

24th
Annual Report
2012-2013



ALCHEMIST LIMITED

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CORPORATE INFORMATION

Board of Directors	Mr. Karan Deep Singh, Chairman (Non-Executive) Maj Gen (Retd.) Anil Oberoi, Vice Chairman & Executive Director (Whole Time Director) Mr. R.P. Chhabra, Independent Director Mr. Asoke K. Chatterjee, Independent Director Mr. Tarlochan Singh, Independent Director
Auditors	M/s N. Kumar Chhabra & Co. Chartered Accountants, Chandigarh.
Company Secretary & Compliance Officer	Mr. Rajansh Thukral, 23 Nehru Place, New Delhi
Bankers	Punjab National Bank Bank of India HDFC Bank Ltd.
Registered & Head Office	23, Nehru Place, New Delhi- 110019 Phone : 011-40600800 Fax: 40600888 E-mail: info@alchemist.co.in
Chandigarh office	SCO 12-13, Sector 9-D, Madhya Marg, Chandigarh-160009 Phone : 0172-4680000 Fax: 2740099
Works	
Pharma Unit	: Electronic Complex, Chambaghat, Solan, Himachal Pradesh
Steel Unit	: Chanalon, Near Kurali, District Ropar, Punjab Phone: +91-0160-5003184-85
Floriculture Unit	: Dappar, Ambala Chandigarh Highway, District Mohali, Punjab Phone: +91-1762-248666-248668 Village Kanogata, Rajgarh, District Sirmour (Himachal Pradesh)
IT Unit	: SCO 149-150, Sector 9-C, Madhya Marg, Chandigarh

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

NOTICE

NOTICE is hereby given that 24th Annual General Meeting of the Shareholders of the Company will be held on Friday, the 27th day of September, 2013 at 10.00 A. M. at Deshbandhu Chittaranjan Memorial Society, C-405A, Chittaranjan Park, New Delhi-110019 to consider the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To declare dividend for the Financial Year 31st March, 2013.
3. To appoint a Director in place of Mr. R.P. Chhabra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 25th Annual General Meeting and to fix their remuneration.

**By Order of the Board
For ALCHEMIST LIMITED**

**Date: August 14, 2013
Place: New Delhi**

**Sd/-
Rajansh Thukral
Company Secretary**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. (A blank proxy form is enclosed herewith)
2.
 - a) Members/ proxies should bring copies of the Annual Report to the meeting, since copies of the Annual Report will not be distributed at the Meeting.
 - b) Members should bring the enclosed attendance slip duly filled in, for attending the meeting.
 - c) Members, who hold shares in dematerialized form, should write their client ID and DP ID numbers and those who hold shares in the physical form should write their folio number in the attendance slip.
 - d) In case of Joint holders attending the Meeting, only such joint holder who is first in the order of their names will be entitled to vote.
 - e) Corporate Members intending to send their authorized representative to attend the meeting are requested to send duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 26, 2013 to Friday, September 27, 2013 (both days inclusive).
4. The dividend, if declared at the Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members as on September 26, 2013. In case of equity shares held in the electronic form, the dividend thereon, upon its declaration shall be paid to the beneficial owners as per details furnished by the depositories for this purpose.
5. As per the listing agreement, it is hereby declared that Company's shares are listed at National Stock Exchange of India Limited and BSE Limited and Annual listing fee for the year 2013-14 has been paid to the concerned stock exchange(s).
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the company has transferred the unpaid or unclaimed dividends for the financial year 2004-2005 amounting to Rs. 17,33,269/- to the Investor Education and Protection Fund established by the Central Government.

ALCHEMIST LIMITED

7. Members holding shares in demat form, should send/update their email id and change of address if any with their depository participant and those who hold shares in physical form should send their change of address if any and email ID to the Registrar & Share Transfer Agent of the Company directly to enable us to send the Annual Report in electronic mode, in future.
8. The Ministry of Corporate Affairs, GOI, has taken a Green Initiative in Corporate Governance that allows companies to send information to the shareholders electronically. Members are thus requested to inform the company either directly or through the Registrars full particulars of e mail ids in case they wish to opt for receipt of documents by electronic form.

**By Order of the Board
For ALCHEMIST LIMITED**

**Date: August 14, 2013
Place: New Delhi**

**Sd/-
Rajansh Thukral
Company Secretary**

ALCHEMIST LIMITED

DETAIL OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:

Mr. R.P. Chhabra

Mr. R.P. Chhabra, the Director liable to retire by rotation is retiring at the conclusion of this Annual General Meeting and being eligible offers himself for re-appointment at this Annual General Meeting.

Mr. R.P. Chhabra, aged 74 years, is a Law Graduate, holds a Master degree in English and C.A.I.I.B. He is a retired banker, who served the Punjab National Bank for about 30 years at various senior positions. He has a vast experience in the field of Finance, Management Consultancy both in India and abroad.

He has been on the Board of this company since 1999 and during this period he has made significant contribution in the growth of the business of the company.

He is director on the board of the companies namely Alchemist Realty Limited, Alchemist Medisphere Limited, Placid Estate (P) Limited, Platinum Ventures Limited, Optimum Constructors and Developers Limited, Sorus Agritech Pvt. Limited, Torus Infra Development Pvt. Limited, Dooteriah Kalej Valley & Tea Estates Pvt. Limited, Alchemist Speciality Healthcare Pvt. Limited, Alchemist Hill Resorts Pvt. Limited, Dhaneshwari Wood Products Limited, Alchemist Infrastructures Pvt. Limited, Alchemist Foods Limited, Alchemist Aviation Pvt. Limited Alchemist Airways Private Limited, Alchemist Life Sciences Limited, Alchemist Media Limited and Alchemist Developers Limited.

He is Chairman of Audit Committee, Remuneration Committee and Investors Grievance Committee of Alchemist Limited.

Mr. Chhabra is holding Nil equity shares in the Company. He is not related to any other Director.

**By Order of the Board
For ALCHEMIST LIMITED**

**Date: August 14, 2013
Place: New Delhi**

**Sd/-
Rajansh Thukral
Company Secretary**

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the 24th Annual Report on the business and operations of the Company along with the Audited Annual Financial Statements and the Auditors' Report thereon for the financial year ended 31st March, 2013. The financial highlights for the year under review are given below:

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

Particulars	2012-2013	2011-2012
Sales & Other Income	68120	53174
Operating Profit (PBIDT)	3068	2312
Finance Charges	492	164
Profit before depreciation & Tax (PBDT)	2577	2148
Depreciation	332	294
Profit before Tax (PBT)	2245	1854
Taxation	624	242
Net Profit	1621	1612
Proposed Dividend	203	257
Tax on Dividend	34	—

The Indian economy did not perform well in the financial year 2012-13. Food prices have been high and generally inflation and interest rates have also been high. The rupee has also been under pressure for a variety of reasons. The momentum of the economy has slowed down considerably. Against this adverse backdrop, your company still held its ground and made marginal improvements in the overall performance.

During the year, the net revenue of the Company was Rs. 68120 lacs as compared to Rs. 53174 lacs during the previous year, thus registering a growth of 28.11%. The profit before interest and depreciation during the year was Rs. 3068 lacs as compared to Rs. 2312 lacs during the previous year, thus registering a growth of 32.70.%. The Company made a net profit after tax of Rs. 1621 lacs during the year as compared to Rs. 1612 lacs during the previous year, thus registering a marginal growth of 0.55%.

DIVIDEND

We are pleased to recommend a final Dividend of 15 % (i.e. Rs. 1.50 /- per equity share) for the Financial Year 2012-13. The Dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on September 27, 2013.

FIXED DEPOSITS

During the year under review, the company has not accepted any fresh deposits. As on 31st March, 2013, your Company had fixed deposits of Rs. 61,11,000/-. There were no overdue deposits as on 31st March, 2013 except these deposits which were not claimed by the depositors on maturity.

PERFORMANCE REVIEW :

The company's main business segments are Agri Business comprising largely floriculture and steel and chemicals and pharma division comprising both manufacturing and trading. The company's subsidiaries are in the business of foods and food processing and international trading.

Pharma Division :

We now have a Pan India presence and are actively looking for international tie ups to spread our presence to other countries particularly in South East Asia and Africa. We also confirm to ISO 9001-2008 Certification at our GMP certified works located in Distt. Solan, Himachal Pradesh. We are pleased to share with you that one of our major brands IGTG-FORTE is growing at 1000% as per the data published by market research agencies. This wonderful product from Alchemist Pharma is now regarded as a "Wonder-Pill" and it is now being used by doctors as support therapy to treat a wide range of diseases and hopefully should add significantly to the top line in the times to come. Other brands are also showing increasing acceptance. The trading activities have shown marginal growth.

Agri and Steel Division:

Your company has taken first step in the business of Global Agri Trade during the year with reasonable success. The other business segments have not seen any major movement. Outlook for roses and steel both appear to be stable in the present social and economic environment.

Subsidiary companies :

The foreign subsidiary in Singapore has continued its operations of international trading on a large scale in the current year also. The Foods division continues its efforts to add newer products to meet the demands of customers and to increase its presence in India through more stores and sale outlets across the country.

A more detailed write up on the company's divisions is contained in the section on Management Discussion and Analysis elsewhere in this report

DIRECTORS

Mr. R.P. Chhabra, Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, has expressed his willingness to be re-appointed as Director at the ensuing Annual General Meeting. He has been on the board of the company since September 1, 1999 and has made significant contribution in the growth and progress of the company to its present level. Your Board also recommends his re-appointment as Director.

In accordance with the requirement of Clause 49 of the listing agreement, brief resume of Mr. R.P. Chhabra giving detail of his expertise areas, directorship and membership of various committees are given by way of notes to the notice of Annual General Meeting.

During the FY 2012-13, Dr. Kanwar Deep Singh relinquished the charge of Chairman & Managing Director of the company. Dr. Kanwar Deep Singh expressed that due to his desire to contribute actively to the service of the nation and the society, he needed more time and as such expressed his desire to exit from the present position of the Chairman and Managing Director of the Company. On the occasion, while Dr. Kanwar Deep Singh, the Chairman and Managing Director, was bidding adieu to Alchemist Group, one of the upcoming and most diversified group, Mr. R.P. Chhabra, the Director offered to place on record the appreciation for the outgoing Dr. Kanwar Deep Singh and also requested him to continue to be the Chairman Emeritus for the group. He said "Alchemist is a company which has been built by its founders, led by the visionary leader Dr. Kanwar Deep Singh, who as its Chairman & Managing Director and a Mentor, provided Alchemist its thought leadership over the years, thus transforming the group into an innovation-led Group, with a core of outstanding professionals that has always set the highest standards and has built a unique culture. I feel greatly honoured to request worthy. Dr. Kanwar Deep Singh to continue to be the Chairman Emeritus of Alchemist Limited and continue guiding the Board of Directors."

Speaking on the occasion, he further stated that "the group was launched in 1981 by . Dr. Kanwar Deep Singh and transformed it in to a Rs. 10,000 crore group, one of India's fastest growing conglomerates. Dr. Kanwar Deep Singh gave a vision to the group to emerge as one of the Top 20 Indian diversified conglomerates by 2020 in all of India's 5 major "Sunrise Industries". The journey started by Dr. Kanwar Deep Singh is continuing unabated and at a consistent pace. Mr. Karan Deep Singh, son of. Dr. Kanwar Deep Singh is ready and geared to continue the journey to fulfil the vision as conceived by Dr. Kanwar Deep Singh."

Speaking on the occasion Dr. Kanwar Deep Singh graciously acceded to the request of the Board and said that he would continue to be the Chairman Emeritus of the company which means he shall not have executive powers in the company. He will not be attending board meetings but shall guide board members personally whenever necessary. He will also retain an office in the Alchemist premises.

Subsequent to the exit of Dr. Kanwar Deep Singh, his son . Mr. Karan Deep Singh has been inducted as a Non- Executive Director and also elected as the Chairman of the Company to spearhead the group on the footsteps of his visionary father.

Maj. Gen (Retd.) Anil Oberoi was appointed as a Executive Director of the company (a whole time Director) in accordance with the provisions of Section 269 read with section 198/ 309 of the Companies Act, 1956 and Rules made there under. He has also been nominated as Vice Chairman of the Company by the Board of Directors in their meeting held on 14.08.2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:-

- (i) that in preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit or loss of the Company for the year ended on that date.
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts for the year ended 31st March, 2013 on a going concern basis.

AUDITORS AND AUDITORS REPORT

M/s N. Kumar Chhabra & Co., Chartered Accountants, Statutory Auditors retires at conclusion of 24th Annual General Meeting and being eligible have offered themselves for re-appointment to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The Company has received a certificate from M/s N. Kumar Chhabra & Co., Chartered Accountants, Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and they are not disqualified to be re-appointed as Statutory Auditors.

The Audit Committee of the Board of Directors and the Board recommends their re-appointment by members.

The Statutory Auditors of the Company have submitted Auditor's Report on the Financial Statements of the Company for the financial year ended 31st March, 2013, which is self-explanatory and needs no comments.

LISTING OF EQUITY SHARES

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are actively traded. The Listing Fees for the year 2012-13 has already been paid.

CAPITAL STRUCTURE

During the year under review, the company allotted 6,75,000 fully paid equity shares of Rs.10/- each at a premium of Rs. 205/- by way of conversion of preferential warrants. These shares have been admitted to listing by both NSE and BSE.

SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2013, the company has four subsidiary companies namely Alchemist Foods Limited, Alchemist Infrastructures Private Limited, Alchemist Hospitality Group Limited and Alchemist Enterprise (S) Pte Ltd, Singapore.

A Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary Companies is attached to the Directors' Report. Further as per accounting standard (AS-21) on consolidated financial statements read with accounting standard (AS-23) on accounting for investment in associates, the consolidated financial statements based on the financial statements received from subsidiary companies as approved by their Board of Directors are attached and forms part of the Annual Financial Statements.

In accordance with General Circular No. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Financial Statements of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

INFORMATION TECHNOLOGY

Continuing its spree of strengthening the IT department, the company has made further investments in developing and implementing strategic software aimed at improving the overall efficiency of all the systems and employees in the company to meet the ultimate objective of cost reduction, leveraging quality information to enhance decisions effectiveness and to achieve enhanced efficiencies in supply chain management. In pursuit of this, the Company has completely switched over to Human Resource Information System (HRIS) viz. My Adrenalin, which is web portal dedicated to employees. It has employee's information like personal data (personal information, qualification and remuneration details etc.), employee data (current & past employment and training details), self task (attendance, leave and training request, IT declarations etc.) and MIS. The Chairman of the Company interacts with the employees with regular thoughts and messages on this portal. Also Monthly Newsletter of the Company and other significant information are posted on the same. This initiative of the company is a move towards paperless regime, reduction in costs, saving of tress and thereby environment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

A statement containing necessary information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed and forms part of this report.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has complied with the applicable provisions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges.

A Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussions & Analysis of financial condition and results of operation of the Company for the year under review are given as a separate statement in this Annual Report.

INSURANCE

Your Company has taken reasonable steps to prevent risks and the Board is kept apprised of the risk assessment and minimization procedure.

The assets of the Company have been adequately covered under insurance. The policy values have been enhanced taking into consideration the expanded and upgraded facilities of the Company.

RESEARCH AND DEVELOPMENT

Ever since the Company came into being, it has always given significant attention to Research & Development which has been providing significant support to the manufacturing capabilities of the Company and has helped the company in expanding its product basket significantly. This has also enabled Company to become the most preferred source for its customers and has helped in strengthening business relationship with them.

INDUSTRIAL RELATIONS

The industrial relations continued to be healthy, cordial and harmonious at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to gain present level of growth.

