

**BOARD OF DIRECTORS:**

Mr.G.M.S. Narayanan	-	Whole Time Director
Mr.K. Vasudevan	-	Whole Time Director
Mr.V. Ganesh	-	Director
Mr.V. Balakrishna	-	Director (Upto : 30-08-2010)
Mr.R. Venkatachalam	-	Director (Upto : 30-08-2010)

**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.  
Bank of Baroda, ECST, Chennai – 600 001.

**AUDITORS:**

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

**SHARE TRANSFER AGENTS:**

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

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**NOTICE**

Notice is hereby given that the 17th Annual General Meeting of the company will be held on Thursday the 30th September 2010 at 10.30 a.m at Sri Arjuna Mini Hall, #5, Panagal Street, Tiruvellore 602 001, Tamil Nadu to transact the following business.

**Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet at 31st March 2010 and the Profit and Loss Account made upto that date together with the report of the Directors and Auditor thereon.
2. To appoint a Director in the place of Mr.K.Vasudevan, who retires by rotation and

being eligible offers himself for re appointment.

3. To appoint a Director in the place of Mr. V.Ganesh who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and to fix their remuneration.

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

Place : CHENNAI                      **G.M.S. NARAYANAN**  
Date : 30th August, 2010      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. The Instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. Members are requested to bring their copies of the annual report to the meeting.
4. Members are requested to notify immediately any change in their address to the Company's registered office or to the Registrar and transfer agent.
5. The Register of Members and share transfer books of the company will remain closed from Friday 24<sup>th</sup> September 2010 to Thursday, 30<sup>th</sup> September 2010. (Both days inclusive).

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

**Item nos. 2**

Mr.K.Vasudevan, aged 54 years is a post graduate in Chemistry from Anna University, Chennai. He is a Promoter Director of the Company. He has worked in M/s. Glaxo Laboratories India Ltd. He has rich and varied experience in the manufacture and marketing of laboratory chemicals. He does not hold any other directorships.

**Item nos. 3**

Mr.V.Ganesh aged about 42 years is a post Graduate in Commerce from University of Madras. He has good exposure to marketing of Laboratory consumables in India and Abroad. He does not hold any other directorships. He does not hold any shares in the Company.

**DIRECTORS REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting to you the 17<sup>th</sup> Annual Report together with the AUDITED ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010.

**a. FINANCIAL PERFORMANCE:**

Particulars	Year Ended	
	31 <sup>st</sup> March 2010 (Rs.in Lakhs)	31 <sup>st</sup> March 2009 (Rs.in Lakhs)
Profit (loss) before interest & Depreciation	(55.06)	95.40
Interest	2.60	2.93
Depreciation	30.48	31.55
Loss brought forward from Previous year	(317.75)	(376.05)
Balance Loss: Carried forward	(407.81)	(317.75)

**b. DIVIDEND**

In view of the accumulated loss, the Board of Directors have decided not to recommend any dividend for the year 2009 - 2010.

**c. PERFORMANCE DURING THE YEAR 2009-2010**

During the financial year your company has posted a sales performance of Rs.141.65 against the Turnover of Rs.260.58 in the previous year. Due to continued recession and poor off take by the customer and unhealthy competition the company could not increase the sales considerably. The company has also to manage the whole operation with Nil working capital resulting in loss of business opportunity.

**D. REMEDIAL MEASURES**

The Company has resorted to change in product mix, customer profile, severe cost reduction in all areas of operation and this will certainly bring the desired result in the coming years.

Your company has successfully completed the recertification of ISO 9001-2008 during the year and the certification is valid upto 2012. This will certainly improve the recognition for the companies product and increase the sales turnover during the current year.

**e. FUTURE PROSPECTS**

Your Company's Products are accepted by leading organization. With a change in the product mix and customer profile your company is sure to increase the Turnover and profitability during the current year.

**f. DIRECTORS**

Mr.V.Balakrishna and Mr.R.Venkatachalam have resigned from the Board due to personal reasons with effect from 30.08.10. The Board expresses its appreciation for the valuable contribution made by Mr.V.Balakrishna and Mr.R.Venkatachalam.

Mr. K. Vasudevan and Mr. V. Ganesh are retiring at this meeting by rotation and being eligible, offer themselves for reappointment and the Board of Directors recommend their reappointment.

**g. PARTICULARS OF EMPLOYEES**

During the year under review there were no employee in respect of whom information as per Section 217 (2A) of the Companies Act 1956 is required to be given in the Directors report.

**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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- 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 and Analysis Report and Corporate Governance Report along with Auditors' Certificate regarding Compliance of the conditions of Corporate Governance are given as part of this Annual Report (Annexure 'A', 'B').

**k. AUDITORS**

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

**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	2009-10	2008-09
Unit Consumed	62900	138278
Amount (Rs.in Lakhs)	2.91	6.21
Rate per Unit	4.64	4.49

**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. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company has earned an amount of US \$ 15537 and the company has not incurred any foreign exchange expenses.

**q. DIRECTORS REPLY TO THE QUALIFICATIONS SPECIFIED IN AUDIT REPORT**

**4.4 and 4.6.2 of the Auditors Report read with Notes to Accounts Schedule 20, Note 14**

The Company is following the policy of providing Gratuity and Leave encashment as and when they become eligible and as per the rules of the employment terms and as per the management estimates. The same is provided during the current year also. However, the difference between the amount provided and provision will not be material. Any difference will be duly provided.

**4.6.1 of Auditor's Report**

The Company has initiated reconciliation of accounts of sundry debtors and sundry creditors, unsecured loan, Loan and Advances, Deposits and Current Assets, the

Reconciliation is completed for major parties and for minor parties it is under process.

#### 4.6.2. of Auditor's Report

The company is in the process of arranging actuarial valuation for identifying the liability of gratuity. Any difference estimates will be duly provided.

#### 4.7.1 of Auditors Report

The Company has already notified to micro small medium enterprise vendors and based on their feed back the same will be classified in the current year.

#### ix of Annexure to Auditors Report

The Company has cleared the Provident Fund dues upto 31.03.10. The Company has also cleared ESI arrears for the earlier year substantially and the balance will be cleared during the current year. The Company is regular in paying the monthly dues. The Company will be clearing the Sales Tax dues, Wealth Tax dues, and FBT dues during the current year.

(i) of Annexure to Auditors Report,

The Company is in the process of updating its Fixed Assets Register.

#### x of Annexure to Auditors Report.

Being an SSI industry the company is not coming under the purview of BIFR. The company has incurred cash loss during the financial year and not incurred such cash loss during the immediate financial year. The management is taking necessary efforts by way of restructuring, pumping in of additional funds, change in product mix, customer profile to tide over the situation. The management is confident of achieving the desired result.

