of completed production
- iii. Finished goods: Cost of goods plus direct expenses plus appropriate factory overheads
- iv. Traded goods: Actual costs

**j. EMPLOYEE BENEFITS:****a. Gratuity:**

In accordance with the Payment of Gratuity Act, 1972, the company provides for gratuity, a non-funded defined benefit retirement plan ("Gratuity Plan") covering all employees. The company estimates its liability on valuation as per the payment of Gratuity Act as of each year-end balance sheet date and is charged to Profit and Loss Account in accordance with AS-15 (Revised).

**b. Provident Fund/ESI:**

- (i) The Company's superannuating scheme, State governed provident fund scheme and employee state insurance scheme are the defined contribution plans. The company contributes a fixed sum to the Provident Fund/ Employee State Insurance Scheme maintained by the Central Government. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

**c. Leave Salary:**

In respect of Leave Salary, the same is accounted as and when the liability arises in accordance with the provision of law governing the establishment and at each balance sheet date the leave encashment eligibility is determined and provided for.

**k. LEASES:**

Finance Lease: Leases which effectively transfer to the company the entire risks and benefit incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets.

**l. TAXES ON INCOME:**

Taxes on Income are accrued in the same period as the revenue and the expenses to which they relate. Deferred tax assets are recognized to the extent there is a virtual certainty of its realization.

**m. GOVERNMENT GRANTS:**

Subsidy received from the State Government towards the part of the project cost has been shown under the head "Reserves and Surplus"

**n. EARNINGS PER SHARE:**

Earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is weighted.

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012**

average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, if any, which would have been issued on the conversion of dilutive potential equity shares, if any.

**o. IMPAIRMENT OF ASSETS:**

As at Balance Sheet Date, the carrying amount of assets is tested for impairment so as to determine:

"a. Provision for Impairment Loss, if any, required or "b. The reversal, if any, required of impairment loss recognized in previous periods."

Impairment Loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

**p. PROVISIONS:**

A provision is recognized when an enterprise has a potential obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to the current best estimates.

Particulars	As at 31.3.2012	As at 31.3.2011
	Amount in Rs.	
<b>Sch 2. (A) Share Capital</b>		
(a) Authorised Share Capital		
40,00,000 Equity Shares of Rs.10/each	4,00,00,000	4,00,00,000
(Previous year 40,00,000 equity shares of Rs.10/- each)	4,00,00,000	4,00,00,000
(b) Issued & Subscribed Share Capital		
34,40,000 Equity Shares of Rs.10 each fully paid up	3,44,00,000	3,44,00,000
(c) Paid-up Share Capital		
34,40,000 Equity Shares of Rs.10 each fully paid up	3,44,00,000	3,44,00,000
(Of the above, 5,82,000 Equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash)		
<b>Total</b>	<b>3,44,00,000</b>	<b>3,44,00,000</b>
<b>2. (B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>		
Number of shares outstanding as the beginning of the year		34 40 000
Number of shares outstanding as at the end of the year		34 40 000
<b>2. (C) Shares in the company held by each shareholder holding more than 5% shares as on the balance sheet date</b>		
<b>Shareholder</b>	<b>Number of shares held</b>	<b>Percentage of shares held</b>
Venkatachalam V.R	441200	12.83
Vasudevan.K	263676	7.67
Sankaranarayanan G M	237676	6.91
<b>Total</b>	<b>942552</b>	<b>27.40</b>