ALCHEMIST LIMITED

PARTICULARS OF EMPLOYEES

A statement giving necessary Information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 2002 as amended to date and forming part of the Directors' Report for the year ended 31st March, 2013, is given as an Annexure to this Report.

ACKNOWLEDGEMENT

We thank the Government of India and Governments of various states, where we have operations. We also thank our bankers Punjab National Bank, UCO Bank, Bank of India, State Bank of India, HDFC Bank Ltd and other banks for their continuous support to the company.

We thank our esteemed customers & clients, vendors, investors for their continued support during the year. We also take this opportunity to place on record appreciation of the contribution made by our employees at all levels. Our growth portrays their handwork, support, cooperation and unswerving commitment.

By Order of the Board
For **ALCHEMIST LIMITED**

Date: August 14, 2013
Place: New Delhi

Sd/-
Maj Gen (Retd) Anil Oberoi
(Vice Chairman & Executive Director)

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31st March 2013

Name	Age (Yrs.)	Designation	Gross Remuneration (in lacs)	Qualification	Exp. (Yrs)	Date of Joining	Previous Employment
Dr. Kanwar Deep Singh*	52	Chairman & Managing Director	64.64	Ph.D	31	31.05.1989	NIL
Ashok Chauhan*	62	Joint Managing Director	22.06	B.E (Mech.), MBA	38	5-Jul-10	Thapar Group

* Both of them were employed for the part of the year.

By Order of the Board
For **ALCHEMIST LIMITED**

Date: August 14, 2013
Place: New Delhi

Sd/-
Maj Gen (Retd) Anil Oberoi
(Vice Chairman & Executive Director)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT**I. CONSERVATION OF ENERGY**

Conservation of Energy is an ongoing & continuous process, where your company has taken various measures like replacement of outdated energy intensive equipment's with energy saving equipments, better use of natural/ artificial lights, installation of variable frequency drive in place of conventional motors, timely maintenance of electrical equipments etc. It has helped the company in improving efficiency, reduction in cost of production with lesser break down of machinery.

Power and Fuel Consumption

		2012-2013	2011-2012
1.	Electricity		
	a) Purchased		
	No. of units	512592	585154
	Total Amount (Rs. in lacs)	37.22	34.48
	Rate/Unit (Rs.)	6.50	5.89
	b) Own generation		
	No. of Units	16252	34974
	Total Amount (Rs. in lacs)	2.68	5.75
	Rate per Unit	16.50	16.45
2.	Coal Nil	Nil	
3.	Furnace Oil	Nil	Nil
4.	Others	Nil	Nil

II TECHNOLOGY ABSORPTION**Research and Development**

Your Company accords high priority to the Research and Development activities, being a continuous process. Research and Development Centre of the Company carries out research work in several areas with the objective to introduce new products, improve quality of existing products and to lower the cost of production. The Company has incurred Rs. 204.88 lacs on research and development during the year constituting 0.31% of turnover.

Technology absorption, adaptation and innovation

The Company has not imported any technology during the year under report.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange Earned	Nil
Total Foreign Exchange Outgo	Nil

By Order of the Board
For **ALCHEMIST LIMITED**

Date: August 14, 2013
Place: New Delhi

Sd/-
Maj Gen (Retd) Anil Oberoi
(Vice Chairman & Executive Director)

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY UNDER CLAUSE NO. 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

- (a) We, Maj. Gen. (Retd.) Anil Oberoi, Vice-Chairman & Executive Director of the company (Whole Time Director) being its Chief Executive Officer and Dinesh Vermani, Chief Financial Officer of Alchemist Limited, do hereby certify, that we have reviewed Financial statements and Cash Flow Statements for the year ended 31st March, 2013 and to the best of our knowledge and belief :
- i. These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards and/or applicable laws/regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company and it has been also disclosed to the auditors and the Audit Committee that there are no deficiencies in the design or operation of internal controls.
- (d) We have disclosed to the auditors and as well as the Audit Committee
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there are no instances of significant fraud, that involves management or employees having a significant role in the company's internal control systems.

Date: August 14, 2013
Place: New Delhi

Sd/-
Maj. Gen. (Retd.) Anil Oberoi
Chief Executive Officer
Vice Chairman & (Executive Director)

Sd/-
Dinesh Vermani
Chief Financial Officer

ALCHEMIST LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(Rs. in Lacs)

S.No.	Particulars	I	II	III	IV
1	Name of Subsidiary	Alchemist Foods Limited	Alchemist Enterprise (S) Pte Ltd.	Alchemist Infrastructures Private Limited	Alchemist Hospitality Group Limited
2	Financial Year Ending	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
3	Extent of Holding Company interest in the Subsidiary Company	85 %	100%	100%	74.88%
4	The net aggregate amount of subsidiary's company profits / losses so far they concern members of the holding company and not dealt with in holding Company's accounts :				
i)	For financial year of subsidiary	490.87	602.93	5.03	(0.16)
ii)	For subsidiary's previous financial year since it became subsidiary	1044.46	230.22	(3.60)	Nil
5	Net aggregate amount of profits of subsidiary's company after deducting its losses or vice versa				
i)	For financial year of subsidiary	Nil	Nil	Nil	Nil
ii)	For subsidiary's previous financial year since it became subsidiary	Nil	Nil	Nil	Nil

Financial Information in respect of each Subsidiary Company of Alchemist Limited

Pursuant to Section 212 (8) of the Companies Act, 1956

(As advised by the Ministry of Corporate Affairs vide its General Circular No.2/2011 dated 8th February, 2011 granting General Exemption to Companies from attaching Subsidiary Companies' Annual Accounts to the Balance Sheet of holding Company in its Annual Report under Section 212 (8) of the Companies Act, 1956)

(Rs. in Lacs)

S.No.	Particulars	Alchemist Foods Limited	Alchemist Enterprise (S) Pte Ltd	Alchemist Infrastructures Private Limited	Alchemist Hospitality Group Limited
1	Capital	1182.40	212.67	1.00	5.00
2	Reserves	17285.87	782.20	1.43	(3.83)
3	Total Assets	33823.98	1071.07	240.22	26.34
4	Total Liabilities	33823.98	1071.07	240.22	26.34
5	Investment	Nil	Nil	Nil	Nil
6	Turnover	12484.91	66602.81	Nil	Nil
7	Profit before Taxation	864.02	635.41	5.67	(0.21)
8	Provision for Taxation	286.53	32.48	0.64	Nil
9	Profit after Taxation	577.49	602.93	5.03	(0.21)
10	Proposed Dividend	Nil	Nil	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Statements in the Management's Discussion & Analysis Report which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" and are stated as required by applicable laws and regulations. Actual results may differ materially from those expressed or implied. Many factors including global and domestic demand-supply conditions, prices, raw-materials availability, technological changes, changes in Government regulations, tax laws and other statutes may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook. Market data and product analysis contained in this Report have been obtained from internal Company reports and industry publications, but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

1. VISION

ALCHEMIST endeavours to emerge as a leader in diversified business segments by continuously achieving and surpassing the highest standards in quality driven manufacturing and sustainable development through environmentally friendly practices.

Vision of ALCHEMIST is to become a top 20 leading Indian Conglomerate by 2020. We will achieve this by pursuing certain key targets:

- To become a Top 20 Indian Conglomerate by 2020 by both Revenue and Size.
- To achieve a valuation of Rs. 50,000 crore (US \$10 Billion) with revenues of at least Rs. 10,000 crore.
- Have a substantial presence in 5 Sunrise Industries viz Food Processing, Healthcare, Infrastructure, Hospitality and Education by 2020.
- Occupy a Thought-Leadership position in the Global Indian Marketplace.
- Empower our executives to pursue excellence as well as new territories and markets to conquer.
- To become a role model for future Indian entrepreneurs and passionate individuals and companies.

2. MISSION

Our Mission is to bring about an entrepreneurial revolution in India by identifying and infusing our Alchemy into businesses and markets and transmuting them into Golden opportunities.

We aim to provide the best platform for shareholders, executives, employees and entrepreneurs to not only profit, prosper and succeed but also rise to the challenges and responsibilities of the new India being built in the 21st Century

Launched in 1981 by Sh. K.D Singh, Alchemist Group is one of India's fastest growing Conglomerates. Our Group currently comprises of 11 companies with over 9,800 employees across India and around the World. Our vision is to become a Top 20 Indian diversified conglomerate by 2020 in all of India's 5 major "Sunrise Industries". We are a socially and ethically responsible Group and have a stellar record in human resources, global standards, environmental awareness and philanthropy.

1. INDUSTRY OVERVIEW

(A) PHARMA & CHEMICALS

Indian Market

Indian Pharmaceutical Industry has witnessed a robust growth over the past few years moving on from a turnover of approx. US \$ 1 billion in 1990 to over US \$ 20 billion in 2010 of which the export turnover is approximately US \$ 8 billion. The industry ranks 3rd in terms of volume and is 14th in terms of value globally. It has shown tremendous progress in terms of infrastructure development, technology base creation and a wide range of products. It has established its presence and determination to flourish in the changing environment.

The industry now produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing technologies. Formulations in various dosage forms are being produced in GMP compliant facilities. Strong scientific and technical manpower and pioneering work done in process development have made this possible. The country now ranks 3rd worldwide by volume of production and 14th by value thereby accounting for around 10% of world's production by volume and 1.5% by value. Globally, it ranks 4th in terms of generics production and 17th in terms of export value of bulk actives and dosage forms. Indian exports are destined to more than 200 countries around the globe including highly regulated markets of US, West Europe, Japan and Australia.

Global Scenario

Based on Evaluate Pharma's coverage of the world's leading 4,000 pharmaceutical and biotech companies, the World Preview report highlights trends in Prescription Drug Sales, Patent Risk, R&D Spend, Global Brand Sales, Market Performance by Therapy Area and it is expected that during the years 2012 to 2018, the pharmaceutical segment shall record an annual compounded growth of 3.8% annually and the global pharma market is likely to touch \$895 billion. More importantly, the incremental market growth of USD 14 billion over the next decade is likely to be the third largest among all markets. The US and China are expected to add USD 200 billion and USD 23 billion respectively. Considering that the pharmaceutical industry involves sophisticated technology and stringent "Good Manufacturing Practice (GMP) requirements, major share of Indian Pharma exports going to highly developed western countries bears testimony to not only the excellent quality of Indian pharmaceuticals but also its price competitiveness. More than 50% share of exports is by way of dosage forms.

McKinsey & Company's report, "*India Pharma 2020: Propelling access and acceptance, realizing true potential,*" predicted that the Indian pharmaceuticals market will grow to USD55 billion in 2020; and if aggressive growth strategies are implemented, it has further potential to reach USD70 billion by 2020. While, Market Research firm Cygnus' report forecasts that the Indian bulk drug industry will expand at an annual growth rate of 21 percent to reach USD16.91 billion by 2014. The report also noted that India ranks third in terms of volume among the top 15 drug manufacturing countries. The Pharmaceutical Industry in India today is the third largest in the world and is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high in terms of technology, quality and range of medicines manufactured.

(B) AGRIBUSINESS

Indian Market

After China, India is the second largest producer of flowers. Indian Floriculture Market is set to Grow at a CAGR of 23% During 2012 -2018. A strong increase in the demand for cut and loose flowers has made floriculture as one of the important commercial trades in Indian agriculture. According to report, " Indian Agriculture Market Report & Forecast: (2012-2017) ", the demand for flowers is increasing robustly in India. While exports remain a key motivator for cultivators, the domestic demand for flowers is also increasing exponentially, especially in the metros and larger cities. Modernization and growing western cultural influences has driven consumers to buy flowers on a number of occasions like valentine's day, marriages, anniversaries, birthdays, friendship day, mother's day, etc.

With a share of about 65 per cent rose flower industry in India accounts for over Rs. 2,400 crores of the overall floriculture industry and rose accounts for 75 per cent of the global floriculture industry, said the study. It is observed that India's exports of cut flowers is around 0.07 % of total world value exports to US (US \$ 634 million) while that to European Union(EU) is 0.42% of world exports to the EU (€ 3.36 billion). Rose imports in the EU account to 28 % of the total fresh cut flower imports and have the largest share. In view of the higher demand, consumption and premium prices with lower weight and thereby affordable freight, the exports of roses has higher prospects and is viable for developing countries like India.

Global Scenario

In terms of total area in production, Asia -Pacific with an area of 2,44,263 hectares account for nearly 60% of the total world area which is estimated to be nearly 4,00,000 hectares. China and India have large total areas under flower cultivation but only a small percentage of the area is under protected cultivation as the production is mainly for the domestic markets with large area under open field flower cultivation rather than under protected cultivation. In terms of area under total flower production with respect to the world area, India has 26.62 % of area but under protected cultivation the area is hardly measurable.

(C) FOOD PROCESSING

Indian Market

Food processing industry in India is a sunrise sector that has gained prominence in the recent years. Availability of raw materials, changing lifestyles and appropriate fiscal policies has given a considerable push to the industry's growth. This sector serves as a vital link between the agriculture and industrial segments of the economy. Strengthening this link is of critical importance to reduce waste of raw materials, improve the value by increasing shelf- life as well as by fortifying the nutritive capacity of the food products; ensure remunerative prices to farmers as well as affordable prices to consumers. Adequate focus on this sector could greatly alleviate our concerns on food security and food inflation. India already is a leading exporter of several food products. To ensure that this sector gets the stimulus it deserves, Ministry of Food Processing Industries is implementing a number of schemes for Infrastructure development, technology up gradation & modernization, human resources development and R&D in the Food Processing Sector. The Export of food processed products and related commodities have increased to USD 36057 Million in 2012-13 from USD 31762 Million in 2011-12. Foreign Direct Investment (FDI) is permissible for all the processed food products up to 100 per cent on automatic route except for items reserved for Micro and Small Enterprises (MSEs). FDI in food processing increased to USD 401.46 Million in 2012-13 from USD 170.21 Million in 2011-12.

India is the fifth largest producer of eggs in the world and employs over 12 lakhs people. The Egg production is growing by 4-6% every year whereas broiler production is growing by 8-10%. It is estimated that this industry may possibly bring in significant foreign exchange in India as there exists enormous export potential in this segment. The introduction of new poultry products and perceptible shift in eating habits are moving people to branded food such as breaded and coated snacks, marinated snacks, chicken nuggets, canned chicken curry, freeze dried chicken pulao, meat soup, and fast food joints and all these are going to change the palatability of the chicken consumer.

Global Scenario

The average per capita poultry meat consumption is also estimated to increase from 0.69 to 1.28 kilograms, during the 2000-2004. Overall, analysts studies that the total egg consumption is estimated to increase from 34 billion in 2000 and to 106 billion in 2020, while poultry meat consumption is predicted to increase from 687 million kilograms to 1,674 million kilograms. Keeping this in view, there exists enormous potential for growth of Industry and consequent exports. The market research report "Vision for Indian Poultry Industry: Current Scenario and Future Prospects" predicts a relatively strong growth for the egg and poultry meat industry, in both the urban and rural areas, in the next two decades. It has been found that egg consumption has grown at a much faster pace, than the consumption of poultry meat. With the continual rise in income, it is estimated to nearly triple by 2020.

(D) STEEL BUSINESS**Indian Market**

The Indian Steel Industry continues to demonstrate higher consumption of finished steel. With the decline in the GDP growth during fiscal 2012 and due to tightening policies, weak FDI inflows and fiscal deficit, investment in the steel industry in India were at stall. The demand for steel has been stagnant in the current fiscal, but an increased activity is expected in the coming years. With an increase in strength of domestic consumption and improvement in external business environment, the growth in the sector could be predicated. It is likely to remain the undisputed major foundation material in the world. Its predominance in construction, infrastructure and fencing has not been substantially challenged and is unlikely to be for the foreseeable future. At the same time, steel consumption will be closely linked to the economic growth and prosperity of a nation or a particular region. Much of industrial processes used to make wire fence and wire mesh continue to be labor intensive work. Steel wire ropes, nets and mesh are provided in constructible forms for architects, engineers and builders working with structural steel solutions.