#### 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 : 30th August 2010

Whole time Director

Whole time Director

**ANNEXURE A TO DIRECTORS REPORT****MANAGEMENT DISCUSSION ANALYSIS REPORT:****i) Industry Structure and Developments :**

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

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

**Production :** Production of various grades of laboratory chemicals is done through GMP using custom made machineries like glass lined/rubber 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 Companies Products are also being exported to Prestigious Countries like US, Sri Lanka, Middle East etc., In view of the varied Customer Profile / Product Profile the company is sure to come out from the recession being experienced by the user industries.

**iii) Segment - wise or Product – wise performance**

The company has a well diversified and balanced sales performance in the various divisions: Laboratory chemicals 76% Specialty 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 Recession still continues and the company sale is severely affected in the first quarters of the current year. (i.e 2010-2011). The Company is confident that significant improvement is in the offing from end of October 10.

**v) Risks and concerns:**

The Cost of Raw Materials, Packing Materials, Consumables, used by the company are increasing continuously, due to steep increase in Raw Material price, cost of various inorganic metal, Consumables. Due to severe competition the company is unable to pass on the increased cost to the customers, resulting in reduced profitability.

However the company is managing by means of tight control on cost and inventories, cashflow etc.

**vi) Internal Control systems and their adequacy**

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

**vii) Discussion on financial performance with respect to operational performance :**

The company has clocked a turnover of Rs.141.64 lakhs during the year and made a loss of Rs.(55.06) lakhs before interest and Depreciation. This is due to very poor utilization of various facilities due to poor off take and need of working capital for the operation.

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

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

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

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

**2. Board of Directors:**

The Board of Directors of Fischer Chemic Limited has the right mix of executive and non executive directors i.e. Two Executive and Three Non Executive independent Directors (upto 30.08.2010)

During the year, Two Non Independent Executive Directors Mr. R. Venkatachalam and Mr. V. Balakrishna have resigned from the Board with effect from 30.08.2010 and the company is in the process of appointing independent Directors to replace them.

During the financial year 2009-2010, Six (6) meetings were held viz., from 1st April 2009 to 31st March 2010 on the following dates: 18.06.2009, 06.7.2009, 29.08.2009, 30.08.2009, 16.12.2009 and 05.03.2010. The Annual General Meeting was held on 29th September 2009. 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 2009-2010 and the last AGM held on 29.09.2009 is given below.

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

Name of the Director	Category	Attendance Particulars		Number of other Directorships and Members/Chairmanships	
		Board Meeting	Last AGM (Yes/No)	Other Directorships	Committee (Other than Fischer)
Shri.G.M.S.Naryanan	Whole-Time Director – Executive	6	Yes	-	-
Shri.K.Vasudevan	Whole-Time Director – Executive	6	Yes	-	-
Shri. V.Ganesh	Non-Executive Independent	6	Yes	-	-
Shri. R.Venkatachalam (upto 30-08-2010)	Non-Executive Independent	Nil	No	-	-
Shri. V. Balakrishna (upto 30-08-2010)	Non-Executive Independent	Nil	No	-	-

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

The role and terms of reference of the Audit Committee cover the area mentioned under Clause 49 of the Listing agreement besides other terms as may be referred from time to time by the Board of Directors of the Company. The broad terms of reference of the audit committee were to review the following issues:

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

**Composition:-**

The Board committee will be reconstituted on appointment of independent directors during the year.

**B. Remuneration Committee:**

The Remuneration Committee will be reconstituted on appointment of independent directors during the year and there was no increase in the remuneration to the executive directors during the year.

**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 2009-2010 are as under:

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)	No. of shares held
Shri.G.M.S.Naryanan	390000	-	243276
Shri.K.Vasudevan.	390000	-	263676
Shri. V.Ganesh	-	Nil	Nil
Shri. R. Venkatachalam	-	Nil	45800
Shri. V. Balakrishna	30000	Nil	7700

#### 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 12 times during the year 2009-2010. Mr .K. Vasudevan, Director is the Compliance officer.

During the Financial Year 2009-2010, No investor complaints were received from the shareholders. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2010.

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
2006-2007	27 <sup>th</sup> December 2007 at 10.30 a.m.	Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -6020012006
2007-2008	30 <sup>th</sup> December 2008 at 10.30 a.m.	Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001
2008-2009	29 <sup>th</sup> September 2009 at 10.30 a.m.	Sri Arjuna Mini Hall, #5, Panagal Street, Thiruvallur -602001

- i) **Special Resolution Passed in the Past three AGM's:-**  
No special resolutions were passed during the last three annual general meetings.

#### II) Postal Ballots:

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

#### 5. Disclosures:

- a. Related Party Transactions: The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions are given in the Notes to the Accounts.
- b. The Company has received a letter from BSE revoking the Suspension in the trading of Securities of the Company subject to payment of reinstatement penalty and other formalities. The letter is received dated 19.03.10. The company has completed all the formalities and paid the reinstatement penalty, listing fees in full. As per the latest communication the trading of the company will resume from third week of September 2010.
- c. Disclosure on accounting treatment: No differential treatment from the Accounting standard was followed in the preparation of the financial statements.
- d. The company does not have a Whistle Blower Policy and no employee has been denied access to approach the audit committee to report any serious concerns.
- e. No money has been raised through Public / right / Preferential issue during the year.

#### 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:

- (i) Date of Annual General Meeting : 30<sup>th</sup> September 2010  
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, 2010	Last week of July 2010
Results for the quarter ending September 30, 2010	Last week of October 2010
Results for the quarter ending December 30, 2010	Last week of January 2011
Results for the quarter ending March 31, 2010	Last week of April 2011



Annual General Meeting	By 3 <sup>rd</sup> /4 <sup>th</sup> week of September 2011
(iii) Book-Closure Dates	: 24 <sup>th</sup> September 2010 to 30 <sup>th</sup> September 2010 (Both days inclusive)
(iv) Dividend Payment Date	: No Dividend recommended for the year 2009-10
(v) Listing on the Stock Exchanges	: The Equity shares of the Company are listed in the Bombay, Madras and Coimbatore stock exchanges.
(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 2009 to 31st March 2010:

The trading of the equity shares of the company have been suspended from the Bombay Stock Exchange since September 20, 2006. The Company has received a letter from BSE revoking the Suspension in the trading of Securities of the Company subject to payment of reinstatement penalty and other formalities. The letter is received dated 19.03.10. The company has completed all the formalities and paid the reinstatement penalty, listing fees in full. As per the latest communication the trading of the company will resume from third week of September 2010.