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012

Particulars	As at 31.3.2012	As at 31.3.2011
Amount in Rs.		
<b>Sch 3. Reserves and Surplus</b>		
(a) Capital Reserves - Investment Subsidy		
Opening Balance		
Closing Balance	15,00,000	15,00,000
(b) Other Reserves	15,00,000	15,00,000
(i) General Reserve		
Opening Balance		
Closing Balance	1,50,672	1,50,672
(c) Surplus	1,50,672	1,50,672
Balance of Loss brought forward		
Add: Loss for the period	(4,38,98,723)	(4,07,81,215)
	(55,97,303)	(31,17,507)
Less: Allocation/Appropriation	(4,94,96,026)	(4,38,98,723)
Balance carried to Balance Sheet	-	-
Total	(4,94,96,026)	(4,38,98,723)
	<u>(4,78,45,354)</u>	<u>(4,22,48,051)</u>
<b>Sch 4. Long Term Borrowings</b>		
(A) SECURED LOANS		
- Hire Purchase loan from Bank and Others		2,13,748
(B) UNSECURED LOANS		
Inter corporate Deposits		
From Directors	1,56,28,581	1,14,04,238
From Others	33,63,008	37,10,008
Total	8,85,600	80,54,219
(Hire Purchase loans Bank/NBFC is secured by hypothecation of vehicles)	<u>1,98,77,189</u>	<u>2,33,82,213</u>
<b>Sch 5. Other Long Term Liabilities</b>		
Trade Deposits	1,27,00,000	1,17,70,000
Total	<u>1,27,00,000</u>	<u>1,17,70,000</u>
<b>Sch 6. Long Term Provisions</b>		
Provision for Employee Benefits (non-funded)	8,38,815	7,38,815
Total	<u>8,38,815</u>	<u>7,38,815</u>
<b>Sch 7. Short Term Borrowings</b>		
(A) SECURED LOANS		
- Hire Purchase loan from Bank and Others	2,70,946	3,57,384
(B) UNSECURED LOANS		
From Directors	9,62,599	NIL
Total	<u>12,33,545</u>	<u>3,57,384</u>
<b>Sch 8. Trade Payables</b>		
Trade Creditors	18,98,915	9,46,691
Total	<u>18,98,915</u>	<u>9,46,691</u>

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012

Particulars	As at 31.3.2012	As at 31.3.2011
	Amount in Rs.	
<b>Sch 9. Other Current Liabilities</b>		
Current maturities of long term debt	NIL	2,62,715
Advance against Sales	2,91,36,430	1,03,85,724
Other payables		
- Sales tax payable	35,433	1,38,751
- PF payable	5,279	50
- ESI payable	43,446	58,927
- TDS payable	18,075	8,27
- Other Creditors	29,66,991	10,68,941
<b>Total</b>	<b>3,22,05,655</b>	<b>1,19,27,890</b>
<b>Sch 10. Short-Term Provisions</b>		
Provision for IncomeTax, FBT and Wealth tax	6,69,937	6,69,937
Provision for employee benefits	NIL	NIL
<b>Total</b>	<b>6,69,937</b>	<b>6,69,937</b>
<b>Sch 12. Long-Term Loans And Advances</b>		
(A) Capital Advances	NIL	NIL
(B) Security Deposits		
(i) Secured, Considered good	13,518	9,737
(ii) Unsecured, Considered good	10,86,482	5,31,354
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful advances	NIL	NIL
<b>Total (B)</b>	<b>11,00,000</b>	<b>5,31,354</b>
(C) Loans and advances to related parties	NIL	NIL
(D) Other Loans and Advances		
(i) Secured, Considered good	2,799	2,799
(ii) Unsecured, Considered good	1,23,534	
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful advances	NIL	NIL
<b>Total (E)</b>	<b>1,26,333</b>	<b>2,799</b>
<b>Total [(A)+(B)+(C)+(D)]</b>	<b>12,26,333</b>	<b>5,34,153</b>
Note: Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member	NIL	NIL
<b>Sch 13. Other Non-current Assets</b>		
Security Deposits receivable	74,783	84,783
Interest receivable	10,7,075	1,07,075
<b>Total</b>	<b>1,81,858</b>	<b>1,91,858</b>