Global Scenario

In 2011 the world crude steel production reached 1518 million tonnes (mt) and showed a growth of 6.2% over 2010. China remained the world's largest crude steel producer in 2011 (684 MT) followed by Japan (108 MT), the USA (86.4 MT) and India (72.2 MT; prov) at the 4th position (72.2 MT). The World Steel Association has projected that global apparent steel use will increase by 3.6% to 1422 MT in 2012, following growth of 5.6% in 2011. In 2013, it is anticipated that world steel demand will grow further by 4.5% to around 1486 MT. China's apparent steel use in 2012 and 2013 is expected to increase by 4% in both the years. For India, growth in apparent steel use is expected to grow by 6.9% in 2012 and by 9.4% in 2013. The Per capita finished steel consumption in 2011 is estimated at 215 kg for world and 460 kg for China.

4. FINANCIAL REVIEW

The Gross income for the year ended 31.03.2013 was Rs. 68120 lacs as compared to Rs. 53174 lacs for the year ended 31.03.2012. The increase in turnover is around 28.11% mainly attributable to shift from volume to value.

The total expenditure for the year ended 31.03.2013 also increased by 21.08% as compared to the expenditure during the previous year.

Interest cost of the Company as a percentage of sales was 0.73% during the year under review against 0.32% during the year 2011-12.

The Net Profit for the year ended 31.03.2013 stands at Rs. 1621 lacs after providing for taxation against Rs. 1612 lacs during the previous year, hence recording a marginal net increase of 0.55%.

5. COMPANY'S PERFORMANCE**(A) PHARMA & CHEMICALS**

As per latest market research report published in June by All India Organisation of Chemists and Druggists (AIOCD) audit, Pharma Unit of Alchemist has been identified as one of the fastest growing player in the Pharmaceutical industry. Things have progressed beating all industry standards as Alchemist Pharma grew at 42.9% as compared to industry average which grew by about 10% during the financial year under review. We are now present pan India and thriving for inroad into the global market and in pursuit of this, major tie ups are underway in South East Asia & Africa to make our presence felt around the world. We also confirm to ISO 9001-2008 Certification at our GMP certified works located in Distt. Solan, Himachal Pradesh

Some of our brands have made it to the fastest growing brands of the industry. One of our major brands IGTG-FORTE is growing at 1000% as per the data published by market research agencies. This wonderful product from Alchemist Pharma is now regarded as Wonder-Pill and it is now being used by doctors as support therapy to treat Dengue fever, Swine Flu, Cancers, HIV, Hepatitis, Infertility, Arthritis, Viral fever, Diabetic foot ulcers etc. This brand alone is projected to add significantly to the top line in the times to come. Our another brand JUVCLAV-625 has been added potentially in the antibiotics segment and is now competing and picking up the market share of the largest brand of the industry Augmentin.

As a part of our corporate social responsibility initiative, we conducted free medical check for around 10000 (ten thousand) patients across the country and diagnosed many unattended ailments. Our Camps are highly respected by medical fraternity and patients.

The year 2013-2014 Alchemist Pharma is poised to repeat the performance in terms of growth rates in domestic market. We are expecting to grow significantly in comparison to this year even though industry has been projected to grow at 8%. Our brand IGTG- FORTE is all set to reach new heights. We are also expecting to increase our out-reach to African Sub continent and new markets in South East Asia like Vietnam, Singapore, and Myanmar etc to make a pug mark in International market. We are also expecting to initiate tying up with the leading players in USA in dermatology market for exclusive rights in India and South East Asia that may help us in achieving a significant share in Rs. 1000 crores of dermatology market.

We are also looking forward to expand in chronic therapy areas like Diabetes, Cardiovascular segment, Hypertension to make our leaps strong and big.

(B) AGRI BUSINESS

Our company has taken first step in the business of Global Agri Trade during the year with reasonable success. Agriculture products such as wheat, barley, maize, dry peas, soybeans, rice and lentils are typically traded within the agri commodities trading business, but this list varies largely depending on the country and market segment. The plan is to understand all the principal world markets for various agro based products and the end-users in major consumption markets.

We believe transforming opportunities into advantages. Hence taking inspiration from the initial success, we are striving to unravel the opportunities that the future has in store for business of Agri commodities. While the company has limited itself to Trading activity in the business, future may include active foray into the business segment.

(C) FOOD PROCESSING

The year 2012-13 was a momentous year for the Foods Division which saw it undertake several new and ambitious ventures. The division acquired a new Broiler Farm facility at Mahipalpur, and also embarked on integration farming units across the state of Punjab thus increasing its broiler production by over 60%. In the plant at Banmajra, a new Effluent Treatment Plant was commissioned making the plant amongst the most environmentally friendly poultry production plant in the country. The plant also launched several new products that were very well accepted by the customers.

The Republic of Chicken stores reached a total count of 68 by the end of the year, up from 55 at the beginning of the year. The success of the brand is evident from the fact that several of these stores are franchisee operated. The year also saw the division expand its distribution to the four southern states, thus bringing the product to the retail stores of 25 states in India.

The Foods Division launched its new Quick Serve Restaurants called How Abt Chicken Today at two locations in New Delhi viz. New Friends Colony and Nehru Place. The year also saw the Foods Division launch the international Bubble Tea giant Chatime in India. The division now has five Chatime stores across Delhi NCR and Chandigarh.

Financial Year 2013-14 is expected to be earmarked as the year where Alchemist Foods would consolidate and grow the initiatives commenced in the last fiscal year. The demand for poultry products is likely to remain high, although there may be some concerns on the input costs of feed, due to the increasing trend seen in Soya prices.

(D) STEEL

Steel Division of Alchemist Limited is the premier initiative of the group, manufacturing wire mesh and chain link fencing for poultry farming, security, construction and other industrial purposes and was set up in the year 1988 and today it has the distinction of being one of the finest producers of wire mesh. Alchemist Steel manufactures world-class welded wire mesh in more than 100 grades. The company has a state-of-the-art manufacturing plant at Kurali near Chandigarh, Punjab. The plant has a capacity of over 4000 metric tons per annum of welded wire mesh and chain link fencing.

The product range includes Parts of Poultry Keeping Machinery and Un-galvanized (black) weld mesh. Parts of poultry keeping machinery is a prime product required in the poultry industry, both by commercial egg laying farms as well as by the breeder farms. Recently, the company has started manufacturing feeding systems for the cages and has elicited good response from the poultry industry.

The Un-galvanized weld mesh is primarily used for fencing purposes. The Company has a seven blocker wire drawing Machine. The drawn wire in turn is welded in to about 150 different mesh sizes as per client specifications. The strong marketing network of the company provides unstinted support to the vertical. The company is also trading in LUBING (GERMANY) products i.e drinking systems for poultry

During the year under review, the vertical tasted some adverse effects of recession in economy, but keeping in view the upbeat mood of the overall poultry business, the vertical is expected to record a spurt in its business in the times to come.

6. RESEARCH & DEVELOPMENT CAPABILITIES

ALCHEMIST Pharma owes its success in the domestic market to its thrust on frontline research and has been continuously striving to strengthen its R& D capabilities and has achieved substantial breakthroughs and have been able to develop products in the various medicinal segments that helped us to create a product portfolio with 200 SKUs, addressing segments like Gastro Intestinal, Pain management, Nutritionals, Neurotropic Vitamins, Immunity Boosters, support therapy for Cardiovascular and diabetes, Anti-Infective, Gynaecology right from Calcium supplements to Drugs for Iron Deficiency Anaemia etc.

The Company's state-of-the-art Research and Development center is located at its plant at Solan (Himachal Pradesh), with dedicated facilities for innovative product research and we are driven by the intellectual competence of a team of highly skilled professionals. The Company's R&D size and environment for both formulation development & new products development is commensurate with the Company's vision to be a leader in the ethical and generic market segments. The value added formulations are based on strong Drug Delivery System in global market.

7. STRENGTHS

The Promoters of the Company have switched over to strategic thinking and implementation by identification of new verticals, their potential in order to achieve greater heights in the Industry. With this objective in mind, the promoters have introduced professional management set up in the Industry whereby the professionals are placed at the helm of affairs of the company to work through systems approach to achieve the vision and mission of the company as set by the founders of this group. This is likely to prove as one of the major strength of the company.

On the technical and operational side, the Company has been managed by a team of qualified professional looking after different aspects of the production and management. The Company has a very low attrition at the higher levels. The Company has very cordial industrial relations.

8. THREATS

- a) The Indian pharma sector has undergone various changes in the recent past and the business that was traditionally considered to be a richest business faces many risks. Intense competition, and patents related challenges have increased the risk profile of the sector.
- b) There are continued threats from other low cost countries like China. However, on the quality front, India is better placed relative to China.
- c) The short-term threat for the pharma industry is the uncertainty regarding the implementation of GST. Though this is likely to have a negative impact in the short-term, the implications over the long-term are positive for the industry.

9. STRATEGIES

At ALCHEMIST, strategy development and deployment has been aligned to its vision. We have identified four key strategic priorities:

- a) ALCHEMIST has already made substantial investment, creating manufacturing and other business infrastructure. The Company is consistently focusing on upgrading and expanding its facilities and infrastructure to Broad base the company in various diversified verticals and segments.
- b) The Company is also pursuing, several initiatives to set up some green field manufacturing facilities in verticals like Food Processing and Pharmaceuticals.

- c) The Company is developing and producing value added products as per the market demand and new product developments in the international market. The research & development efforts involve developing patent non-infringing processes, achieving process improvements, achieving production cost efficiencies, optimizing raw material sourcing, produce new products, innovate and enhance manufacturing techniques and continually expand its general scientific and engineering capabilities.
- d) ALCHEMIST is also focusing on spending to further strengthening its research and development department by equipping it with capabilities both in terms of manpower and machines.

10. INTERNAL CONTROL SYSTEMS

ALCHEMIST has introduced strong internal control systems commensurate with the size and scale of business. Clearly defined policies and procedures supplement the Internal Control procedures. A well established and empowered system of internal audits and control procedures independently reviews the financial and operational controls and reports deviations, if any, across all verticals and further enables rectification, as and when required. The Company is constantly engaged in practicing the best financial and operational control systems, as per international practices and standards.

The Company's internal audit team carries out extensive audits throughout the year, across all verticals and submits its report to the Audit Committee of the Board of Directors.

The Audit Committee addresses all important issues raised by the Internal and Statutory Auditors.

11. HEALTH, SAFETY & ENVIRONMENT POLICY

To assume its business and ethical responsibilities to exemplify its endeavour towards good corporate citizenship.

To continue to inspire innovations in methods & practices and to ensure highest standards of health, safety and environment.

To comply with all applicable laws and regulations with regards to HSE and continually aspire to the highest standards in the same.

To commit to the continual reduction of waste and implement processes to ensure the reusability of natural resources.

To continually invest in the upgradation of facilities, maintenance of machinery and welfare of our employees.

To constantly train and educate employees on contemporary best practices to ensure the highest levels of safety and sustainability in our operations.

12. INDUSTRIAL RELATIONS & HUMAN RESOURCE DEVELOPMENT

The Company is committed and focused on its most valuable resource viz. its employees. The Company believes that employee play a pivotal role in driving performance and has effectively empowered them. As a means of equipping employees with a range of skills including their upgradation and to enable them to perform their responsibilities, training and human resource development (HRD) continued to receive priority during the year. Training and HRD efforts of the Company are aimed at sharpening business skills and competence needed for better employee performance and provides all possible opportunities and support to the employees to improve their performance and productivity. In pursuance of the Company's commitment to retain and develop best available talents, several programmes are conducted at various levels on a regular basis. Employee relations continued to be cordial and harmonious at all levels and in all units of the Company.

ALCHEMIST remains committed and focused on its most valuable resource viz. People. The Company believes that people play a pivotal role in driving performance and has effectively empowered them. In pursuance of the Company's commitment to retain and develop best available talents, several programmes are conducted at various levels on a regular basis. Employee relations continued to be cordial and harmonious at all levels and in all units of the Company.

13. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility at Alchemist is based on following building blocks:

The Human Footprint: Alchemist Group will educate its employees, investors, management and all stakeholders in the benefits of living, adopting and pursuing a sustainable lifestyle in today's World. We will invest in Green technologies and embrace a responsible and sustainable approach to sourcing and outsourcing.

Compassion: Alchemist Group will provide our entire diverse employee base with access to affordable healthcare and insurance, holistic well being facilities, care, family support and education. We will also ensure educational and healthcare facilities for our lower income members in an egalitarian and sustainable manner.

Philanthropy: Alchemist Group will invest a percentage of its profits towards the welfare of the entire country and then the planet through its charitable trusts and organizations.

Thought Leadership and Mentoring: Alchemist Group will give back to the community it lives in by providing free mentorship and entrepreneurial assistance to all citizens who wish to better their lives.

Diversity: Like all Indian companies we are always struggling to ensure our workplace is fair and just and looks after women, minorities and the physically challenged. It is our belief that a diverse family makes for a richer family.

In India, as in the rest of the world, there is a growing realization that the corporate sector is, after all, created by society and must therefore serve it. ALCHEMIST, thus, looks at corporate social responsibility as a key Responsibility of the company to reduce investment risks and maximize profits by taking all the key stakeholders into confidence. The company is also akin to the fact that from an eco-social perspective, social and environmental stability and sustainability are two important prerequisites for the sustainability of the market in the long run. Accordingly we at ALCHEMIST place added emphasis to the environment and well being of the society.

ALCHEMIST strongly believes that the consumers, employees, communities, shareholders and other stakeholders have a right to know about the company and its business. Therefore accountability, transparency, social and environmental is the key aspects of corporate social responsibility at ALCHEMIST.

Following initiatives were taken by the Company:

- Alchemist presented the "**The Economic Times- Achievers of North**" award ceremony organized by Economic Times in Chandigarh on 27 April, 2013. The "Economic Times- Achievers of North" is a platform that recognizes and awards the visionaries par excellence from Northern India who have supported, encouraged the growth, development and industrial prosperity of the nation.
- **Alchemist Federation Cup Hockey Tournament 2013-** Indian Hockey Federation (IHF) conducted the Alchemist Federation Cup Tournament from 23-28 July 2013 at the Shivaji Stadium, New Delhi. The participating teams were from Punjab, Uttar Pradesh, Karnataka, Tamil Nadu, Manipur, Mumbai, Delhi and Haryana.
- **KORF ball national championship, 2012:** Chandigarh KORF Ball Association organized the KORF ball national championship at Chandigarh under the banner of KORF ball Federation of India from 6th September, 2012 to 9th September, 2012 at Government Model School, Sector 34, Chandigarh. The entire event was financed by Alchemist.

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance as per Clause 49 of the Listing Agreement is set out below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Alchemist, we firmly believe in significance of establishing the highest standards in good corporate governance and to attain high level of transparency, integrity and accountability. Our policies and procedures exemplify our core values in utmost professionalism across all functions of our organization. The company has, and will, continually endeavour to improve corporate practices, methodologies, and procedures to ensure that long term value is realized for all stakeholders of our organization. We aim to consistently offer our shareholders, customers, employees, vendors and the larger community mutually beneficial value through transparency in our associations, quality in our products and services, and integrity in our relationships. At Alchemist, we believe in maximizing stakeholder's value, profitability and growth including interaction with employees, shareholders, institutions, banks and all its business associates.