(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 31.3.2010:

Range	No. of share- holders	% to total	Share/ Debenture Amount (Rs.)	% to total
Up to 5000	8698	93.126	11978480	34.821
5001-10000	341	3.650	2700000	7.848
10001-20000	170	1.820	2647000	7.694
20001-30000	59	0.631	1505000	4.375
30001-40000	17	0.182	604000	1.755
40001-50000	22	0.235	1050000	3.052
50001-100000	15	0.160	1027000	2.985
100001 & above	18	0.193	12888520	37.467
Total	9340	100.000	34400000	100.000

(xi) Shareholding Pattern as on 31.3.2010:

Category	No. of Shares Held	Percentage of Share holding
<b>A. PROMOTER HOLDING</b>		
1. Promoters		
Indian Promoters	506952	14.73%
Foreign Promoters	NIL	
2. Persons acting in concert	NIL	
Sub-Total	506952	14.73%
<b>B. Non-Promoters Holding</b>		
Institutional Investors	NIL	NIL
a. Mutual Funds and UTI	3300	0.10%
b. Banks, financial Institutions, Insurance Companies (central/state Govt.Institutions /Non-government Institutions)	NIL	NIL
c. FIIs	NIL	NIL
Sub-Total	3300	0.10%
4. a. Private Corporate Bodies	76100	2.21%
b. Indian Public	2749748	79.94%
c. Clearing Member	45200	1.31%
d. HUF	5200	0.15%
Sub-Total	2876248	83.61%
Grand Total	3440000	100.00%

(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. 8.36% of the Company's paid up Equity share capital have been dematerialized upto March 31, 2010.

(xiii) **Registered Office and Works:**  
Plot No. 111, SIDCO Industrial Estate,  
Kakallur, Thiruvallur District,  
Tamil Nadu - 602 003

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

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

**9. Non-Mandatory Requirements:**

- 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.
- 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 of 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 : 30th August 2010

**G.M.S.Narayanan**  
*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, 2010, 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.

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

Place : CHENNAI  
Date : 30th August 2010

For MANIAN & NARAYANAN  
Chartered Accountants  
Firm Regn No: 001982S  
C. Subramanian  
Partner  
M No: 27959

**AUDITOR'S REPORT**

To,  
The Members,

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

1. We have audited the attached Balance Sheet of Fischer Chemic Limited, as at 31<sup>st</sup> March 2010, the Profit and Loss Account 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 conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together "the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that: -
  - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of audit.
  - 4.2 In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
  - 4.3 The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - 4.4 In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, *except as stated in*

*Note 14 of Schedule No.20 - Notes on Accounts, Referred to in Section 211 (3C) of the Companies Act, 1956.*

- 4.5 On the basis of the written representations received from the Directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 4.6 Attention is invited to the following matters:
  - 4.6.1 *Confirmation of balance as on 31<sup>st</sup> March 2010 is pending from Sundry Debtors, Sundry Creditors, Unsecured Loans, Loans & Advances, Deposits and Other Current Assets as mentioned in Note No.17 (a) of Schedule No. 20 - Notes on Accounts wherein the effect on the profit is not quantifiable.*
  - 4.6.2 *The Company has provided for the liability on Gratuity and compensated absences on the basis of the estimates made by the Management without obtaining the Actuarial valuation as mentioned in Note No.14 of Schedule No. 20 - Notes on Accounts, wherein the effect on the Profit is not quantifiable.*
- 4.7 Attention is invited to the following matters:
  - 4.7.1 *The Company has not received information from vendors regarding their status under Micro, small and Medium Enterprises Development Act, 2006 as mentioned in Note No.13 of Schedule No.20 - Notes on Accounts.*
- 4.8 In our opinion and to the best our information and according to the explanations given to us read together with the accounting policies and notes thereon, the said accounts **subject to paragraph 4.6 above**, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i. in the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2010;
  - ii. in the case of the Profit & Loss Account of the **LOSS** of the company for the year ended on that date; and
  - iii. in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place : CHENNAI  
Date : 30th August 2010

For MANIAN & NARAYANAN  
Chartered Accountants  
Firm Regn No: 001982S  
C. Subramanian  
Partner  
M No: 27959

**Annexure to Auditors' Report**

**(Referred to in paragraph 3 of our report of even date to the Members of FISCHER CHEMIC LIMITED on the Financial Statements for the year ended 31<sup>st</sup> March, 2010)**

- (i) (a) *The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.* The Fixed Assets Register *needs to be updated* to provide full particulars including quantitative details and situation of fixed assets.
- (b) *The fixed assets have not been verified by the management at reasonable intervals and hence reporting on any material discrepancies on such verification does not arise.*
- (c) The Company has not disposed off substantial part of fixed assets during the year,
- (ii) (a) As explained to us, inventories were physically verified during the year by the management.
- (b) In our opinion, the procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and material discrepancies noticed during such physical verification have been properly dealt with in the books of accounts.
- (iii) (a) The Company had not granted unsecured loans to a Company covered in the register maintained under Section 301 of the Companies Act, 1956 and hence reporting under the provisions of clause 4(1)(iii)(a) to (d) does not arise.
- (b) The Company had taken unsecured interest free loans from the Two of its Directors covered in the register maintained under Section 301 of the Companies Act, 1956 and the maximum amount involved during the year was Rs. 42.82 lakhs and the year-end balance was Rs. 32.47 lakhs.
- (c) In our opinion and according to the information and explanations given to us, the loans are interest free and other terms and conditions on which the loans have been taken from Parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of loans taken by the Company, they are interest free and no time limit for repayment is stipulated and hence reporting under the provisions of clause 4(1)(iii)(g) does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets, inventory and with regard to the sale of goods. During the course of our audit, we have not observed continuing failure to correct major weaknesses in internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions / particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) 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 under the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and hence the provisions clause 4(1)(vi) of the Order are not applicable to the company.
- (vii) In our opinion, the internal audit system of the company *needs to be strengthened* to commensurate with the size and nature of its business.
- (viii) As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 hence the provisions clause 4(1)(viii) of the Order are not applicable to the company.
- (ix) (a) According to the records of the Company, *the company is not regular in depositing the undisputed statutory dues* relating to the contributions under Income Tax, Provident Fund Act, Employees' 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, Excise Duty, Customs Duty and other applicable dues with appropriate authorities.