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012

Particulars	As at 31.3.2012	As at 31.3.2011
Amount in Rs.		
<b>Sch 14. Inventories</b>		
(a) Raw Materials	5,62,000	7,00,253
(b) Stores and Spares	3,01,000	2,83,876
(c) Stock-in-trade	72,25,000	83,36,000
<b>Total</b>	<b>80,88,000</b>	<b>93,20,129</b>
- The Stock-in-trade are valued at lower of cost and net realisable value.		
<b>Sch 15. Trade Receivables</b>		
Trade receivables		
(A) Outstanding for a period exceeding six months from the date they are due for payment:		
(i) Secured, Considered good	NIL	NIL
(ii) Unsecured, Considered good	20,53,684	65,04,219
(iii) Doubtful	NIL	
Less: Allowance for bad and doubtful debts	NIL	
<b>TOTAL (A)</b>	<b>20,53,684</b>	<b>65,04,219</b>
(B) Others		
(i) Secured, Considered good	NIL	
(ii) Unsecured, Considered good	23,64,500	7,54,599
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful debts	NIL	NIL
<b>TOTAL (B)</b>	<b>23,64,500</b>	<b>7,54,599</b>
<b>Total</b>	<b>44,18,184</b>	<b>72,58,818</b>
<b>Sch 16. Cash And Cash Equivalents</b>		
(A) Balance with Banks		
(i) Current Account	8,06,237	98,678
(ii) Fixed Deposit	NIL	NIL
(B) Cheques, drafts in hand		
(i) Cheques on hand	NIL	NIL
(ii) Drafts in hand	NIL	NIL
(C) Cash on hand	97,190	47,607
(D) Others	NIL	NIL
<b>TOTAL</b>	<b>9,03,427</b>	<b>1,46,285</b>
Note		
(1) Earmarked Bank Balances	Nil	Nil
(2) Bank balances held as margin money or as security against:	Nil	Nil
(3) Repatriation restrictions	Nil	Nil
(4) Bank Deposit with more than 12 months maturity	Nil	Nil

## Schedules Forming part of Balance Sheet as at March 31, 2012

## SCHEDULE 11 : FIXED ASSETS

PARTICULARS OF ASSET	ORIGINAL COST			ACCUMULATED DEPRECIATION					NET BOOK VALUE	
	As at 01-04-2011 Rs.	Addition Rs.	Deletion Rs.	As at 31-03-2012 Rs.	As at 01-04-2011 Rs.	For the year Rs.	Depreciation deletion Rs.	up to 31-03-2012 Rs.	As at 31-03-2012 Rs.	As at 31-03-2011 Rs.
Land	491,790	-	-	491,790	-	-	-	-	491,790	491,790
Factory Building	12,938,732	-	-	12,938,732	5,917,927	432,154	-	6,350,081	6,588,651	7,020,805
Material Handling & Auxillary Equipments	8,863,748	-	-	8,863,748	6,897,953	483,739	-	7,381,692	1,482,056	1,965,795
Plant & Machinery	19,873,558	1,982,443	-	21,856,001	8,050,652	1,026,183	-	9,076,835	12,779,166	11,822,906
Computers	1,153,570	35,650	-	1,189,220	1,105,417	31,630	-	1,137,047	52,173	48,153
Furniture & Fittings	2,041,810	84,520	-	2,126,330	1,988,765	133,598	-	2,122,363	3,967	53,045
Vehicles	11,323,627	-	-	11,323,627	5,786,931	1,075,745	-	6,862,676	4,460,951	5,536,696
Sub-total	56,686,835	2,102,613	-	58,789,448	29,747,645	3,183,049	-	32,930,694	25,858,754	26,939,190
Capital Work-in-Progress	-	17,644,525	-	17,644,525	-	-	-	-	17,644,525	-
Grand Total	56,686,835	19,747,138	-	76,433,973	29,747,645	3,183,049	-	32,930,694	43,503,279	26,939,190
PREVIOUS YEAR	56,016,100	1,927,461	1,256,726	56,686,835	27,211,133	3,061,818	525,306	29,747,645	26,939,190	28,804,967