We take pleasure in informing that your company's existing policies are in complete conformity with the requirements prescribed under Clause 49 of the listing agreement.

The Company has implemented all mandatory requirements. The Company has a sound control and risk management policy.

2. BOARD OF DIRECTORS

i) Composition

The Board of Directors of the Company comprises of five Directors.

Name of the Director	Office/Designation	Executive/ Non Executive	Independent/ Non Independent
Sh. Karan Deep Singh	Chairman	Non-Executive	Promoter
Maj. Gen. (Retd.) Anil Oberoi	Executive Director (Whole Time Director)	Executive	Non Independent
Sh. R.P. Chhabra	Director	Non-Executive	Independent
Sh. Asoke Kumar Chatterjee	Director	Non-Executive	Independent
Sh. Tarlochan Singh	Director	Non-Executive	Independent

Notes:

1. Shri V.K. Bhardwaj ceased to be the Director of the Company w.e.f. August 20, 2012
2. Dr. Kanwar Deep Singh relinquished his office of Chairman & Managing Director w.e.f. August 30, 2012
3. Shri Karan Deep Singh was appointed as an Additional Director and Chairman of the Company w.e.f. August 30, 2012 and thereafter regularised as Director by the members of the Company at the 23rd AGM held on September 28, 2012
4. Shri Anil Oberoi was appointed as an Additional Director of the Company w.e.f. August 30, 2012 and thereafter appointed as a Whole-time Director of the Company by the members of the Company at the 23rd AGM held on September 28, 2012
5. None of the Directors of the Company are in any way related to each other.

As on 31st March 2013, Board of Directors of your Company consisted of five directors, out of which one is Promoter Director (Non- Executive), One is Executive Director and three are Independent Non-Executive Directors. The Chairman of the Board is Promoter Non-Executive Director. The composition of Board of Directors of the Company during the financial year was in conformity with Clause 49 of the Listing Agreement.

ALCHEMIST LIMITED

ii) Number and date of Board meetings held during the year 2012-2013

During the financial year 2012-2013, Six Board Meetings were held viz (i) 15th May 2012, (ii) 14th August 2012, (iii) 30th August, 2012, (iv) 29th September 2012, (v) 8th November 2012 and (vi) 14th February 2013.

Name of the Director	No. of Board Meetings attended	Attendance at the Last AGM	No. of Other Directorships*
Dr. Kanwar Deep Singh	3	No	0
Sh. Karan Deep Singh	3	No	6
Maj. Gen. (Retd.) Anil Oberoi	4	Yes	6
Sh. R.P. Chhabra	6	Yes	9
Sh. Asoke Kumar Chatterjee	5	No	10
Sh. V.K. Bhardwaj	2	No	-
Sh. Tarlochan Singh	6	Yes	2

*This excludes Directorship in Indian Private Limited Companies/Private Companies with unlimited Liability and Firms.

iii) Detail of Directorship in other Companies

The detail of Directorships of the Company's Directors in other Companies as at March 31, 2013 are given below:

Name of the Director	Name of the Company/Firm	Nature of Interest
Sh. Karan Deep Singh	Alchemist Realty Limited	Chairman (Non Executive)
	Alchemist Hotels & Resorts Limited	Director
	Alchemist F&B Limited	Director
	Alchemist Hospitals Limited	Director
	Alchemist Touchnology Limited	Director
	Alchemist Universe of Education Limited	Director
Maj. Gen. (Retd.) Anil Oberoi	Alchemist Touchnology Limited	Director
	Alchemist Hospitals Limited	Director
	Platinum Ventures Limited	Director
	Alchemist Developers Limited	Director
	Alchemist Hospitality Group Limited	Director
	Alchemist Life Sciences Limited	Director
Sh. R.P.Chhabra	Optimum Constructors and Developers Limited	Director
	Alchemist Life Sciences Limited	Director
	Platinum Ventures Limited	Director
	Alchemist Realty Limited	Director
	Alchemist Foods Limited	Director
	Alchemist Media Limited	Director
	Alchemist Developers Limited	Director
	Dhaneshwari Wood Products Limited	Director
	Alchemist Medisphere Limited	Director
Sh. Asoke Kumar Chatterjee	MSL Industries Limited	Director
	REI Agro Limited	Director
	SPS Steels Rolling Mills Limited	Director
	Graintec India Limited	Director
	Varsana Ispat Limited	Director
	REI Retail Limited	Director
	REI Foods and Beverages Limited	Director
	REI Six Ten Retail Limited	Director
	MyGrahak Shopping Online Limited	Director
	Alchemist Realty Limited	Director
Sh. Tarlochan Singh	C & C Constructions Limited	Director
	Alchemist Realty Limited	Director

iv) Details of membership/chairmanship of Directors in Board Committee:

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. Further, in line with Clause 49 of the Listing Agreement, only the Audit Committee and Shareholders/ Investors Grievance Committee have been taken into consideration in reckoning the number of committee memberships of Directors as Chairman or as Member

Name of the Director	Name of the Indian Public Limited Company	Nature of the Committee	Member/ Chairman
Sh. Karan Deep Singh	Alchemist Limited	–	–
Sh. R.P.Chhabra	Alchemist Limited	Audit Committee	Chairman
		Investor Grievances Committee	Chairman
Sh. Asoke Kumar Chatterjee	Alchemist Limited	Remuneration Committee	Chairman
		Audit Committee	Member
		Remuneration Committee	Member
Sh. Tarlochan Singh	Alchemist Limited	Audit Committee	Member
Maj. Gen. (Retd.) Anil Oberoi	Alchemist Limited	Investor Grievance Committee	Member

v) Certificate on code of conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2013.

Date: August 14, 2013

Place: New Delhi

By Order of the Board
For **ALCHEMIST LIMITED**
Sd/-

Maj. Gen. (Retd.) Anil Oberoi
Chief Executive Officer
(Vice- Chairman & Executive Director)

CEO/CFO Certification

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchange, we have certified to the Board that for the financial year ended March 31, 2013 the Company has complied with the requirements of the said sub-clause.

Date: August 14, 2013

Place: New Delhi

Sd/-
Maj. Gen. (Retd.) Anil Oberoi
Chief Executive Officer
(Vice- Chairman & Executive Director)

Sd/-
Dinesh Vermani
Chief Financial Officer

3. CODE OF CONDUCT

As required by Clause 49 of the listing agreement, the Company has adopted a Code of Conduct for its Directors and Senior Executives. The CEO has given a declaration that all the Directors and Senior Executives have affirmed the compliance with the Code of Conduct. A declaration to this effect signed by Maj. Gen. (Retd.) Anil Oberoi, Executive Director is attached to this report.

4. AUDIT COMMITTEE

The following are the current members of the Audit Committee:

1. Mr.R.P. Chhabra, CHAIRMAN (Independent & Non-Executive)
2. Mr.Asoke Kumar Chatterjee, MEMBER (Independent & Non-Executive)
3. Mr.Tarlochan Singh, MEMBER (Independent & Non-Executive)

ALCHEMIST LIMITED

The terms of reference to the Audit Committee as contained in Clause 49 of the Listing Agreement as well as under Section 292A of Companies Act, 1956 are as under:-

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - a) Any changes in accounting policies and practices.
 - b) Major accounting entries based on exercise of judgment by management.
 - c) Qualifications in draft audit report.
 - d) Significant adjustments arising out of audit.
 - e) The going concern assumption.
 - f) Compliance with accounting standards.
 - g) Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - h) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
5. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussion with auditors, any significant findings and follow up there on.
7. Reviewing the findings of any internal investigations by the auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
11. Investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956.

i) Meetings & Attendance during the financial year ended 31st March, 2013

Name	No. of meetings held	No. of meetings attended
Dr. Kanwar Deep Singh	5	3
Mr. R.P. Chhabra	5	5
Mr. Asoke Kumar Chatterjee	5	4
Mr. Tarlochan Singh	5	2

During the year 2012-13, Audit Committee met 5 times on 15th May 2012, 14th August 2012, 30th August, 2012, 8th November 2012 & 14th February 2013. Meetings were also attended by the Statutory Auditors and senior Financial Executives of the Company. The Company Secretary acts as Secretary of the Audit Committee.

The Committee reviewed the financial results of the Company and recommended the same to the Board of Directors for their approval.

5. REMUNERATION COMMITTEE

The Composition of Remuneration Committee is as under:

Sl. No.	Name of the Committee Member	Designation	Position in the Committee
1.	Mr. R.P. Chhabra	Independent Director	Chairman
2.	Mr. Asoke Kumar Chatterjee	Independent Director	Member

One meeting of the Remuneration Committee was held during the financial year 2012-13 on 30th August, 2012.

6. INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee consists of 2 Directors namely Mr. R.P Chhabra –Chairman and Maj. Gen. (Retd.) Anil Oberoi -Member. This committee oversees and reviews all matters connected with redressal of Investor Grievances and complaints. The transfer of shares is undertaken by M/s Link Intime India Pvt. Ltd., New Delhi and they are fully equipped to deal with transfers and all related complaints of Investors.

Meeting and Attendance during the financial year ended 31st March, 2013:

Name	No. of meetings held	No. of meetings attended
Mr. R.P. Chhabra	4	4
Maj. Gen. (Retd.) Anil Oberoi	4	2
Dr. Kanwar Deep Singh	4	2

SHARE TRANSFER COMMITTEE

The Board has also constituted a Share Transfer Committee to register share transfers as and when required.

7. COMPLIANCE OFFICER

Sh. Rajansh Thukral, Company Secretary of the Company has been designated as Compliance Officer as per the provisions of the Listing Agreement executed with the Stock Exchanges..

Detail of Shareholders Complaints for the Period 2012-13

Nature of Complaint	Opening Balance	No. of Complaints received	No. of Complaints resolved	No. of Complaint Pending
Non Receipt of De-mat Credit	0	0	0	0
Non Receipt of Dividend	0	1	1	0
Non Receipt of Annual Report	0	0	0	0
Non Receipt of Share Certificate	0	9	9	0
SEBI	0	10	10	0
Total	0	20	20	0

All Complaints were resolved to the satisfaction of the Shareholders and no complaints remained unattended/pending.

8. SUBSIDIARY COMPANY

As on 31st March, 2013, the Company have 'Alchemist Foods Limited', 'Alchemist Enterprise (S) Pte Ltd.', 'Alchemist Infrastructures Private Limited' and Alchemist Hospitality Group Ltd wholly owned subsidiary companies. Mr. R. P. Chhabra, Independent Non Executive Director is on the Board of Alchemist Enterprise (S) Pte. Ltd., Alchemist Infrastructures Private Limited and Alchemist Foods Limited. Maj. Gen. (Retd.) Anil Oberoi, Executive Director is on the Board of Alchemist Infrastructures Private Limited and Alchemist Hospitality Group Limited.

9. GENERAL BODY MEETINGS

The last 3 General Body Meetings of the members of the Company were held as per the following details:-

Financial Year	Location of the Meeting	Type of Meeting	Date	Time
2009-10	Registered Office: 23-24, Nehru Place, New Delhi	Annual General Meeting	28.09.2010	10.00 A.M
2010-11	Registered Office: 23, Nehru Place, New Delhi	Annual General Meeting	30.09.2011	9.30 A.M
2011-12	Registered Office: 23, Nehru Place, New Delhi	Annual General Meeting	28.09.2012	9.00 A.M

No resolution was passed through postal ballot during the year under review.

10. DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large. NIL

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There are no disclosures required to be made under this point.

11. MEANS OF COMMUNICATIONS

- | | | |
|------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) | Half yearly report sent to each house hold of shareholders | Nil |
| ii) | Quarterly Results | The quarterly Results are taken on record by Board of Directors of the Company for each quarter and notified to Stock Exchanges in compliance with Clause 41 of the Listing Agreement. |
| iii) | Publications in Newspapers | English: Business Standard
Vernacular: Business Standard |
| iv) | Website where displayed? | Website of NSE & BSE |
| v) | Whether it also displays official news releases? | NO |
| vi) | Whether presentation made to Institutional Investors or to Analysts? | NO |
| vii) | Whether Management Discussion & Analysis is part of Annual Report? | YES |

12. GENERAL SHAREHOLDER INFORMATION

i)	Annual General Meeting (proposed): Date & Time: Venue:	September 27, 2013 at 10 A.M. at Deshbandhu Chittaranjan Memorial Society, C-405 A, Chittaranjan Park, New Delhi-110019
ii)	Financial Calendar (2013-14) (Tentative): Quarterly Results: Quarter ended 30.06.2013 Quarter ended 30.09.2013 Quarter ended 31.12.2013 Quarter ended 31.03.2014	On or before August 14, 2013 On or before November 14, 2013 On or before February 14, 2013 On or before May 30, 2014
iii)	Date of Book Closure	26.09.2013 - 27.09.2013
iv)	Dividend payment date	On or before 26.10.2013
v)	Listing of Equity Shares on Stock Exchanges	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) The Annual Listing Fees in respect of both the Stock Exchanges for the financial year 2012-13 has already been paid.
vi)	Stock Code – The Bombay Stock Exchange Limited – National Stock Exchange of India Limited – ISIN Number (For Demat Trading)	526707 "ALCHEM" INE 964B01033
vii)	Market Price Data	As per Table-I below

ALCHEMIST LIMITED

viii)	Performance in comparison to broad-based BSE Sensex	As per Chart I
ix)	Registrar and Transfer Agents	M/s LINK INTIME INDIA PVT. LTD. 44, Community Centre, IInd Floor, Naraina Industrial Area, Phase 1, Near PVR Naraina, New Delhi Contact No. - 011-41410592-94 Telefax: 011-41410591 Email: delhi@linkintime.co.in
x)	Share Transfer System	Trading in the Equity Shares of the Company is permitted only in dematerialised form. However, there are certain shares still in physical form with the pre-issue shareholders. All the share transfers in respect of physical shares are handled by the Registrar & Share Transfer Agents.
xi)	Distribution of Shareholding	As per Table II & III
xii)	Dematerialization of Shares and Liquidity	Shares held in Demat Form as on 31.03.2013:- With NSDL: 10674454 (78.72%) With CDSL: 2075907 (15.31%) Physical: 809439 (5.97%) Company's Equity Shares are tradable in De-mat form and there is good liquidity of the shares as the shares are actively traded both on NSE & BSE.
xiii)	Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	Nil
xiv)	Plant Locations	Pharma Unit: Electronic Complex, Chambaghat, Solan, Himachal Pradesh Steel Unit Chanalon, Near Kurali, District Ropar, Punjab Phone: Floriculture Unit – Dappar, Ambala Chandigarh Highway, District Mohali, Punjab – Village Kanogata, Rajgarh, District Sirmour (Himachal Pradesh) IT Unit SCO 149-150, Sector 9-C, Madhya Marg, Chandigarh
xv)	Company Secretary & Compliance Officer	Mr. Rajansh Thukral Alchemist Limited 23, Nehru Place, New Delhi - 110019
xvi)	Address for Correspondence	– Registered Office & Head Office: 23, Nehru Place, New Delhi - 110019 Tel. No. - 011-40600800 Email: investors@alchemist.co.in

TABLE-I

Market Price Data:

Monthly high and low quotations of shares and volume of Equity Shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2013 are as follows:-