According to the information and explanations given to us, the undisputed amounts payable in respect of contributions under the Provident Fund Act, Employees' State Insurance Act, Wealth tax under Wealth tax act and Fringe Benefit Tax under the Income Tax Act which were in arrears as at 31<sup>st</sup> March 2010 for a period of more than six 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
Provident Fund Act	Provident Fund Contribution	146,833	2008-09, 2009-10
Employees State Insurance Act	ESI Contribution	468,927	2006-07, 2007-08, 2008-09
Income Tax Act, 1961	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

- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, excise duty and cess, which have not been deposited on account of disputes.
- (x) In our opinion, the accumulated losses of the company are *not less than fifty percent* of its net worth without considering the non-quantifiable qualifications referred to in clause 4.6.1 and 4.6.2 of our audit report. The company *has incurred cash losses* during the financial year covered by our audit and not incurred such cash losses during the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of its dues to any Bank / Financial Institutions at the Balance sheet date.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the provisions clause 4(1)(xii) of the Order are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society and hence, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments, and hence, the provisions of clause 4(xiv) of the Order are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions and hence the provisions of clause 4(xv) of the Order is not applicable to the company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year and hence the provision of clause 4(xvi) of the order is not applicable to the company.
- (xvii) According to the information and explanation given to us and on the basis of an overall examination of the Balance Sheet of the Company, there are no funds raised on short-term basis which have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, and hence provisions of clause 4(xviii) of the order is not applicable to the company.
- (xix) According to the information and explanations given to us, the company has neither any outstanding debentures at the beginning of the year nor it has issued any debentures during the year and hence the provisions of clause 4 (xix) of the order are not applicable to the company.
- (xx) According to the information and explanations given to us, the company has not raised money by public issues during the year and hence the provisions of clause 4 (xx) of the order are not applicable to the company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : CHENNAI  
Date : 30th August 2010

For MANIAN & NARAYANAN  
Chartered Accountants  
Firm Regn No: 001982S  
C. Subramanian  
Partner  
M No: 27959

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	SCH. NO	As at March 31, 2010 Amount in Rupees	As at March 31, 2009 Amount in Rupees
<b>I. SOURCE OF FUND</b>			
<b>1. Shareholders' Funds</b>			
a. Share Capital	1	34,400,000	34,400,000
b. Reserves & Surplus	2	<u>1,500,000</u>	<u>1,500,000</u>
		35,900,000	35,900,000
<b>2. Loan Funds</b>			
a. Secured Loans	3	302,593	1,794,790
b. Unsecured Loans	4	<u>22,420,002</u>	<u>22,825,543</u>
		22,722,595	24,620,333
<b>3. Deferred Tax Liabilities</b>			
		<u>2,843,812</u>	<u>2,790,274</u>
	<b>TOTAL</b>	<b><u>61,466,407</u></b>	<b><u>63,310,607</u></b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
	5		
a. Gross Block		56,016,100	55,883,123
b. Less: Accumulated Depreciation and Amortisations		<u>27,211,133</u>	<u>24,162,746</u>
c. Net Block		28,804,967	31,720,377
<b>2. Current Assets, Loans &amp; Advances</b>			
a. Inventories	6	9,576,129	12,327,137
b. Sundry Debtors	7	6,785,154	11,039,153
c. Cash and Bank Balances	8	551,547	2,551,817
d. Other Current Assets	9	608,217	805,081
e. Loans & Advances	10	<u>468,817</u>	<u>103,317</u>
		<u>17,989,864</u>	<u>26,826,505</u>
<b>3. Current Liabilities</b>			
a. Current Liabilities	11	25,289,030	26,228,873
b. Provisions	12	<u>669,937</u>	<u>632,222</u>
		<u>25,958,967</u>	<u>26,861,095</u>
<b>Net Current Assets (2 - 3)</b>		(7,969,103)	(34,590)
<b>III. Profit &amp; Loss Account (Debit Balance)</b>			
	13	<u>40,630,543</u>	<u>31,624,820</u>
	<b>TOTAL</b>	<b><u>61,466,407</u></b>	<b><u>63,310,607</u></b>

SIGNIFICANT ACCOUNTING POLICIES & 20  
NOTES TO ACCOUNTS

The schedules referred to above form an Integral part of the Balance Sheet

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

As per our report of even date  
for **Manian & Narayanan**  
Chartered Accountants

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

**K.VASUDEVAN**  
Whole Time Director

**C. Subramanian**  
(Partner)  
Membership No. 27959

Place : Chennai  
Date : 30th August, 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	SCH	For the year ended	
		March 31, 2010	March 31, 2009
		(Amount in Rs.)	
<b>INCOME</b>			
Income from Operation	14	14,164,748	26,058,438
Other Income	15	898,825	9,198,952
		<u>15,063,573</u>	<u>35,257,390</u>
<b>EXPENDITURE</b>			
Cost of Goods Sold	16	13,114,335	13,932,220
Employee Remuneration & Benefits	17	2,910,028	3,397,623
Other Operating Expenses	18	4,545,566	7,881,850
Interest & Finance Charges	19	259,727	292,649
Depreciation		3,048,387	3,154,981
		<u>23,878,043</u>	<u>28,659,323</u>
<b>Net Profit before Taxation and Prior Period Items</b>		<b>(8,814,470)</b>	<b>6,598,067</b>
Less: Prior period Item		-	506,053
<b>Net Profit before Taxation</b>		<b>(8,814,470)</b>	<b>6,092,014</b>
Provision for Taxation			
- Fringe Benefit Tax		-	258,083
- Fringe Benefit Tax earlier years		113,430	-
- Wealth Tax		24,285	58,091
- Deferred Tax (Asset) / Liability		53,538	(53,944)
<b>Net Profit After Tax</b>		<b>(9,005,723)</b>	<b>5,829,784</b>
Balance Brought Forward		(31,775,492)	(37,605,276)
Balance Carried to Balance Sheet		<b>(40,781,215)</b>	<b>(31,775,492)</b>
Weighted Average Number of Equity Shares ( Face Value per share Rs. 10/-)		3,440,000	3,440,000
Earnings per share (Basic / Diluted) - Face Value Rs. 10/-		(2.62)	1.69

SIGNIFICANT ACCOUNTING POLICIES & 20

NOTES TO ACCOUNTS

The schedules referred to above from an Integral part of the Profit & Loss Account