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012

Particulars	As at 31.3.2012	As at 31.3.2011
Amount in Rs.		
<b>Sch 17. Short-Term Loans And Advances</b>		
(A) Loans and Advances to related parties	NIL	NIL
(B) Others		
(i) Secured, Considered good	NIL	NIL
(ii) Unsecured, Considered good		
Deposits	NIL	NIL
Others	2,32,415	3,37,160
(iii) Doubtful	NIL	NIL
Less: Allowance for bad and doubtful advances	NIL	NIL
Total (B)	2,32,415	3,37,160
Total [(A)+(B)]	2,32,415	3,37,160
Note: Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member	NIL	NIL
<b>Contingent Liabilities and Commitments</b>		
(A) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts	NIL	NIL
(b) Guarantees		
(c) Other money for which the company is contingently liable		
<b>Total (A)</b>	<u>NIL</u>	<u>NIL</u>
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
(b) Un-called liability on shares and other investments partly paid	NIL	NIL
(c) Other commitments	NIL	NIL
<b>Total (B)</b>	<u>NIL</u>	<u>NIL</u>
<b>Total [(A)+(B)]</b>	<u>NIL</u>	<u>NIL</u>
<b>Sch 18. Revenue from Operations</b>		
Sales of products	1,63,16,851	2,09,85,077
Total	<u>1,63,16,851</u>	<u>2,09,85,077</u>
<b>18.1 Particulars of Sale of Products</b>		
Laboratory Chemicals	1,63,16,851	2,09,85,077
Total	<u>1,63,16,851</u>	<u>2,09,85,077</u>
<b>Sch 19. Other Income</b>		
(A) Interest income	NIL	NIL
(B) Dividend income	NIL	NIL
(C) Gain/Loss on sale of Investments	NIL	NIL
(D) Other non-operating income (net of expenses directly attributable to such income)	51,322	62,838
<b>Total (A)+(B)+(C)</b>	<u>51,322</u>	<u>62,838</u>



**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012**

Particulars	As at 31.3.2012	As at 31.3.2011
	Amount in Rs.	
<b>Sch 20. Cost of Materials Consumed</b>		
Imported (0%)	NIL	NIL
Indigenous (100%)	65,73,174	69,81,252
<b>Total</b>	<b>65,73,174</b>	<b>69,81,252</b>
<b>20.1. Particulars of Materials Consumed</b>		
Acids, Salts and Solvents	65,73,174	69,81,252
<b>Total</b>	<b>65,73,174</b>	<b>69,81,2</b>
<b>20.2. Purchase of stock in trade</b>		
Laboratory Chemicals	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>
<b>Sch 21. Changes in inventories of finished goods, work in progress and stock in trade</b>		
Stock-in-Trade:		
Opening stock	83,36,000	85,22,000
Less: Closing stock	72,25,000	83,36,000
<b>Changes in Inventories</b>	<b>11,11,000</b>	<b>1,86,000</b>
<b>Sch 22. Employee Benefit Expenses</b>		
Salaries and wages	28,55,360	32,25,360
Remuneration to Directors	7,80,000	7,80,000
Contribution to PF and other funds	1,38,227	1,68,365
Staff Welfare Expenses	7,48,656	7,93,753
Gratuity	1,20,000	1,10,000
<b>Total</b>	<b>46,42,243</b>	<b>50,77,478</b>
<b>Sch 23. Finance Costs</b>		
Interest Expense	1,01,006	1,20,557
Other Borrowing costs	NIL	78,207
Net gain/loss on foreign currency transactions/translation	NIL	NIL
<b>Total</b>	<b>1,01,006</b>	<b>1,99,264</b>
<b>Sch 24. Other Expenses</b>		
Manufacturing Expenses		
Consumption of stores and spare parts	1,76,002	2,83,876
Transportation and Carriage Inwards	92,433	1,14,298
Power and fuel	3,85,596	7,10,921
Insurance	1,39,959	3,02,497
Repairs to Building	77,461	NIL
Repairs to Machinery	11,15,320	6,99,474
Rates and Taxes excluding taxes on income	25,461	1,07,356
Other Factory Expenses	11,28,578	14,80,893
<b>sub-total (A)</b>	<b>31,40,810</b>	<b>36,99,315</b>