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Monthly Vol. (Qty.)	High (Rs.)	Low (Rs.)	Monthly Vol. (Qty.)
April, 2012	76.90	62.20	1,66,734	76.90	62.5	2,85,986
May, 2012	68.00	55.00	62,160	68.00	57.00	80,325
June, 2012	68.70	57.00	37,397	63.45	57.70	84,282
July, 2012	63.90	48.10	55,525	62.00	52.00	1,18,925
August, 2012	69.00	58.00	2,11,502	69.15	52.00	6,22,527
September, 2012	58.25	50.00	2,63,578	59.00	50.10	5,13,045
October, 2012	57.60	50.55	2,98,597	57.80	47.60	4,30,764
November, 2012	60.45	50.20	1,24,518	60.35	49.15	2,75,800
December, 2012	76.50	51.95	7,53,742	76.45	52.55	22,65,124
January, 2013	74.20	58.00	1,14,461	74.50	57.10	3,68,270
February, 2013	61.55	50.35	60,741	61.65	47.10	1,46,936
March, 2013	59.30	43.05	42,919	55.00	42.70	1,15,509

TABLE-II

Distribution of Shareholding as on 31st March, 2013:

No. of Equity Shares	Number of held	% of shareholders Shareholders	No. of Shares held	% of shareholding
1-5000	7374	90.65	920025	6.78
5001-10000	358	4.40	292907	2.16
10001-20000	220	2.70	360877	2.66
20001-30000	56	0.69	142098	1.05
30001-40000	38	0.47	137611	1.01
40001-50000	10	0.12	47055	0.35
50001-100000	27	0.33	204689	1.51
100001 & above	52	0.64	11454538	84.48
Grand Total	8135	100	13559800	100
Physical Mode	1575	19.36	809439	5.97
Electronic Mode	6560	80.64	12750361	94.03

TABLE-III

Category of Shareholders as on 31st March, 2013:

Category	Number of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
Indian Promoter (s) and Persons acting in concert	10	0.12	4724541	34.84
Private Bodies Corporate	289	3.56	2580955	19.03
Indian Public	7467	91.79	2502701	18.46
NRI / OCBs / FIIs	221	2.72	3180193	23.45
Nationalized Bank	01	0.01	200000	1.48
Insurance Companies	02	0.02	309076	2.28
Mutual Funds	01	0.01	5000	0.04
HUF	126	1.55	43756	0.32
Others-Clearing Member	18	0.22	13578	0.10
TOTAL	8135	100	13559800	100

CHART I

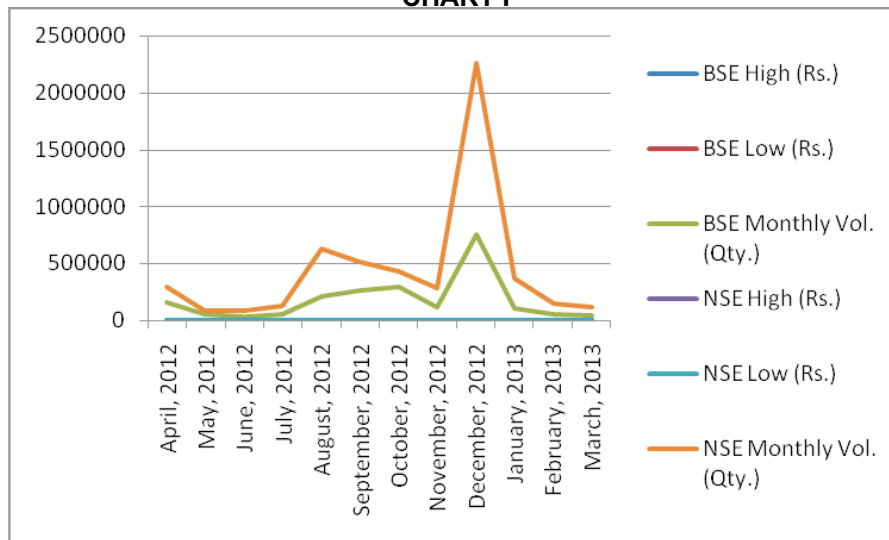


CHART II

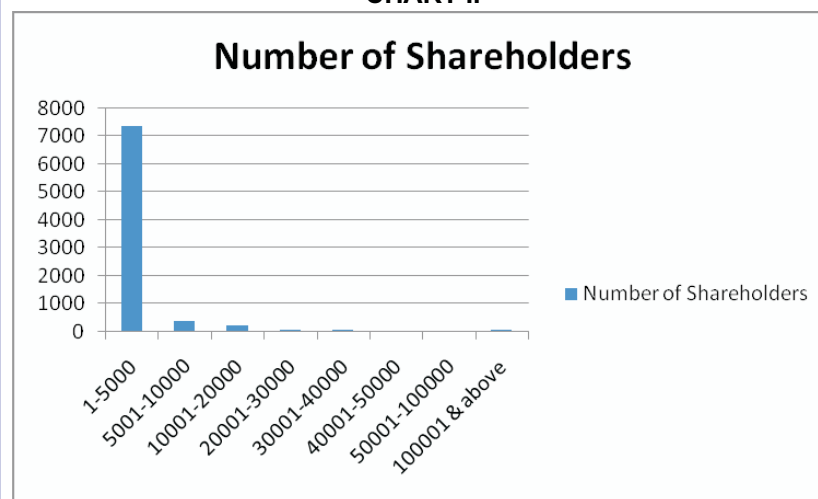


CHART III

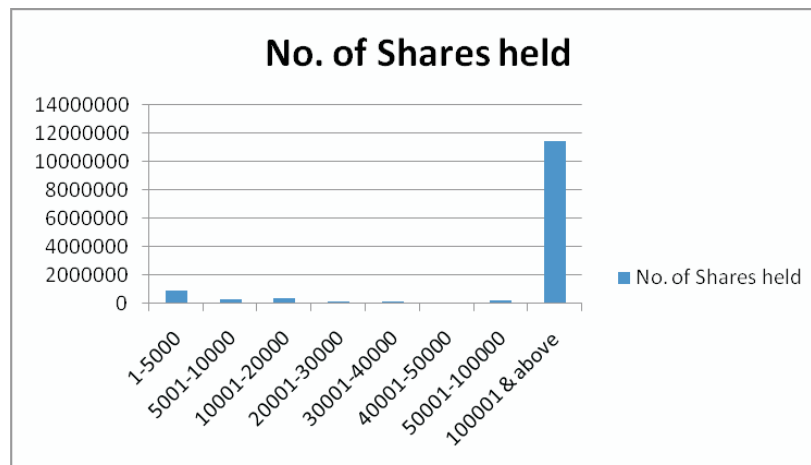
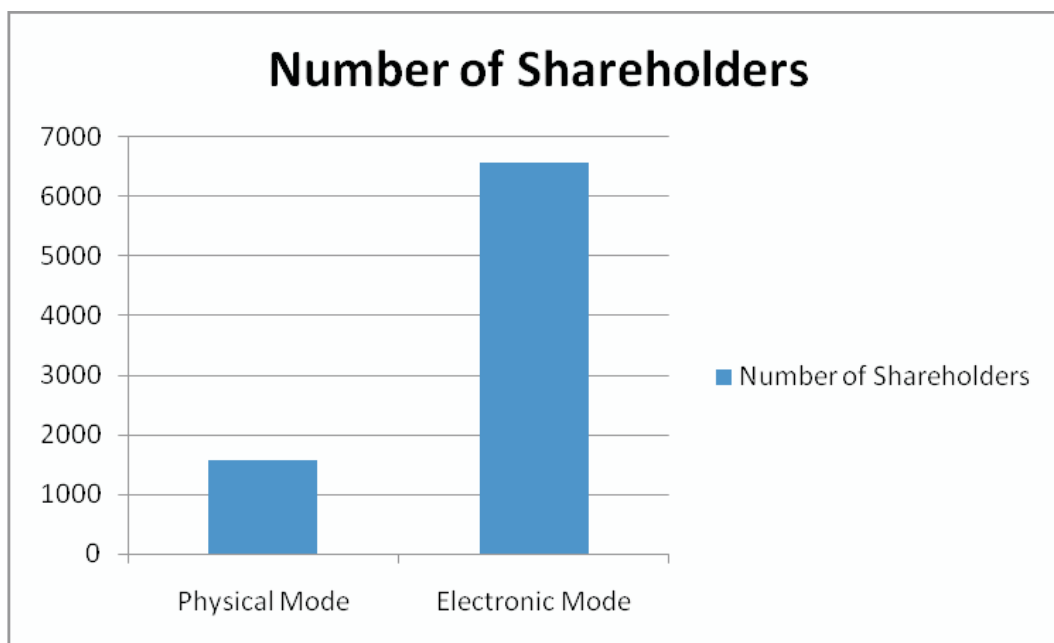


CHART IV



13. NON MANDATORY REQUIREMENTS

The Company has not, so far, adopted any non mandatory requirements as stated in Annexure 3 of the Listing Agreement.

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Alchemist Limited,
23, Nehru Place,
New Delhi - 110019

Sub : CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s Alchemist Limited, for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with, in all material respects, the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2013, no investor grievances are unattended/pending for a period exceeding one month against the Company as certified by the Registrars of the Company and details presented to the Investor Grievance Committee of the Company.

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

Date: August 14, 2013
Place: New Delhi

Sd/-
C.A. Ashish Chhabra
Partner
Membership No. 507083
N. Kumar Chhabra & Co.
Chartered Accountants
Firm Registration No. 000837N

INDEPEDENT AUDITORS' REPORT

To the Members of
Alchemist Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Alchemist Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Sd/-

C.A. Ashish Chhabra
Partner

Membership No. 507083
N. Kumar Chhabra & Co.
Chartered Accountants
Firm Registration No. 000837N

Date: 30 May, 2013
Place: New Delhi

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date. We report that:

- (i) (a) In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) In our opinion and according to the information and explanations given to us, the Company has formulated a regular program of verification by which all the assets of Company have been physically verified. No material discrepancies were noticed on physical verification conducted by the management during the year as compared with the book records.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed asset has been disposed during the year and therefore it does not affect the going concern status of the company.
- (ii) (a) In our opinion and according to the information and explanations given to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, 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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (iii) (a) According to the information & explanations given to us the Company has granted loans to subsidiary companies namely Alchemist Foods Limited, Alchemist Infrastructure Private Limited and Alchemist Hospitality Group Limited (Parties covered in the register maintained under section 301 of the Companies Act, 1956) for which the maximum amount outstanding during the year was Rs. 12425.02 Lacs, Rs. 237.50 Lacs and Rs. 1500.00 Lacs respectively and amount outstanding on 31st March, 2013 was Rs. 9772.66 Lac, Rs. 237.50 Lacs and Rs. 25.00 Lacs respectively. The Company has taken unsecured loan from KDS Corporation Pvt. Ltd. (Party covered in the register maintained under section 301 of the Companies Act, 1956) for which the maximum amount outstanding during the year was Rs. 35237.68 Lacs and amount outstanding on 31st March, 2013 was Rs 26737.68 Lacs.
- (b) The loan taken/given by the company are interest-free and the other terms and conditions of the loan taken/given by the company from/to parties covered in registered maintained under Section 301 are not prima-facie prejudicial to the interest of the Company.
- (c) The terms of the repayment for both the loan taken and given have not been defined and are repayable/receivable on the mutual agreement of both the parties involved.
- (d) In our opinion and according to the information and explanations given to us, there is no overdue amount in respect of the loan taken/given by the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in the pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956 for the year have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5.00 Lacs or more in respect of each party have been made at prices which in our opinion, are reasonable having regard to prevailing market price at relevant time.
- (vi) The Company has not accepted deposits from the public during the year covered by our audit report. However, the deposits have been repaid during the year and also the balance stands in the books at the year end. The Company has complied with all the provisions of Section 58A and 58AA of the Act and the rules framed there under.
- (vii) As per information & explanations given by the management, the Company has a separate internal audit department constituting of professionals undertaking audit exercises throughout the year. Accordingly the internal audit system in the Company seems commensurate with its size and the nature of its business.
- (viii) We have broadly examined the books of accounts maintained by the Company pursuant to the rules by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) (a) Based on our audit procedures and on the information and explanations given by the management, we report that undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in few cases. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) Details of excise duty which has not been deposited as on 31st March, 2013 by the Company on account of dispute is given below:

Name of the Statute	Nature of the dues	Forum where pending	Total Amount involved* (Rs. Lacs)	Amount paid under protest (Rs. Lacs)	Period to which amount relates
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise Commissionerate, Chandigarh	173.55	63.13	December, 2007 to September, 2012

* Amount as per demand order, not including interest and penalty as not quantified in the demand order.

- (x) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) 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.
- (xii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Order is not applicable to the Company.
- (xiv) Based on our audit procedures and on the information and explanation given by the management, we report that the Company is not dealing or trading in Shares, Securities, Debentures & other Investments. Therefore, the provision of clause 4(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantees to the tune of Rs. 3049.45 Lacs for loans taken by others from banks and financial institutions, the terms whereof are prima-facie not prejudicial to the interest of the Company.
- (xvi) Based on our audit procedures and on the information and explanation given by the management, we report that the term loans have been applied for the purpose for which they were raised.
- (xvii) Based on our audit procedures and on the information and explanation given by the management, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The Company has made preferential allotment of 6,75,000 shares to KDS Corporation Pvt. Ltd., Company covered in the register maintained u/s 301 of the Companies Act, 1956, during the year. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, the Company has not issued any secured debentures during the year. Therefore, the provision of clause 4(xix) of the Order is not applicable to the Company.
- (xx) During the year, the Company has not raised any money by way of the public issue.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Date: 30 May, 2013
Place: New Delhi

Sd/-
C.A. Ashish Chhabra
Partner
Membership No. 507083
N. Kumar Chhabra & Co.
Chartered Accountants
Firm Registration No. 000837N

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

BALANCE SHEET

(Amount in Rs.)

As At		31-Mar-13	31-Mar-12
Particulars	Note		
EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
Share Capital	2	268136000	275046000
Reserves & Surplus	3	773820172	530584719
Money received against Share Warrants	4	—	36281250
		1041956172	841911969
2 Non Current Liabilities			
Long term borrowings	5	2830515214	2865366412
Deferred Tax Liabilities (Net)	6	37886861	36611502
Other Long Term Liabilities	7	17060838	5254681
Long Term Provisions	8	20697766	13052478
		2906160679	2920285073
3 Current Liabilities			
Short-term borrowings	9	16369648	26832273
Trade payables	10	53459917	65419763
Other current liabilities	11	123627003	445677488
Short-term provisions	12	25604401	27348696
		219060969	565278220
Total Equity and Liabilities		4167177820	4327475262
ASSETS			
1 Non Current Assets			
Fixed Assets			
(i) Tangible Assets	13	417125023	355812086
(ii) Intangible Assets	13	75338829	43458985
(iii) Capital work in Progress	13	1025542655	584485534
(iv) Intangible under development	13	78588600	—
		1596595107	983756605
Non Current Investments	14	1041146582	1039781582
Long Term Loan & Advances	15	1112365628	1314049718
Other Non Current Assets	16	10060045	18724675
		3760167362	3356312580
2 Current Assets			
Current Investments	17	1783935	1389675
Inventories	18	93390276	84914410
Trade Receivables	19	67679549	172453004
Cash and Cash Equivalents	20	193453810	680166185
Short Term Loans and Advances	21	48145986	29808002
Other Current assets	22	2556902	2431406
		407010458	971162682
Total Assets		4167177820	4327475262

Significant Accounting Policies & Notes to the financial statement

(1 to 54)

This is the Balance Sheet referred to in our report of even date.

Sd/- CA. Ashish Chhabra Partner	Sd/- Rajansh Thukral Company Secretary	Sd/- Dinesh Vermani CFO	Sd/- R.P.Chhabra Director	Sd/- Maj. Gen. (Retd.) Anil Oberoi Executive Director
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MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.: 000837N
 Place : New Delhi
 Date : 30th May, 2013

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

STATEMENT OF PROFIT & LOSS

(Amount in Rs.)