For and on behalf of the Board

As per our report of even date

for **Fischer Chemic Limited**

for **Manian & Narayanan**  
Chartered Accountants

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

**K.VASUDEVAN**  
Whole Time Director

**C. Subramanian**  
(Partner)  
Membership No. 27959

Place : Chennai

Date : 30th August, 2010

## Schedules Forming part of Balance Sheet

	As at March 31, 2010	As at March 31, 2009
	Amount in Rs.	
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
4,000,000 Equity shares of Rs. 10/- each (Previous Year 4,000,000 Equity Shares of Rs. 10/- each)	40,000,000	40,000,000
	<u><b>40,000,000</b></u>	<u><b>40,000,000</b></u>
<b>Issued, Subscribed and Paid up Capital</b>		
3,440,000 Equity Shares of Rs.10/- each (Previous Year 3,440,000 Equity Shares of Rs. 10/- each) (Of the above 582,000 (Previous Year 582,000) Equity Shares were allotted as fully paid-up pursuant to a contract without payment being received in cash)	34,400,000	34,400,000
	<u><b>34,400,000</b></u>	<u><b>34,400,000</b></u>
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS :</b>		
Investment Subsidy	1,500,000	1,500,000
	<u><b>1,500,000</b></u>	<u><b>1,500,000</b></u>
<b>SCHEDULE - 3 : SECURED LOANS :</b>		
Loans under Hire Purchase Agreements - <i>Refer Note No.1 of Schedule 20</i>	302,593	533,463
Term Loan Against Fixed Deposit	-	1,261,327
	<u><b>302,593</b></u>	<u><b>1,794,790</b></u>
<b>SCHEDULE - 4 : UNSECURED LOANS :</b>		
From Directors	3,247,145	3,652,686
Inter Corporate Deposits	10,000,000	10,000,000
From Others	9,172,857	9,172,857
	<u><b>22,420,002</b></u>	<u><b>22,825,543</b></u>
<b>SCHEDULE - 6 : INVENTORIES :</b>		
Raw materials	752,753	845,201
Finished goods	8,522,000	11,072,508
Stores & Spares	301,376	409,428
	<u><b>9,576,129</b></u>	<u><b>12,327,137</b></u>
<b>SCHEDULE - 7 : SUNDRY DEBTORS:</b>		
[Debtors, considered good for which the Company holds no securities other than debtors' personal securities]		
Debtors outstanding for more than 6 months	4,336,600	8,781,240
Other Debtors	2,448,554	2,257,913
	<u><b>6,785,154</b></u>	<u><b>11,039,153</b></u>
<b>SCHEDULE - 8 : CASH &amp; BANK BALANCES :</b>		
Cash in Hand	94,404	66,794
Balance with Scheduled Banks		
- In Deposit Account	278,490	2,268,889
- In Current Account	178,653	216,134
	<u><b>551,547</b></u>	<u><b>2,551,817</b></u>



## Schedules Forming part of Balance Sheet

	As at March 31, 2010	As at March 31, 2009
	Amount in Rs.	
<b>SCHEDULE - 9 : OTHER CURRENT ASSETS :</b>		
Deposits	478,386	671,766
Prepaid Expenses	129,831	133,315
	<u>608,217</u>	<u>805,081</u>
<b>SCHEDULE - 10 : LOANS &amp; ADVANCES</b>		
(Advances recoverable in Cash or in kind or for value to be received, Unsecured and considered good )		
Staff & Other Advances	466,018	100,518
Balances with Customs & Excise Authorities	2,799	2,799
	<u>468,817</u>	<u>103,317</u>
<b>SCHEDULE - 11 : CURRENT LIABILITIES :</b>		
Sundry Creditors		
(i) Total outstanding dues to SSI undertakings	-	-
(ii) Total outstanding dues to creditors other than SSI undertakings		
– For Goods	1,384,720	9,364,650
– For Expenses	8,183,626	1,242,442
Credit Balance in Bank Account	158,711	6,112
Liabilities for employee benefits	1,688,787	1,029,686
Other Liabilities	13,873,186	14,585,983
	<u>25,289,030</u>	<u>26,228,873</u>
<b>SCHEDULE 12 : PROVISIONS</b>		
Provision for Fringe Benefit Tax (net of advance taxes)	569,771	556,341
Provision for Wealth Tax	100,166	75,881
	<u>669,937</u>	<u>632,222</u>
<b>SCHEDULE 13 : PROFIT &amp; LOSS ACCOUNT</b>		
<b>(a) Balance in Profit and Loss Account (A)</b>	40,781,215	31,775,492
Less:		
<b>(b) General Reserves</b>		
Opening Balance	150,672	42,000
Add: Transfer from Investment Allowance Reserve	-	108,672
Closing Balance (B)	150,672	150,672
<b>(c) Investment Allowance Reserve</b>		
Opening Balance	-	108,672
Less: Transfer to General Reserve	-	108,672
Closing Balance (C)	-	-
<b>TOTAL ( A-B-C)</b>	<u>40,630,543</u>	<u>31,624,820</u>

## Schedules Forming part of Balance Sheet as at March 31, 2010

## SCHEDULE 5 : FIXED ASSETS

PARTICULARS OF ASSET	ORIGINAL COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	As at 01-04-2009 Rs.	Addition Rs.	As at 31-03-2010 Rs.	As at 01-04-2009 Rs.	For the year Rs.	As at 31-03-2010 Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
Land	491,790	-	491,790	-	-	-	491,790	491,790
Factory Building	12,938,732	-	12,938,732	5,053,619	432,154	5,485,773	7,452,959	7,885,113
Material Handling & Auxiliary Equipments	8,863,748	-	8,863,748	5,929,417	483,683	6,413,100	2,450,648	2,934,331
Plant & Machinery	19,500,151	31,727	19,531,878	6,187,160	927,764	7,114,924	12,416,954	13,312,991
Computers	1,052,320	101,250	1,153,570	1,043,307	31,055	1,074,362	79,208	9,013
Furniture & Fittings	2,041,810	-	2,041,810	1,730,271	129,247	1,859,518	182,292	311,539
Vehicles	10,994,572	-	10,994,572	4,218,972	1,044,484	5,263,456	5,731,116	6,775,600
	<b>55,883,123</b>	<b>132,977</b>	<b>56,016,100</b>	<b>24,162,746</b>	<b>3,048,387</b>	<b>27,211,133</b>	<b>28,804,967</b>	<b>31,720,377</b>
Previous Year	46,373,214	9,509,909	55,883,123	21,007,765	3,154,981	24,162,746	31,720,377	25,365,446

### Schedules Forming part of Profit and Loss Account

For the Year ended      For the Year ended  
March 31, 2010          March 31, 2009  
Amount in Rs.

#### SCHEDULE - 14 INCOME FROM OPERATION

(i) Sales (net of returns)		
Domestic Sales	13,554,255	24,737,987
Export Sales	610,493	828,951
	<b>14,164,748</b>	<b>25,566,938</b>
(ii) Jobwork Charges	-	491,500
	<b>14,164,748</b>	<b>26,058,438</b>

#### SCHEDULE 15

##### OTHER INCOME

Interest Income (Gross)		
(TDS Amount Rs.30,385, Prev Year Rs. 39,777 )	184,682	438,366
Liabilities No Longer Required	689,802	8,553,978
Miscellaneous Income	24,341	206,608
	<b>898,825</b>	<b>9,198,952</b>

#### SCHEDULE 16

##### COST OF GOODS SOLD

##### Raw Material, Stores and Spares

Opening Stock	1,254,629	734,629
Add: Purchases	5,664,909	10,288,302
	<b>6,919,538</b>	<b>11,022,931</b>
Less: Closing Stock	1,054,129	1,254,629
Raw Material, Stores and Spares Consumed	<b>5,865,409</b>	<b>9,768,302</b>

##### Production Overhead

Salary & Wages	3,209,916	3,900,536
Power & Fuel	701,157	692,092
Excise Duty	-	18,494
Transportation & Carriage Inwards	173,814	1,072,796
Other Factory Expenses	613,531	-
	<b>4,698,418</b>	<b>5,683,918</b>

##### Finished Goods

Opening Stock	11,072,508	9,552,508
Less: Closing Stock	8,522,000	11,072,508
Increase/(Decrease) in stock of Finished Goods	<b>(2,550,508)</b>	<b>1,520,000</b>
<b>COST OF GOODS SOLD</b>	<b>13,114,335</b>	<b>13,932,220</b>

### Schedules Forming part of Profit and Loss Account

For the Year ended      For the Year ended  
March 31, 2010      March 31, 2009  
Amount in Rs.