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2012

Particulars	As at 31.3.2012	As at 31.3.2011
	Amount in Rs.	
Selling & Distribution Expenses		
Discount and Commission Payments	( 29,108)	31,241
Freight & Transport Charges	7,86,146	8,62,525
Selling and Distribution expenses	4,42,667	3,13,411
Advertisement & Promotion Expenses	15,059	30,861
Bad Debts Written off	3,18,002	8,92,913
<b>sub-total (B)</b>	<b>15,32,766</b>	<b>21,30,951</b>
Establishment Expenses		
Rent	3,90,000	3,90,000
Printing & Stationery	1,59,463	2,45,309
Repairs and Maintenance Others	2,38,117	5,42,382
Communication Expenses	3,29,575	3,38,738
Professional Charges	1,57,590	1,13,013
Postage & Courier Expenses	31,984	NIL
Loss on Sale of Assets	NIL	1,56,533
Fines & Penalties	NIL	61,239
Payment to statutory auditors:		
- As Auditors	56,180	55,150
- Taxation Matters	28,090	27,575
- Company law matters	NIL	NIL
- Management services	NIL	NIL
- Other services	NIL	NIL
- Reimbursement of expenses	NIL	NIL
Travelling and Conveyance	1,34,392	2,87,902
Office Expenses	3,63,957	6,72,603
<b>sub-total (C)</b>	<b>18,89,348</b>	<b>28,90,444</b>
<b>Total (A+B+C)</b>	<b>65,62,924</b>	<b>87,20,710</b>

## Sch 25. Additional Information disclosed as per Part II of The Companies Act, 1956

(i) Adjustment to the carrying amount of investments	NIL	NIL
(ii) Net gain/loss on foreign currency transaction and translation (other than considered as finance cost)	NIL	NIL
(iii) Value of imports calculated on CIF basis by the company during the financial year in respect of:	NIL	NIL
(iv) Expenditure in foreign currency during the financial year	NIL	NIL
(v) The amount remitted during the year in foreign currencies on account of dividends	NIL	NIL
(vi) Earnings in foreign exchange	NIL	NIL

**26. OTHER NOTES:**

- a. Certain balances under Sundry Debtors, Sundry Creditors, Loans and Advances and Deposits are subject to confirmation and consequential adjustments that may arise on reconciliation.
- b. The enterprise does not have subsisting arrangement of employee benefit plans and considering the number of employees being only very minimal, actual liability is calculated as at 31st March 2012 as per the Payment of Gratuity Act, 1972 is being provided.
- c. **SEGMENT REPORTING:**  
The company is operating in single segment namely dealing in Laboratory chemicals.
- d. In the absence of information from the suppliers with regards to their registration with the specified authorities, the Company is unable to furnish the information, as required under The Companies Act, 1956 and the Micro, Small and Medium Enterprises Development Act, 2006.
- e. **Related Party Disclosures - Key Management Personnel:**

S.NO	Name	Relationship	Remuneration	Sitting Fees
1.	G.M. Sanakaranarayanan	Director	3,90,000	NIL
2.	K. Vasudevan	Director	3,90,000	NIL
			<u>7,80,000</u>	<u>NIL</u>
f.	Deferred Tax Asset/(Liability)			
	(a) With respect to Fixed Asset		28,33,988	30,11,007
	(b) With respect to Employee Benefits		- 2,59,194	- 2,28,294
	Deferred tax Liability (Net)		<u>25,74,794</u>	<u>27,82,713</u>

- g. Previous Years figures have been regrouped wherever necessary.