For the year ended		31-Mar-13	31-Mar-12
Particulars	Note		
<u>INCOME</u>			
Revenue from Operations	23	6665604124	5219727895
Other Income	24	146418814	97642925
		6812022938	5317370820
<u>EXPENSES</u>			
Cost of Material Consumed	25	171497824	166280246
Purchase of Stock in Trade	26	6118771466	4765352750
Change in Inventories of Finished Goods, Work in Progress and Store & Spares	27	(6911149)	(14499982)
Employees Benefit Expenses	28	86545054	63747330
Finance Cost	29	49177414	16414249
Depreciation & Amortization Expenses	30	33175061	29410478
Other Expenses	31	135248079	105239470
		6587503749	5131944541
Profit Before Taxes		224519189	185426279
Tax Expenses:			
Current Tax		61175409	36277735
Deferred Tax Charge/ (Benefit)		1275360	15680867
Tax Relating to Previous Years		(2457)	(27700214)
Net Profit For The Year		162070877	161167891
<u>Earning Per Shares</u>			
(Equity shares, Per value Rs 10/- each)			
Basic & Diluted			
- Basic EPS	32	12.25	13.15
- Diluted EPS	32	11.95	13.15
Significant Accounting Policies & Notes to the financial statement (1 to 54)			

This is the Statement of Profit and loss referred to in our report of even date.

Sd/- CA. Ashish Chhabra Partner	Sd/- Rajansh Thukral Company Secretary	Sd/- Dinesh Vermani CFO	Sd/- R.P.Chhabra Director	Maj. Gen. (Retd.) Anil Oberoi Executive Director
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MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.: 000837N
 Place : New Delhi
 Date : 30th May, 2013

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

Cash Flow Statement for the year ended

(Amt. in Lacs)

Particulars	31-Mar-13	31-Mar-12
A) Cash Flow From Operating Activities		
Net Profit before Tax	2245.19	1854.27
<u>Adjustments for:</u>		
Depreciation & Amortisation	331.75	294.10
Misc Expenses Written Off	86.65	86.65
Interest Received	(1180.26)	(461.03)
Dividend Received	(251.44)	(251.44)
Operating profit before working capital changes	1231.89	1522.55
<u>Adjustments for changes in Working Capital:</u>		
Inventories	(84.76)	(151.25)
Trade Receivable	1047.73	(20.18)
Short Term Loan & Advances	(183.38)	200.30
Other Non Current Assets	—	(13.96)
Other Current Assets	(1.25)	(5.67)
Long Term Loan & Advances	2016.84	(4429.95)
Trade Payable	(119.60)	(161.57)
Other Current Liabilities	(3220.50)	(266.89)
Short Term Provisions	(17.44)	11.30
Long Term Provisions	76.45	12.01
Other Long Term Liabilities	118.06	10.35
Cash generated/(Used) from/in Operation	864.04	(3292.96)
Provision For Tax	(611.73)	(85.78)
Net Cash generated/(Used) from/in Operating Activities	252.31	(3378.74)
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets and capital work in progress	(6461.95)	(3590.11)
Proceeds from Sale of Fixed Asset (Net of Depreciation)	1.80	22.95
(Purchase)/Sale of non current Investments	(13.65)	1920.59
(Purchase)/Sale of current Investments	(3.94)	2.43
Foreign Currency Translation reserve	9.91	1.17
Capital Subsidy	30.00	—
Interest Received	1180.26	461.03
Dividend Received	251.44	251.44
Net Cash generated/(Used) from/in Investing Activities	(5006.13)	(930.50)
C) Cash Flow From Financing Activities		
Increase in Equity Capital (Incl Shares Premium)	1451.25	1376.00
Redemption of Preference Shares	(136.60)	(1370.11)
Preference Shares Redemption Premium	(374.04)	(3768.41)
Money Received against Share Warrant	(362.81)	362.81
Long Term Borrowings	(348.51)	13756.49
Short Term Borrowings	(104.63)	(90.71)
Dividends Paid (Including Dividend Tax)	(237.96)	(257.70)
Net Cash generated/(Used) from/in Financing Activities	(113.30)	10008.37
D) Net Increase /(Decrease) in Cash & Cash Equivalents (D=A+B+C)	(4867.12)	5699.13
E) Cash & Cash Equivalents at the beginning of the year	6801.66	1102.53
F) Cash & Cash Equivalents at the end of the year	1934.54	6801.66

This is the cash flow statement referred to in our report of even date.

Sd/- CA. Ashish Chhabra Partner	Sd/- Rajansh Thukral Company Secretary	Sd/- Dinesh Vermani CFO	Sd/- R.P.Chhabra Director	Maj. Gen. (Retd.) Anil Oberoi Executive Director
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MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.: 000837N
 Place : New Delhi
 Date : 30th May, 2013

Notes forming part of the financial statement for the year ended March 31, 2013**Significant Accounting Policies (Note- 1)****(i) Basis of Preparation**

The financial statements have been prepared to comply with the Accounting Standards referred to in Companies (Accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on the accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The Estimate and assumptions used in the accompanying financial statement are based upon management evaluation of relevant facts and circumstances as at the date of the financial statements, which in its opinion are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current & future periods.

(iii) Fixed Assets

Fixed assets are stated at their original cost of acquisition/revaluation, including taxes, freight, and other incidental expenses related to acquisition and installation of the concerned assets. Internally fabricated assets are valued at cost. Interest on borrowed funds attributable to acquisition/construction of fixed assets & related preoperative expenses up to the date of commencement of commercial production, are capitalized.

(iv) Capital Work In Progress

Project under commissioning and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(v) Depreciation

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 and on the re-valued cost wherever applicable. The difference of the depreciation between the revalued cost and historical cost has been charged to Profit & Loss Account. Saplings and Flower Beds have been written off at the rate of 1/7th & 1/10th of the cost respectively as per management estimates of useful life.

(vi) Impairment Of Assets

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

- the provision for impairment loss, if any, required or
- the reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of assets exceeds its recoverable amount.

(vii) Government Grants

Grants in the nature of promoter's contribution and in which repayment is ordinarily not expected are treated as a part of shareholders funds and credited to Capital Reserve.

Grants in relation to specific fixed assets are deducted from the cost of the fixed assets.

(viii) Inventories

The basis of valuation of inventories is as under:

- Raw material, semi-finished goods and finished goods are valued at lower of cost or net realizable value. The raw material costs are based on FIFO method. Further, in respect of the manufactured inventories i.e. process stock and finished goods; cost includes raw material cost plus conversion cost and other relatable manufacturing overheads.
- Stores, spares and scrap are valued at lower of cost or under.
- In Compliance with AS-2 Prescribed by ICAI, the company has included excise duty on stock of finished goods; however this has no impact on profit of the company for the year under review

(ix) Foreign Currency Transaction

Transaction in foreign currency is recorded at the exchange rate prevailing at the time of transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the profit and loss account.

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

In the case of assets and liabilities standing at the year end date, the balances are stated at the rates prevailing at the year end and the exchange difference there on are adjusted in the profit and loss account.

In respect of forward contracts taken by the Company, the difference between the forward rate and the exchange rate at the end of transaction is recognised as income/expense over the life of the forward contract.

(x) Intangible Assets and its Amortisation

The R&D expenditure on revenue account and capital accounts had been capitalised under the head Fixed Assets and are being amortised over a period of 10 Years

Intangible assets recognised in the financial statements are amortised over the useful life of the asset.

(xi) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding held and the interest rate applicable.

Dividend:

Dividend income is recognized as income when the right to receive the payment is established.

Insurance and other claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(xii) Employee Benefits

- Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

- Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Profit and loss account in the year in which such gains or losses arise.

- Compensated absences

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Profit and loss account in the year in which such gains or losses arise.

(xiii) Taxation

The tax expense comprises of current taxes and deferred taxes. Current Tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(xiv) Borrowing Costs

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

(xv) Deferred Revenue Expenditure

Expenses incurred by Company under various head for Brand building /launching of new projects have been charged to deferred expenditure. These expenditure are written off over a period of three year as the benefit of these expenditure will be available to the company during this period

(xvi) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Common Expenses

Common expenses relating to Head office and other administrative offices have been allocated to various profit centres on a reasonable basis.

(xviii) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term Investment is carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair market value.

(xix) Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. 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. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease receipt/payments are recognized as an income/expense in the Statement of Profit and Loss.

(xx) Rounding Off

Amounts have been rounded off to the nearest Rupee.

(xxi) Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

(Amt. in Rs.)

	Note	31-Mar-13	31-Mar-12
SHARE CAPITAL	2		
a) AUTHORISED			
Equity Shares - 3,00,00,000 of Rs. 10/- each (Previous year -3,00,00,000 of Rs. 10/- each)		300000000	300000000
Preference Shares - 50,00,000 of Rs 100/- each (Previous year -50,00,000 of Rs 100/- each)		500000000	500000000
b) ISSUED, SUBSCRIBED AND PAID-UP			
Equity Shares - 1,35,59,800 of Rs.10/- each (Previous year 1,28,84,800 of Rs.10/- each)		135598000	128848000
Redeemable Preference Shares 13,25,380 of Rs 100/- Each (Previous year 14,61,980 of Rs 100/-Each)		132538000	146198000
Total		268136000	275046000

Terms/right attached to shares:

Equity Shares: The company has only one class of equity shares having a par value of Rs. 10/- per shares. Each holders of equity Shares is entitled to one vote per share.

Redeemable Preference Shares: The Preference Shares are in the nature of redeemable preference shares having a par value of Rs. 100/- per share.

Reconciliation Showing No. of Shares Outstanding at the beginning and at the end of the accounting period:

Equity Shares	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12884800	128848000	12244800	122448000
Shares Issued during the year*	675000	6750000	640000	6400000
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	13559800	135598000	12884800	128848000

* Preferential Allotment of 6,75,000 Shares, par value of Rs. 10/- was made to KDS Corporation Pvt Ltd, Promoter Group Company on 29th September, 2013 at Rs. 215 per share, (Previous Year Preferential Allotment of 6,40,000 Shares, par value of Rs. 10/- was made to KDS Corporation Pvt Ltd, on 28th March, 2012 at Rs. 215 per share)

Reconciliation Showing No. of Shares Outstanding at the beginning and at the end of the accounting period:

Preference Shares	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1461980	146198000	2832090	283209000
Shares Issued during the year	—	—	—	—
Shares bought back during the year (Redemption)	136600	13660000	1370110	137011000
Shares outstanding at the end of the year	1325380	132538000	1461980	146198000

The Shareholders holding more than 5% equity shares of the company are as under:

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Share held	% of Holding
Kanwar Deep Singh	1257020	9.27	1257020	9.76
KDS Corporation Pvt Ltd	3059000	22.56	2384000	18.50
HS FII Investments Ltd	—	—	727457	5.65
Davos International Fund	746000	5.50	746000	5.79

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

	Note	31-Mar-13	31-Mar-12
(Amt. in Rs.)			
RESERVES AND SURPLUS	3		
Capital Reserve			
Capital Reserve*		2999716	—
		<u>2999716</u>	<u>—</u>
Capital Redemption Reserve			
Balance Brought Forward		375393000	238382000
Add: Transfer from General Reserve		13660000	137011000
		<u>389053000</u>	<u>375393000</u>
Preference Shares Redemption Reserve			
Balance Brought Forward		84358588	163416129
Add: Transferred from General Reserve		—	166583209
Add: Transferred from Securities Premium Reserve		29522269	131200000
Less: Utilized for the Redemption of Preference Shares		37404308	376840750
		<u>76476548</u>	<u>84358587</u>
Securities Premium Reserve			
Balance brought forward		9408000	9408000
Add: Premium On Issue of Shares		138375000	131200000
Less: Transfer to Preference Shares Redemption Reserve		29522269	131200000
		<u>118260731</u>	<u>9408000</u>
General Reserve			
Balance Brought Forward		16295299	4207707
Add: Transfer from Statement of Profit & Loss		8103544	315681801
Less: Transfer to Preference Shares Redemption Reserve		—	166583209
Less: Transfer to Capital Redemption Reserve		13660000	137011000
		<u>10738843</u>	<u>16295299</u>
Surplus in Statement of Profit & Loss			
Balance Brought Forward		45013293	225296803
Add: Transfer from Statement of Profit and loss		162070877	161167891
Less: Transfer to General Reserves		8103544	315681801
		<u>198980627</u>	<u>70782893</u>
Less:			
Proposed Dividend **		20339700	25769600
Corporate Dividend Tax		3456732	—
		<u>175184195</u>	<u>45013293</u>
Foreign Currency Translation Reserve			
Opening Balance		116540	—
Current Year Recognition		990599	116540
		<u>1107139</u>	<u>116540</u>
Total		<u>773820172</u>	<u>530584719</u>

* The Company received a grant of Rs. 29,99,716 from government under the Central Capital Investment Subsidy Scheme, 2003. The grant is in the nature of promoters contributions and accordingly credited to Capital Reserve and treated as part of Shareholders funds.

** The Company has announced a dividend of 15 percent for the current financial year (P.Y 20%), CDT liability arriving on the same has been provided during the current year (The CDT liability accruing during the previous year was not provided claiming the benefit of provision under Section 115-0 of the Income Tax Act, 1961).

MONEY RECEIVED AGAINST SHARE WARRANT	4		
Money Received against Share Warrants *		—	36281250
Total		<u>—</u>	<u>36281250</u>

*Money received against shares warrants from KDS Corporations Private Limited was adjusted against 6,75,000 Shares issued to KDS Corporation Pvt. Ltd. during the current year.