#### SCHEDULE 17

##### EMPLOYEE REMUNERATION & BENEFITS

Salaries, Wages & Bonus	1,215,250	1,863,491
Directors' Remuneration	810,000	845,000
Staff Welfare Expenses	636,262	403,758
Employer's contribution to Welfare Funds	144,124	144,174
Other Employee Benefits	-	50,000
Gratuity	104,392	91,200
	<u>2,910,028</u>	<u>3,397,623</u>

#### SCHEDULE 18

##### OTHER OPERATING EXPENSES

Rent	345,000	358,700
Rates & Taxes	41,149	10,610
Printing and Stationery	207,789	352,367
Auditor's Remuneration	82,725	82,725
Repairs and Maintenance		
— Building	-	348,975
— Plant and Machinery	417,727	780,400
— Other Assets	541,189	652,611
Communication Charges	387,751	535,080
Discount & Commission	49,068	345,066
Foreign Exchange Loss	13,770	-
Freight and Transport Charges	391,062	773,256
Travelling and Conveyance	303,758	695,109
Selling & Distribution Expenses	347,537	604,771
Advertisement & Promotional Expenses	63,640	305,529
Professional Charges	277,524	271,016
Insurance Charges	240,830	324,389
Office Expenses	145,574	871,507
Bad Debts	689,473	569,739
	<u>4,545,566</u>	<u>7,881,850</u>

#### SCHEDULE 19

##### INTEREST & FINANCE CHARGES

Interest on Hire Purchase loans	116,203	146,211
Bank Charges	143,524	146,438
	<u>259,727</u>	<u>292,649</u>

**Schedule: 20. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:****I. SIGNIFICANT ACCOUNTING POLICIES.****A) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared under historical cost conventions on the accrual basis and in accordance with the 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. Difference 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 asset under the lease.

**D) DEPRECIATION AND AMORTISATION**

Depreciation on fixed assets is 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 of 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 a 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 transaction is recorded at the rate of exchange 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 & 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 its intended use. All other borrowing costs are charged to revenue.

**H) REVENUE RECOGNITION**

- i. The Company recognizes revenue on sale of goods when the 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:

Method of assignment of cost is as under:

Raw Material, Stores & Spares	: First In First Out Method
Work – in – progress	: Direct expenses plus appropriate Factory overheads on the basis of completed production.
Finished Goods	: Cost of goods, direct expenses plus appropriate Factory overheads.
Traded Goods	: Actual cost

**J) EMPLOYEE BENEFIT**

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

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-funded defined benefit retirement plan (the "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).

**K) LEASES****Finance Lease**

Leases, which effectively transfer to the company the entire risks and benefits 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 the 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 at the following rates

**Operating Lease**

Lease where the lessor effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

**I) INCOME TAXES**

Tax expenses comprises of Current, Deferred and Fringe Benefit Tax

- (i) Current income tax is determined as the amount of tax payable in respect of taxable income for the period computed in accordance with the Income Tax Act, 1961.
- (ii) Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the reporting period and is capable of reversal in one or more subsequent periods. Deferred tax are quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date.
- (iii) Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**M) EARNINGS PER SHARE**

In determining the Earnings Per share, the company considers the net profit after tax this includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earning per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

**N) IMPAIRMENT OF ASSETS**

At each Balance Sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where there is an indication of impairment, loss is recognized in the Profit and Loss account when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

Value in use is determined from the Present Value of the estimated future cash flows from continuing use of the assets. The impairment loss recognized in prior accounting period is reversed if there is a change in the estimate of recoverable amount.

**O) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSET**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.
- Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**II. NOTES TO ACCOUNTS****1. SECURED LOANS**

Secured loans includes Car loans from banks outstanding as on 31<sup>st</sup> March 2010 Rs.302,593/- (secured by the hypothecation of vehicles as per the Hire purchase agreement and the company holds the ownership on the car subject to the Hire Purchase Agreement).

**2. CONSUMPTION OF RAW MATERIALS AND COMPONENTS.**

Information pursuant to provisions of Para 3 & 4 of Part II of Schedule VI of Companies Act, 1956 is as under:

**a. Licensed Capacity and Installed Capacity<sup>1</sup> :**

S No.	Products	Unit	Year ending March 31, 2010	Year ending March 31, 2009
1.	Licensed Capacity		Not Applicable	Not Applicable
2	Installed Capacity			
	Acids	KL	300.00	300.00
	Salts	MT	900.00	900.00
	Solvents	KL	600.00	600.00

<sup>1</sup> As certified by management and relied upon by Auditors being a technical matter.

**b. Consumption, Production, Sales and Stock:****Raw Material:**

S No	Products	Unit	Year ending March 31, 2010		Year ending March 31, 2009	
			Quantity	Value (Rs.)	Quantity	Value (Rs.)
1.	Opening Stock					
	Acids	KL	4.40	845,201	3.80	485,201
	Salts	MT	9.25		7.50	
	Solvents	KL	3.85		3.20	
Consumption						
2.	Acids	KL	30.70	55,76,706	50.60	9,644,713
	Salts	MT	70.68		103.85	
	Solvents	KL	213.00		129.95	

3.	Closing stock					
	Acids	KL	3.70	752,753	4.40	845,201
	Salts	MT	7.80		9.25	
	Solvents	KL	5.04		3.85	

The Stores, Spares and other materials contain large number of items and none of the items individually account for 10% or more of the total value and hence the quantitative details are not furnished. The total stores and spares consumption amounted to Rs. 288,703/- (Previous Year Rs. 123,589).

ii) Stores and Spares:

Particulars	Year ending March 31, 2010		Year ending March 31, 2009	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Opening Stock	-	409,428	-	249,428
Consumption	-	288,703	-	123,589
Closing Stock	-	301,376	-	409,428

(iii) Finished Goods:

S No	Products	Unit	Year ending March 31, 2010 Quantity	Year ending March 31, 2009 Quantity
1.	Opening Stock			
	Acids	KL	9.25	4.80
	Salts	MT	31.25	26.60
	Solvents	KL	19.80	16.65
2.	Production			
	Acids	KL	9.71	21.70
	Salts	MT	80.65	104.90
	Solvents	KL	75.21	85.35
3.	Sales			
	Acids	KL	12.36	17.25
	Salts	MT	89.40	100.25
	Solvents	KL	80.76	82.20
4.	Closing stock			
	Acids	KL	6.60	9.25
	Salts	MT	22.50	31.25
	Solvents	KL	14.25	19.80

Ratio of Raw Material Consumed during the year.