## Statement of Cash Flows for the year ended March 31, 2012

	Year Ended	
	March 31, 2012	March 31, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	(Amount in Rupees)	
Net Profit Before Tax and Extraordinary Items	(58,05,223)	( 31,78,606)
Adjustments For-		
Depreciation	31,83,049	30,61,818
Interest Expenses	1,01,006	1,99,264
<b>Operating Profit before Changes in Working Capital</b>	<b>(25,21,168)</b>	<b>82,476</b>
(Increase)/ Decrease in Working Capital		
Inventories - (increase)	12,32,129	2,56,000
Sundry Debtors - (Increase)	28,40,634	(4,73,664)
Loans and Advances - (Increase)	(5,87,435)	(63,000)
Other current assets - (Increase)	10,000	67,127
Current Liabilities - increase	2,21,59,988	1,04,102
<b>Net Cash Flow from Operating Activities</b>	<b>2,31,34,149</b>	<b>(26,959)</b>
<b>C. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,97,47,138)	(11,96,041)
<b>Net Cash Flow from Investing Activities</b>	<b>(1,97,47,138)</b>	<b>(11,96,041)</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from Short-Term Borrowings	8,76,161	
Receipts from Long -Term Borrowings	(35,05,024)	10,17,002
Interest paid on Long-Term Borrowings	(1,01,006)	(1,99,264)
Increase/(Reduction) of Long term provision	1,00,000	
<b>Net Cash Flow from Financing Activities</b>	<b>(26,29,869)</b>	<b>8,17,738</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>7,57,141</b>	<b>(4,05,262)</b>
Cash and Cash Equivalents at the Beginning of the year	1,46,285	5,51,547
Cash and Cash Equivalents at the end of the year	9,03,427	1,46,285

For and on behalf of the Board  
for Fischer Chemic Limited

As per our report of even date  
for **VIVEKANANDAN ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 05268S

**G.M.S. NARAYANAN**  
Whole Time Director

**K.VASUDEVAN**  
Whole Time Director

**N.SUBRAMANIAN**  
(Partner)  
Membership Number:021628

Place : Chennai  
Date : 18th May 2012

**FISCHER CHEMIC LIMITED**

(Formerly Fischer Inorganics &amp; Aromatics Ltd.)

Regd. Office : Plot No. 111, SIDCO Industrial Estate, Kakallur, Thiruvallur 602 003, Tamil Nadu.

**PROXY FORM**

I/We ..... of .....  
being a Member / Members of Fischer Chemic Limited, hereby appoint  
..... of ..... or failing him/  
..... of ..... as my/our proxy to attend and vote  
for me/us on my/our behalf on the 19th ANNUAL GENERAL MEETING of the Company to be held at  
Sri Arjuna Mini Hall, #5, Panagal Street, Tiruvellore 602 001 on Friday  
29th June, 2012 at 10.30 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2012

## Note :

1. In the case of a Corporation the proxy shall be given under the common seal or signed on its behalf by an attorney or official of the Corporation.
2. Proxies to be valid must be deposited at the Registered Office of the Company at Plot No. 111, SIDCO Industrial Estate, Kakallur, Thiruvallur Taluk, Thiruvallur 602 003, Tamil Nadu not later than 48 hours before the commencement of the meeting.

**FISCHER CHEMIC LIMITED**

(Formerly Fischer Inorganics &amp; Aromatics Ltd.)

Regd. Office : Plot No. 111, SIDCO Industrial Estate, Kakallur, Thiruvallur 602 003, Tamil Nadu.

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the hall. Only members or their  
proxies are entitled to be present at the meeting.

No. ....

Folio No. ....

Name and Address of Member

Shares held .....

I hereby record my presence at the 19th Annual General Meeting held at Sri Arjuna Mini Hall,  
#5, Panagal Street, Tiruvellore 602 001 on Friday, the 29th June 2012 at 10.30 a.m.

Name of the Proxy ( in Bold Letter)

\*Strike out whichever is not applicable)

Signature of the Member/Proxy\*  
(To be signed at the time of handing over this slip)

**NO GIFTS OR COMPLIMENTS WILL BE DISTRIBUTED AT THE MEETING HALL.**