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

	Note	31-Mar-13	31-Mar-12
(Amt. in Rs.)			
LONG-TERM BORROWINGS	5		
SECURED			
Term Loans From Bank			
Punjab National Bank		178751224	62342517
Less : Current Maturities		(30000000)	—
		148751224	62342517
Vehicle Loans from Banks			
Vehicle loan		13587838	18824474
Less : Current Maturities		(5592618)	(7569349)
		7995220	11255125
		156746444	73597642
UN-SECURED			
Deposit from Public			
Deposit from Public		—	113752500
Less : Current Maturities		—	(113752500)
		—	—
Inter Corporate Deposit		2673768770	2791768770
		2673768770	2791768770
		2673768770	2791768770
Total		2830515214	2865366412
Term Loans From Bank:			
Punjab National Bank: Secured Loan of Rs. 17,87,51,224/- (Rs. Seventeen Crore Eighty Seven Lac Fifty One Thousand Two Hundred Twenty Four Only) (Previous Year Rs. 6,23,42,517/- (Rs. Six Crore Twenty Three Lac Forty Two Thousand Five Hundred Seventeen Only) secured through exclusive Charge on Fixed Assets Block, situated at F-5, Kishangarh Rajiv Gandhi I.T. Park, Chandigarh. Due with in one year is Rs. 3.00 Crore (Rs. Three Crore Only) (Previous Year Rs. Nil).			
The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director till 31st August,2012 and thereafter at the request of company, as promoter.			
Term Loan carries interest @ base rate + 4% and is repayable in 84 monthly installment of Rs. 25,00,000/- (Rupees Twenty Five Lac Only) each, commencing from 30th April, 2013.			
Vehicle Loans from Banks :			
Vehicle Loans of Rs. 1,35,87,838/- (Rupees One Crore Thirty Five Lac Eighty Seven Thousand Eight Hundred Thirty Eight Only) (Previous Year Rs. 1,88,24,474/- (Rupees One Crore Eighty Eight Lac Twenty Four Thousand Four Hundred Seventy Four Only) are Secured against hypothecation of vehicles. Due with in one year is Rs. 55,92,618/- (Rs. Fifty Five Lac Ninety Two Thousand Six Hundred Eighteen Only) (Previous year Rs. 75,69,349/- (Rs. Seventy Five Lac Sixty Nine Thousand Three Hundred Forty Nine Only).			
Vehicle Loans have been procured from various banks with rate of interest varying from 9% to 12% with repayment term of 3 to 5 Years.			
Deposit from Public:			
Deposit from Public Rs -Nil - (Previous year Rs 11.37 Crore). Out of This Rs. -Nil- (Previous Year Rs 3.33 Crore) are guaranteed by Directors. Due with in one year Rs. -Nil- (Previous Year Rs 11.37 Crore)			
Inter Corporate Deposit:			
Inter Corporate deposit has been received from KDS Corporation Pvt Ltd., a promoter group Company. The Terms of repayment have not been defined and is repayable on the mutual agreement of both the parties involved, hence terms are not prejudicial to the interest of the company.			
DEFERRED TAX LIABILITIES (NET)	6		
Deferred tax liability			
Fixed assets : Impact of Difference between carrying amount of Tax depreciation and depreciation charged in the books		45649310	41290788
Gross deferred tax liability		45649310	41290788
Deferred tax assets			
Carrying amount of provisions for Gratuity, Bonus and Leave Encashment		7762449	4679286
Gross deferred tax assets		7762449	4679286
Deferred tax liabilities (Net)		37886861	36611502

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

		(Amt. in Rs.)	
	Note	31-Mar-13	31-Mar-12
OTHER LONG TERM LIABILITIES	7		
Security Received		17060838	5254681
Total		17060838	5254681
LONG TERM PROVISIONS	8		
Provision for Employees Benefits			
— Gratuity		12987991	7716907
— Earned Leave		7709775	5335571
Total		20697766	13052478
SHORT TERM BORROWINGS	9		
SECURED			
Loan Repayable on demand, from Banks			
Bank of India (Working Capital Facility)		16369648	23202299
Punjab National Bank (Overdraft Limit)		—	3629974
Total		16369648	26832273
Loan Repayable on demand, from Banks			
Working Capital Facility			
Bank of India:			
Working Capital facility of Rs. 1,63,69,648/- (Rupees One Crore Sixty Three Lac Sixty Nine Thousand Six Hundred Forty Eight Only) (Previous Year Rs. 2,32,02,299/- (Rupees Two Crore Thirty Two Lac Two Thousand Ninety Nine Only) secured against hypothecation of stocks and book debt of the company's unit located at Chambaghat, Solan (H.P). It is further collaterally secured by Land and Building and other structures (erected or to be erected), other immovable properties of the Unit situated at Chamba Ghat, Solan.			
The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director till 31st August,2012 and thereafter at the request of the company and promotor.			
Overdraft Facility			
Punjab National Bank:			
Demand Loan - Nil - (Previous Year Rs. 36,29,974 /- (Rs. Thirty Six Lac Twenty Nine Thousand Nine Hundred Seventy Four Only)) secured against the Term Deposit Receipts of the company.			
TRADE PAYABLE	10		
Trade Payables		53459917	65419763
Total		53459917	65419763
OTHER CURRENT LIABILITIES	11		
Current maturities of long-term borrowings*			
Term Loan		30000000	—
Vehicle Loan		5592618	7569349
Deposit from Public		—	113752500
Interest Accrued and Due on Borrowings		2648433	800275
Liabilities for Capital Goods		2918713	4224758
Expenses and Statutory Dues Payable		32867919	28789277
Advance received		3306904	75552135
Unclaimed Dividend **		8429342	11255098
Unclaimed Matured Public Deposits		6111000	—
Securities Refundable		1750000	193230992
Other Liabilities		30002074	10503103
Total		123627003	445677488
* Refer Note No: 5			
** A sum of Rs. 84,29,342/- (Rs. Eighty Four Lac Twenty Nine Thousand Three Hundred Forty Two only) (Previous year Rs.1,12,55,098/- (Rs. One Crore Twelve Lac Fifty Five Thousand Ninety Eight only) is lying as unclaimed dividend in separate accounts with HDFC Bank, Chandigarh.			
SHORT TERM PROVISIONS	12		
Provision for Employees			
— Gratuity		1204635	1045382
— Earned Leave		603334	533714
Proposed Dividend		20339700	25769600
Corporate Dividend Tax		3456732	—
Total		25604401	27348696

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

(Amt. in Rs.)

Note

Fixed Assets

13

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	NET BLOCK
	AS AT 1-Apr-12	SALE / ADJUST- MENTS	ADDITIONS/ CAPITA- LISED	AS AT 31-Mar-13	AS AT 1-Apr-12	ON SALE / ADJUST- MENTS	FOR THE YEAR	AS AT 31-Mar-13	AS AT 31-Mar-13	AS AT 31-Mar-12
Tangible Assets										
- Land	157271906	-	18705002	175976908	-	-	-	-	175976908	157271906
- Building	41081660	-	500551	41582211	20140515	-	1687909	21828424	19753787	20941145
- Lease Hold Improvements	-	-	38593565	38593565	-	-	397872	397872	38195693	-
- Plant & Machinery	97970244	570716	3186799	100586327	40208073	11979	4874131	45070225	55516102	57762170
- Sapling	69565589	-	242080	69807669	68659251	383266	223675	68499660	1308009	906338
- Green House	54310280	-	1251059	55561339	27541363	-	2613766	30155129	25406210	26768917
- Furniture & Fixtures	13436418	-	590603	14027021	7614059	-	889314	8503373	5523642	5822359
- Vehicles	107221899	-	13206198	120428097	46532729	-	10648277	57181006	63247091	60689170
- Office Equipment's	9528216	-	5227179	14755395	2714821	-	505598	3220419	11534976	6813395
- Computer & Peripherals	34657382	29500	7429790	42057672	15820697	24490	5598860	21395067	20662605	18836685
Sub Total	585043593	600216	88932826	673376204	229231507	419735	27439402	256251175	417125023	355812086
Previous Year	570068327	3076821	18052087	585043593	204832591	781719	25180635	229231507	355812086	
Intangible Assets										
- Computer Software	-	-	17127633	17127633	-	-	56685	56685	17070948	-
- Research & Developments	59974594	-	20487870	80462464	16515609	-	5678974	22194583	58267881	43458985
Sub Total	59974594	-	37615503	97590097	16515609	-	5735659	22251268	75338829	43458985
Previous Year	45483258	-	14491336	59974594	12285768	-	4229841	16515609	43458985	
Grand Total	645018187	600216	126548329	770966301	245747116	419735	33175061	278502443	492463852	399271071
Previous Year	615551585	3076821	32543423	645018187	217118359	781719	29410476	245747116	399271071	
Capital Work in Progress *	-	-	-	-	-	-	-	-	1025542655	584485534
Intangible Under Development	-	-	-	-	-	-	-	-	78588600	-

* Capital Work in Progress mainly includes Capex, interest on borrowed funds attributable to construction of fixed assets and related pre-operative expenses in relation to the construction of building at I.T. Park, Chandigarh, which is expected to be operative in next year.

NON CURRENT INVESTMENTS

14

31-Mar-13

31-Mar-12

Non Trade Investments (In Equity Instruments)

Unquoted - Subsidiaries

— Alchemist Foods Ltd

(Current Year Equity Shares 100050000
(Previous Year 100050000.) of Rs.10/- Each)

100050000 100050000

— Alchemist Hospitality Group Limited

(Current Year Equity Shares 37440
(Previous year .Nil .) of Rs. 10/- Each)

374400 —

— Alchemist Infrastructures Pvt Ltd

(Current Year Equity Shares 10000
(Previous year 10000) of Rs. 10/- Each)

100000 100000

— Alchemist Enterprise(S) Pte. Ltd

(Current Year Equity Shares 501000
(Previous year 501000) of SGD\$ 1 Each)

21267009 20276409

Unquoted - Associates

— Dooteriah & Kalej Valley Tea Estate Pvt Ltd.

(Current Year Equity shares 36000
(Previous year 36000) of Rs 100/- Each)

18180173 18180173

— Alchemist Medisphere Limited

(Current Year Equity Shares 22500
(Previous year 22500 Shares) of Rs. 10/- Each)

225000 225000

1040646582 1039281582

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

	Note	31-Mar-13	31-Mar-12
(Amt. in Rs.)			
Non Trade Investment (In Mutual Funds)			
Quoted			
— Religare Business Leader Fund (Current Year Units 50000 (Previous Year Units 50000) of Rs. 10/- Each)		500000	500000
		<u>500000</u>	<u>500000</u>
Total		1041146582	1039781582
Aggregate Market Value of Quoted Investments		633000	582000
LONG TERM LOAN AND ADVANCES 15			
Unsecured, Considered Good			
Capital Advances		90215746	12555167
Loan to Subsidiaries*		1003513859	1178188073
Mat Credit Entitlements		459327	920442
Security Deposits		18176696	9386036
Total		1112365628	1314049718
*Loan to Subsidiaries : Loan to Alchemist Foods Limited of Rs 97.72 Crore (Previous Year 117.74 Crore) and to Alchemist Infrastructures Pvt. Ltd of Rs. 2.37 Crore (Previous Year 0.07) and to Alchemist Hospitality Group Ltd of Rs 25.00 Lacs (Previous Year - Nil-).			
OTHER NON CURRENT ASSETS 16			
Deferred Revenue Expenditure			
Balance Brought Forward		17329257	25993887
Less: Written off		8664630	8664630
Balance Carried Forward		8664627	17329257
Balances with Banks in Deposit Accounts with maturity after 31st Mar, 2014		1395418	1395418
		<u>1395418</u>	<u>1395418</u>
Total		10060045	18724675
*Total deposit of Rs. 13.95 Lacs (Previous Year 13.95 Lac) under lien for guarantee given by banks to various Government Authorities			
CURRENT INVESTMENTS 17			
Non Trade Investments (In Equity Shares)			
Quoted			
— Andhra Bank* (Current Year Equity Shares 3394 (Previous Year 3394) of Rs 10/- Each)		305460	305460
— Marksans Pharma Ltd* (Current Year Equity Shares 657100 of Rs, 1/- each (Prev. Year 657100 of Rs 1/- each)		1478475	1084215
Total		1783935	1389675
Aggregate Market Value of Quoted Investments		2905532	1489119
*Appreciation of Rs. 394261/- on the value of current investment up to the cost of acquisition has been considered in the books as against reduction of Rs. 394261/- in the previous year.			
INVENTORIES 18			
Inventories taken as valued and certified by the Management			
— Raw Materials*		18666703	17101986
— Finished Goods*		31617904	20710720
— Work In Progress/Semi finished goods.*		43101310	47097931
— Store, Spares and Scrap **		4359	3773
Total		93390276	84914410
* Valued at lower of cost and net realizable value.			
** Valued at cost or under.			

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

		(Amt. in Rs.)	
	Note	31-Mar-13	31-Mar-12
TRADE RECEIVABLES	19		
Trade Receivable outstanding for a period exceeding six months from the date they were due for payment			
Unsecured - Considered good		18649076	92694356
Other Trade Receivable			
Unsecured - Considered good		49030473	79758648
Total		67679549	172453004
CASH & CASH EQUIVALENTS	20		
Balance with Banks - Current Accounts		54037670	197521690
Balance with Banks - Fixed Deposit*		103499357	463848135
Cheque in Hand		8528266	—
Cash in hand		27388517	18796360
Total		193453810	680166185
*Including deposit of -Nil- (Previous Year 48.98 Lacs) under Lien against demand Loan and Rs. 11.49 Lacs (Previous Year 18.76 Lac) under lien for guarantee given by banks to various Government Authorities			
SHORT TERM LOANS AND ADVANCES	21		
Unsecured, Considered good			
Advances Paid to Suppliers for Goods\Services		25964605	9210247
Advances Recoverable in Cash or in Kind or for value to be received		22181381	20597755
Total		48145986	29808002
OTHER CURRENT ASSETS	22		
Unsecured, Considered good			
Interest Accrued		2556902	2431406
Total		2556902	2431406
REVENUE FROM OPERATION	23		
Gross Sales		6681315927	5231426965
Less :- Excise Duty		15711803	11699070
Total Net Sale		6665604124	5219727895
OTHER INCOME	24		
Interest received		118026176	46103205
Dividend received*		25143517	25143667
Net Foreign Exchange Difference		—	25273814
Misc. Other Income		3249121	1122239
Total		146418814	97642925
* Dividend received includes of Rs. 2,51,25,000/- (Rs Two Crore Fifty One Lac Twenty Five Thousand Only) (Previous Year - 2,51,25,000/- (Rs Two Crore Fifty One Lac Twenty Five Thousand Only) received from Alchemist Foods Limited which is a subsidiary of the company.			
COST OF MATERIALS CONSUMED	25		
Opening Stock		17101986	16476536
Add : Purchases		173062541	166905696
		190164527	183382232
Less : Closing Stock		18666703	17101986
		171497824	166280246
PURCHASE OF STOCK IN TRADE	26		
Purchase of Stock in Trade		6118771466	4765352750
		6118771466	4765352750

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

		(Amt. in Rs.)	
	Note	31-Mar-13	31-Mar-12
CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STORE, SPARES AND SCRAP			
	27		
Opening Stock			
— Finished goods		20710720	15634819
— Work in Progress		47097931	37671623
— Store & Spares		3773	6000
		67812424	53312442
Closing Stock			
— Finished goods		31617904	20710720
— Work in Progress		43101310	47097931
— Store & Spares		4359	3773
		74723573	67812424
(Increase) / Decrease in Stock		(6911149)	(14499982)
EMPLOYEES BENEFIT EXPENSES			
	28		
Salaries & Wages including Bonus, Gratuity, Welfare Expenses		73769960	59455390
Employer's Contribution towards Provident & other Funds		12775094	4291940
Total		86545054	63747330
FINANCE COST			
	29		
Interest Paid		5997105	10394056
Other Borrowing Cost		13846835	6020193
Net Loss/(Gain) on foreign currency transactions & translation.		29333474	—
Total		49177414	16414249
DEPRICIATION AND AMORTISATION EXPENSES			
	30		
Depreciation on Tangible Assets		27439402	25180637
Amortization of Intangible Assets		5735659	4229841
Total		33175061	29410478
OTHER EXPENSES			
	31		
Consumable, Stores & Spares		19663847	17410019
Power & Fuel Expenses		3721845	4024227
Rent		3572444	5302221
Postage, Telegram & Courier		2151721	705553
Repair & Maintenance		2052850	1086593
Travelling Expenses		5194471	4761012
Fee & Taxes		829269	2271207
Insurance Charges		1847384	2017175
Telephone, Internet & Communication Charges		2381145	2075518
Vehicle Running & Maintenance		4823839	5032822
Director Sitting Fees		85000	145000
Misc. and General Expenses		11150341	8438673
Misc. Expenses Written off		8664630	8664630
Prior Period Item		833903	2743935
Marketing Expenses		35726592	20801928
Advertisement & Publicity		11825124	2818037
Printing and Stationery		2669332	710047
Auditor's Remuneration			
— Statutory Audit Fee		1397938	1164948
— Tax Audit Fee		232990	194158
— For Others		797525	419050
Cost Auditor's Remuneration			
— Audit Fee		160000	157000
Legal & Professional Charges		3558163	7671992
Business Promotion / Entertainment Expenses		11907726	6623725
Total		135248079	105239470

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.
32. Earning Per Shares (EPS)

Particulars	Year	Year
	31.03.2013	31.03.2012
	(Rs.)	(Rs.)
Profit After Tax as per the Statement of Profit and Loss attributable to Equity Share Holders	16,20,07,880	16,11,67,891
Weighted Average No of Equity Shares (Basic)	1,32,28,773	1,22,51,796
Weighted Average No of Equity Shares (Diluted)	1,35,59,800	1,22,51,796
Nominal value of Equity Shares (Rs.)	10/-	10/-
Earning Per Share (Rs.)		
— Basic EPS	12.25	13.15
— Diluted EPS	11.95	13.15

33. Contingent Liabilities and Commitments (Rs. In Lacs)

Particulars	Year	Year
	31.03.2013	31.03.2012
Contingent Liabilities		
— Corporate Guarantees	3049.45	1877.00
— Disputed demand under excise duty (Net of duty deposited under protest)	110.41	—
— Claims against the company not acknowledged as debts	12.00	12.00
Commitments		
— Estimated amount of Contract remaining to be executed on capital account and not provided for (Net of Advances)	487.66	428.44

34. Detail of raw material and components consumed: (Rs. In Lacs)

Particulars	Year	Year
	31.03.2013	31.03.2012
Raw Material Consumed	1714.98	1662.80
Consumables, Store & Spares Consumed	196.64	174.10
Total	1911.62	1836.90

35. Imported and Indigenous consumed: (Rs. In Lacs)

Particulars	Year	Indigenous		Imported		Total Amount
		Amount	Value	Amount	Value	
Raw Material	2012-13	1714.98	100 %	Nil	Nil	1714.98
	2011-12	1662.80	100 %	Nil	Nil	1662.80
Consumables, Store & Spares	2012-13	196.64	100 %	Nil	Nil	196.64
	2011-12	174.10	100 %	Nil	Nil	174.10

36. In the opinion of the management the current assets, loans and advances are of the value stated, if realised in the ordinary course of business. Out of the total amount of Loan and Advances a Sum of Rs. 4.60 Crores stands outstanding from Medisphere Marketing Limited. The company has initiated a legal action in the Kolkata High Court for recovery of the same.