Particulars	Year ending March 31, 2010 (%)	Year ending March 31, 2009 (%)
Imported Material	NIL	NIL
Indigenous Material	100%	100%

3. The Company has during the year written back the liabilities amounting to Rs.689,802, which in the opinion of the Management are not payable. The Company is in the process of finalizing documentation with the respective parties.
4. Foreign Currency Income / Expense

	Year ending March 31, 2010 Amount in Rupees	Year ending March 31, 2009 Amount in Rupees
Export Earnings	610,493/-	828,951/-
Imports	Nil	Nil



## 5. COMMITMENTS AND CONTINGENT LIABILITIES

	As on 31 <sup>st</sup> March, 2010	As on 31 <sup>st</sup> March, 2009
The estimated amount of contracts remaining to be executed on account of Capital expenditure as at 31 <sup>st</sup> March 2010	NIL	NIL
Claim against the company not acknowledged as debt	NIL	NIL
Contingent Liabilities not provided for	NIL	NIL

## 6. AUDIT FEES

PARTICULARS	Year ending March 31, 2010	Year ending March 31, 2009
Statutory Audit	50,000/-	50,000/-
Tax Audit	25,000/-	25,000/-
Service tax on above	7,725/-	7,725/-
Total	82,725/-	82,725/-

## 7. MANAGERIAL REMUNERATION

	Year ending March 31, 2010	Year ending March 31, 2009
Salary	630,000	665,000
HRA	180,000	180,000
Total	810,000	845,000
Amount included under "Employer's contribution to Welfare Funds"	Nil	72,000
Total	810,000	917,000

Note: During the year the voluntary contribution to welfare funds have not been made.

**Computation of NET PROFIT in accordance with Section 198 of Companies Act, 1956**

	Amount in Rs.	
	Year ended March 31, 2010	Year ended March 31, 2009
Profit as per Profit and Loss Account	(9,005,723)	5,829,784
<b>Add:</b>		
Provision for Wealth Tax	24,285	58,091
Provision for Deferred Tax	53,538	(53,944)
Provision for Fringe Benefit Tax – Previous Years	113,430	258,083
Depreciation	3,048,387	3,154,981
Directors remuneration	810,000	917,000
	<b>(4,956,083)</b>	<b>10,163,995</b>
<b>Less:</b>		
Depreciation allowable under Section 350 of companies act, 1956	3,048,387	3,154,981
<b>NET PROFIT as per Section 198</b>	<b>(8,004,470)</b>	<b>7,009,014</b>

In view of inadequacy of profit, the managerial remuneration has been determined as per the provisions of Schedule XIII of the Companies Act, 1956.

#### 8. SEGMENT REPORTING

As per guiding principles of AS – 17, "Segment Reporting", the company is engaged in only Primary segment of Laboratory Chemicals. Since the company operates in a single business segment, disclosure requirements are not applicable. The company primarily caters to the domestic market and export sales do not form significant part of Total Turnover and hence the information required for the Secondary segment has not been furnished.

9. The company has incurred cash losses during the year. The total liabilities exceed total assets as at 31<sup>st</sup> March 2010. However, the management is confident of expanding business and earning profits in the future. The management have business plans to infuse funds for the needs as required and hence the "Going Concern" principle is not affected.

#### 10. RELATED PARTY DISCLOSURE

##### I. List of Related Parties.

Related Parties with whom transactions have taken place during the year.

##### (a) Key Managerial Personnel / Individual Relatives.

1. G M S Narayanan – Whole time Director.
2. K Vasudevan – Whole time Director
3. V. Balakrishnan – Director
4. Mrs. Bhaghirathi - Wife of Whole Time Director
5. Mrs. Sasikala - Wife of Whole Time Director

##### II. During the year the following transactions were carried out with related parties in the ordinary course of business:

- II. During the year the following transactions were carried out with related parties in the ordinary course of business and at arms length:

S No	Nature of Transaction	Associates/ Individual Relatives		Key Managerial Personnel	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
<b>Transactions during the year</b>					
1	Directors' Remuneration	NIL	NIL	810,000	917,000
2	Rent – Godown	NIL	NIL	180,000	180,000
3	Loan Taken	NIL	NIL	721,000	756,000
4	Advance Given	NIL	650,000	NIL	NIL
<b>Amount due from / to Related parties</b>					
5	Loan Repaid	NIL	NIL	1,110,000	408,500
6	Outstanding balance included in unsecured loan	NIL	NIL	3,247,145	3,652,686
7	Rent Payable Outstanding	NIL	NIL	1,384,207	1,204,207

#### 11. LEASES

Finance Lease:

- (i) Disclosure as per AS – 19 on "Leases", in respect of formal agreements entered into for assets taken on lease during periods commencing on or after 1<sup>st</sup> April, 2008:
- (ii) The future minimum lease payments and their present values of the finance lease obligations as at 31<sup>st</sup> March 2010 is as follows:

	Total Minimum Lease payments Outstanding as at 31 <sup>st</sup> March, 2010	Interest not due	Present Value of MLPs
Not later than one Year	286,200	26,491	257,640
Later than one year but not later than five years	46,953	2,000	44,953
Later than Five years			
<b>TOTAL</b>	<b>333,153</b>	<b>28,491</b>	<b>302,593</b>

	Total Minimum Lease payments Outstanding as at 31 <sup>st</sup> March, 2009	Interest not due	Present Value of MLPs
Not later than one Year	228,373	57,827	216,230
Later than one year but not later than five years	305,032	197,313	250,755
Later than Five years	-	-	-
<b>TOTAL</b>	<b>533,463</b>	<b>255,137</b>	<b>466,985</b>

The future minimum lease payments and their present values of the finance lease obligations as at 31<sup>st</sup> March, 2009 is as follows:

Operating Lease:

Lease payments are recognized in Profit and Loss Account for the year as follows:

	Year ending March 31, 2010	Year ending March 31, 2009
Lease Rentals	Rs. 345,000	Rs. 387,500

## 12 TAXATION

Income Tax:

No Provision for Income Tax for the current year has been made in the books, since the company has unabsorbed business losses and unabsorbed depreciation losses eligible for set-off.

Deferred Tax

The details of Deferred Tax Assets and Liabilities as on March 31, 2009 is given below.

	As on 31 <sup>st</sup> March 2010	As on 31 <sup>st</sup> March 2009
Deferred Tax Liabilities		
On account of Depreciation	2,843,812	3,259,297
Deferred Tax Assets		
On account of disallowances	NIL	469,022
<b>Net Deferred Tax Liability</b>	<b>2,843,812</b>	<b>2,790,275</b>

The company has carried forward business losses and unabsorbed depreciation and the company is confident of earning Profits in future years to set off the losses. However there is no virtual certainty, as envisaged in AS 22, that sufficient future taxable income will be available against which such deferred tax assets can be realised, and hence such deferred tax assets arising on account of timing differences are not recognised during the year, as a matter of prudence.

13. The Company has not received information from vendors regarding their status under Micro, small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at year-end together with interest paid/payable under this account have not been given.

## 14. EMPLOYEE BENEFITS

The Company has provided for the liability on Gratuity and compensated absences for the year ended/as at March 31, 2010 on the basis of estimates made by the management without obtaining Actuarial Valuation. However, in the opinion of the Management, the difference between the amount provided and the provisions as may be required in accordance with Accounting Standard 15 will not be material, considering the amount involved and number of employees.

	Year ended March 31, 2010	Year ended March 31, 2009
<b>DEFINED CONTRIBUTION PLANS</b>		
i. Employee's Providend Fund Scheme	33,044	230,015
ii. Employees' State Insurance Scheme	106,678	36,385
<b>DEFINED BENEFIT PLAN</b>		
i. Gratuity	104,392	91,200

15. In the opinion of the Board of Directors, loans, debtors and other current assets are of the value stated in the Balance Sheet, to be realized in the normal course of business and provision for all known liabilities have been made which are adequate.
16. The management of the company has during the year carried out technical evaluation for identification of impairment of assets, if any in accordance with Accounting Standard (AS) 28. Based on the judgment of the management and as certified by the directors, no provision for impairment of assets is considered necessary in respect of any assets of the company.
17. (a) Confirmation of balances from Sundry Debtors, Sundry Creditors, Unsecured Loans, Loans & Advances, Deposits and Other Current Assets are yet to be received / reconciled and in the opinion of management, the impact such non-receipt/non reconciliation is not material.
- (b) The company has to appoint a company secretary as required under section 383A of the Companies Act, 1956 pending which the company has obtained a secretarial compliance certificate from a Company Secretary in whole time practice.

## 18. EARNINGS PER SHARE (EPS)

	As at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009
Net Profit attributable to Equity Share Holders	(9,005,723)	5,829,784
Weighted Average Number of Equity Shares	3,440,000	3,440,000
Nominal Value of Equity Share (Rs.)	10	10
Basic / Diluted EPS in (Rs.)	(2.62)	1.69

19. Previous year's figures which have been audited by another firm of Chartered Accountants have been regrouped wherever necessary to conform to this year's classification.

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

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

**K.VASUDEVAN**  
Whole Time Director

As per our report of even date  
for **Manian & Narayanan**  
Chartered Accountants  
**C. Subramanian**  
(Partner)  
Membership No. 27959

Place : Chennai  
Date : 30th August, 2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(Notes on Accounts Contd.,)

<b>I</b>	Registration No.	24661
	State Code	18
	Balance Sheet Date	31.03.2010
<b>II</b>	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
	GDR Issue	Nil
<b>III</b>		Rs.
	Total Liabilities	61,466,407
	Total Assets	61,466,407
	Paid up Capital	34,400,000
	Reserves and Surplus	1,500,000
	Secured Loans	302,593
	Unsecured Loan	22,420,002
	Net Fixed Assets	28,804,967
	Investments	Nil
	Net Current Assets	(7,969,103)
	Deferred Tax Liability	2,843,812
	Misc. Expenditure	Nil
	Accumulated Losses	40,630,543
<b>IV</b>	Total Income	15,063,573
	Total Expenditure(net)	23,878,043
	Profit before tax	(8,814,470)
	Profit after Tax	(9,005,723)
	Earnings per share in Rs.	(2.62)
	Dividend %	Nil
<b>V</b>		
	Item	Code No. (ITC Code)
	1	290511
	2	291521
	3	290512
		Product Description
		Formaldehyde
		Oxatic Acid
		Propan-2-ol (Iso-Propyl Alcohol)

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

As per our report of even date  
for **Manian & Narayanan**  
Chartered Accountants

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

**K.VASUDEVAN**  
Whole Time Director

**C. Subramanian**  
(Partner)  
Membership No. 27959

Place : Chennai  
Date : 30th August, 2010

**Statement of Cash Flows for the year ended March 31, 2010**

	Year Ended	
	March 31, 2010	March 31, 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	(Amount in Rupees)	
Net Profit for the year before tax and extra ordinary items	(8,814,470)	6,092,014
Adjustments for:		
Interest Income	(184,682)	(438,366)
Depreciation	3,048,387	3,154,981
Interest & Finance Charges	259,727	292,649
<b>Operating Profit before working Capital Changes</b>	<b><u>(5,691,038)</u></b>	<b><u>9,101,278</u></b>
<i>Changes in Current Assets &amp; Current Liabilities</i>		
<i>Adjustments for Trade &amp; other receivables</i>		
Decrease/ (Increase) in Sundry Debtors	4,253,999	7,847,463
Decrease/ (Increase) in Inventories	2,751,008	(2,040,000)
Decrease/ (Increase) in Other Current Assets	196,864	(97,028)
Decrease/ (Increase) in Loans & Advances	(365,500)	1,133,239
Increase/ (Decrease) in Current Liabilities	(939,843)	(11,511,120)
<b>Cash Generated from Operations</b>	<b><u>205,490</u></b>	<b><u>4,433,832</u></b>
Taxes Paid - FBT paid	100,000	-
<b>Net Cash from Operating Activities</b>	<b><u>105,490</u></b>	<b><u>4,433,832</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(132,977)	(9,509,909)
Interest Income	184,682	438,366
	<b><u>51,705</u></b>	<b><u>(9,071,543)</u></b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Loans net of repayments	(1,897,738)	(1,123,745)
Interest & Finance Charges	(259,727)	(292,649)
	<b><u>(2,157,465)</u></b>	<b><u>(1,416,394)</u></b>
Total Increase/(Decrease) in cash and equivalents during the year ( A + B + C )	(2,000,270)	(6,054,105)
Cash and equivalents at the beginning of the year	2,551,817	8,605,922
Cash and equivalents at the end of the year	551,547	2,551,817

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

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

**K.VASUDEVAN**  
Whole Time Director

As per our report of even date  
for **Manian & Narayanan**  
Chartered Accountants

**C. Subramanian**  
(Partner)  
Membership No. 27959

Place : Chennai  
Date : 30th August, 2010



**FISCHER CHEMIC LIMITED**

(Formerly Fischer Inorganics & 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/  
her ..... of ..... as my/our proxy to attend and vote  
for me/us on my/our behalf on the **17th ANNUAL GENERAL MEETING** of the Company to be held at **Sri Arjuna Mini Hall, #5, Panagal Street, Tiruvellore 602 001** on Thursday  
30th September, 2010 at 10.30 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2010.

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 & 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.

R.F. No.

Folio No. ....

Name and Address of Member

Shares held .....

I hereby record my presence at the 17th Annual General Meeting held at Sri Arjuna Mini Hall, #5, Panagal Street, Tiruvellore 602 001 on Thursday, the 30th September 2010 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 handling over this slip)
---

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

**BOOK-POST**

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