37. The Company had entered into a scheme of arrangement under section 391-394 of the Companies Act, 1956 with Alchemist Foods Limited, a wholly owned subsidiary which had been approved by the Hon'ble High Court of Delhi and High Court of Punjab and Haryana at Chandigarh vide its order dated 1st November, 2010 & 2nd December, 2010 respectively. The same had been registered with the Office of Registrar of Companies at Delhi and Chandigarh dated 2nd December, 2010 & 23rd December, 2010. Hence, appointed date for the implementation of the scheme was 23rd December, 2010 with effect from 1st April 2008, being the effective date. The scheme of arrangement was duly implemented in the financial year 2010-11.

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

As per scheme, food division of Alchemist limited had been demerged from the Company and transferred to and vested in Alchemist Foods Limited. All the properties, rights and power, assets, both movable and immovable, liabilities including contingent liabilities and reserves, all income and expenses of the Food Division have without further act or deed been transferred to and vested with Alchemist Foods Limited at their book values, as a going concern with effect from the appointed date i.e. 1st April, 2008. In consideration, thereof, Alchemist Foods Limited had issued 1,00,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 90/- per shares to Alchemist Limited and an amount of Rs. 27.44 Crores was treated as unsecured loan from Alchemist Limited to Alchemist Foods Limited.

As per Scheme of arrangement, Authorized share capital of Alchemist Limited i.e. Rs. 121.25 Crores as on effective date i.e. 1st April, 2008 had been partly clubbed with Authorized Share Capital of the Transferee Company i.e. Alchemist Foods Limited. Accordingly, after implementation of scheme of arrangement, authorized share capital of Alchemist Limited had been reduced to Rs. 80.00 Crores consisting of 3.00 Crore equity shares of Rs. 10/- each aggregating to Rs. 30.00 Crores and 50.00 Lac redeemable preference shares of Rs. 100/- each aggregating to Rs. 50.00 Crores.

38. Alchemist Limited has four subsidiaries namely Alchemist Foods Limited, Alchemist Infrastructures Pvt. Ltd., Alchemist Hospitality Group Limited and Alchemist Enterprises Pte. Ltd, Singapore in accordance with General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of subsidiary companies are not being attached with the Financial Statement of the Company.

39. Related Party Disclosures:

In accordance with the Accounting Standard (AS -18) on related party disclosure where controls exists and where transaction have taken place and description of the relationship as identified and certified by management are as follows:

Key Managerial Personnel

- Dr. Kanwar Deep Singh (Retired on 30th August, 2012)
- Maj. Gen. (Retd.) Anil Oberoi

Subsidiary:

- Alchemist Foods Limited
- Alchemist Infrastructures Pvt. Ltd.
- Alchemist Hospitality Group Ltd.
- Alchemist Enterprise (S) Pte Limited, Singapore

Associates:

- Alchemist Hospitals Limited
- Alchemist Airways Pvt. Ltd.
- Alchemist Realty Limited
- Black Cats Protections Pvt. Ltd.
- KDS Corporation Pvt. Ltd
- Optimum Constructors and Developers Limited
- Platinum Ventures Limited
- A 1 News Network Pvt Ltd
- Alchemist Media Limited

Relatives of Key Management Personnel

- Mr Karan Deep Singh
- Mr. Kaman Deep Singh
- Mr. Ravinder Singh
- Mrs. Hapreet Kaur
- Mrs. Isher Kaur

ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

Detail of Related Parties Transactions:

(Rs. In Lacs)

Sr. No	Transaction's	Subsidiary		Key Managerial Persons & Their Relative		Associates	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Managerial Remuneration Mr. Kanwar Deep Singh	—	—	64.64	104.17	—	—
2	Inter Corporate Loans- Given (Balance Outstanding as at yr. end) Alchemist Foods Ltd. (Subsidiary) Alchemist Infrastructures Pvt. Ltd.(WOS) Alchemist Hospitality Group Ltd (Subsidiary)	9772.66 237.50 25.00	11774.38 7.50 —	— — —	— — —	— — —	— — —
3	Inter Corporate Loan- Received (Balance Outstanding as at yr. end) KDS Corporation Pvt. Ltd.	—	—	—	—	26737.68	27917.69
4	Investments (As at year end) Alchemist Foods Ltd. (Subsidiary) Alchemist Enterprises Pte. Ltd. (WOS) Alchemist Infrastructures Pvt. Ltd. (WOS) Alchemist Hospitality Group Ltd. (Subsidiary)	10005.00 212.67 1.00 3.44	10005.00 206.60 1.00 —	— — — —	— — — —	— — — —	— — — —
5	Rent Paid Mr. Kanwar Deep Singh Mr. Karan Deep Singh Mr. Kaman Deep Singh	— — —	— — —	18.00 0.71 0.71	36.00 0.68 0.68	— — —	— — —
6	Sale of Goods Alchemist Life Sciences Ltd Alchemist Hospitals Ltd	— —	— —	— —	— —	— 0.31	1032.84 9.75
7	Purchase of Goods Alchemist Foods Limited	—	—	—	—	121.97	—
8	Purchase of Investments Optimum Constructors & Developers Ltd. Platinum Ventures Ltd	— —	— —	— —	— —	1.99 0.25	— —
9	Services Received Black Cats Protections Pvt. Ltd Alchemist Realty Limited Alchemist Media Limited	— — —	— — —	— — —	— — —	46.03 59.23 16.49	68.64 72.54 —
10	Rent Received Alchemist Airways Pvt. Ltd. A1 News Network Pvt Ltd.	— —	— —	— —	— —	0.24 4.55	0.72 —
11	Dividend Paid Mr. Kanwar Deep Singh Mr. Karan Deep Singh Mrs. Harpreet Kaur Mrs. Isher Kaur Mr Ravinder Singh KDS Corporation Pvt. Ltd Optimum Constructors and Developers Ltd.	— — — — — — —	— — — — — — —	25.14 2.35 0.008 0.004 4.42 — —	25.14 2.35 0.008 0.004 4.42 — —	— — — — — 47.68 1.19	— — — — — 34.88 1.19
12	Dividend Received Alchemist Foods Limited	251.25	251.25	—	—	—	—

40. As per Accounting Standard – 28 “Impairment of Assets”, the company has assessed the conditions of all the assets used in its operation and is of the opinion that there is no impairment of assets, hence no provision was made.

41. Finished Goods Stock of Steel Division for year 2013 has been carried over including excise duty.

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

42. Common Expenses relating to Head Office and other administrative office have been allocated to various divisions on the following basis.
- i) Financial Cost - Fixed & Current Assets Employed
 - ii) Other Expenses - Sales/Reasonable Estimation
43. During the year 1,36,600 (Previous year 13,70,110) preference shares were redeemed and as per provisions of the Companies Act, 1956 a sum of Rs. 1,36,60,000/- (Previous Year 13,70,11,000/-) has been transferred to Capital Redemption Reserve out of General Reserve. Further a sum of Rs.-Nil- (Previous Year 16,65,83,209/-) has been transferred from General Reserve and a Sum of Rs 2,95,22,269/- (Previous Year Rs. 13,12,00,000/-) has been transferred from Securities Premium Reserve to Preference Shares redemption reserve on account of premium amount of preference shares redeemed.
44. **Disclosure of Micro and Small Enterprises (Trade Payables)**
The company is in the process of compiling information from the suppliers regarding their status as Micro/ Small Scale Enterprises, so as to disclose the information as required by MSMED Act and Schedule VI of the Companies Act relating to Micro, Small and Medium Enterprises. In absence of confirmed information about the suppliers, it is practically not feasible to state the amount payable to them as on 31st March, 2013.
45. The balances of some Debtors and Creditors, Loan and Advances are subject to confirmation and as such their balances are reflected in the Balance Sheet as appearing in the books, pending reconciliation, the net effect is unascertainable.
46. **Assets Taken/ Given on Operating Lease:**
Some of the Office premises have been taken/given on operating leases for a period of less than 10 years and are generally renewable by mutual consent on mutually agreeable terms. The agreements have an escalation clause. There are no sub leases and the leases are generally revocable in nature.
47. **Segment Reporting**
- a) The Business Segments comprise the following :
 - Agri Business
 - Pharma & Chemical
 - b) Business segments have been identified based on the nature and class of products and services, their customers and assessment of the differential risks and returns and financial reporting system within the Company.
 - c) The company operates through India and the risk and returns of Alchemist are not affected by any economic or cultural or other considerations prevailing in any geography where the goods or services are sold, so segmentation on Geographical basis is not applicable.
 - d) Segment accounting policies
In addition to the significant accounting policies, applicable to the business as set out in note 1 'Notes to the Financial Statements', the accounting policies in relation to segment accounting are as under:
 - (i) Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Which most of the assets/liabilities can be directly attributed to individual segments, the carrying amount certain assets/liabilities pertaining to two or more segment are allocated to the segment on reasonable basis.
 - (ii) Segment revenue and expenses :
Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segment
 - (iii) Inter Segment Sales:
Inter-segment sales are accounted for at cost and are eliminated in consolidation.

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

b) Primary Segment information (Business Segments) for the year ended 31st March, 2013. (Rs. in Lacs)

Sr. No.	Particulars	Agri Business	Pharma & Chemicals	Unallocated	Total
a)	Segment Revenue :				
	Revenue from Sales	1798.34	64857.70	—	66656.04
	Total Revenue	1798.34	64857.70	—	66656.04
b)	Segment Results :				
	Operating Profit(Loss)	422.23	358.87	—	781.10
	Add :- Unallocated Incomes	—	—	1464.19	1464.19
	Profit Before Tax	422.23	358.87	1464.19	2245.29
	Provision for Taxes	—	—	624.50	624.50
	Previous year Taxes	—	—	(0.02)	(0.02)
	Profit After Tax	422.23	358.87	839.71	1620.71
c)	Other Information :				
	Segment Assets				
	Investments	—	—	10429.31	10429.31
	Other Segment Assets	4909.55	10366.97	—	15276.52
		4909.55	10366.97	10429.31	25705.83
	Segment Liabilities				
	Share Capital	—	—	2681.36	2681.36
	Other Segment Liabilities	12477.53	26512.89	—	38990.42
		12477.53	26512.89	2681.36	41671.78
	Fixed Assets (Incl. Capital Work in Progress)	13493.28	2472.67	—	15965.95
	Depreciation				
	Non Cash Exp. Other than Deprecation	—	2.76	83.89	86.65

48. Employee Benefits:

Defined Contribution plans:

Contribution to defined contribution plans charged off for the year is as under: (Rs. in Lacs)

Particulars	Year 31.03.2013	Year 31.03.2012
Company's Contribution to Provident Fund	96.27	82.24

- Defined Benefit Plans:

- (a) Gratuity
- (b) Earned Leave

These are unfunded schemes, the present value of obligation is determined based on actuarial valuation, the disclosure of which is given as under:

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

Particulars	Gratuity		Leave	
	2012-13 Rs.	2011-12 Rs.	2012-13 Rs.	2011-12 Rs.
Defined Benefit Plans				
Change in benefit obligations				
Obligations at period beginning-Current	1045362	985467	533714	600171
Obligations at period beginning-Non-current	7716927	7284928	5335571	4567034
Service Cost	5355077	1406253	2496034	1750436
Interest on Defined benefit obligation	676922	643545	463413	380482
Benefits settled	(1114337)	(1398563)	(504325)	(1381890)
Actuarial (gain)/loss	512675	(159341)	(11298)	(46948)
Obligations at period end	14192626	8762289	8313109	5869285
Current Liability (within 12 months)	1204635	1045362	603334	533714
Non-Current Liability	12987991	7716927	7709775	5335571
Change in plan assets				
Plans assets at period beginning, at fair value	—	—	—	—
Expected return on plan assets	—	—	—	—
Actuarial gain/(loss)	—	—	—	—
Contributions	1114337	1398563	504325	1381890
Benefits settled	(1114337)	(1398563)	(504325)	(1381890)
Plans assets at period end, at fair value	—	—	—	—
Funded Status				
Closing Fair value of plan assets	—	—	—	—
Closing value of obligations	(14192626)	8762289	(8313109)	5869285
Liability recognized in the balance sheet	(14192626)	(8762289)	(8313109)	(5869285)
Details of Gratuity / Leave cost				
Service cost	5355077	1406253	2496034	1750436
Interest cost	676922	643545	463413	380482
Expected return on plan assets	—	—	—	—
Actuarial (gain)/loss	512675	(159341)	(11298)	(46948)
Net gratuity / leave cost	6544674	1890457	2948149	2083970
Experience Adjustment on Plan Liabilities	512675	(159341)	(11298)	(46948)
Experience Adjustment on Plan Assets	—	—	—	—
Assumptions				
Interest rate	8.25%	8.50%	8.25%	8.50%
Discount factor	8.25%	8.50%	8.25%	8.50%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary Increase	10.00%	11.00%	10.00%	11.00%
Attrition rate	7.00%	3.00%	7.00%	3.00%
Retirement age	60	60	58	60

49. Disclosures as per Clause 32 of the Listing Agreement with the stock exchanges

a) Loan and advance in the nature of loan to subsidiary:

(Rs. in Lacs)

Name of Company	Relationship	As At 31.03.13	As At 31.03.12	Maximum balance outstanding during the year 2012-13
Alchemist Foods Limited	Subsidiary	9772.66	11774.38	12425.02
Alchemist Infrastructure Pvt Ltd	Wholly owned Subsidiary	237.50	7.50	237.50
Alchemist Hospitality Group Ltd	Subsidiary	25.00	- Nil -	140.00

Notes forming part of the financial statement for the year ended March 31, 2013, Contd.

Loans and advance shown above fall under the category of Loan and Advance in nature of loan which are repayable on demand,

b) The loanee has not made any investments in shares of the Company.

50. During the year company took a building 25, Nehru Place on lease for a period of 108 Months. The company made improvements to the building to the tune of Rs. 385.94 Lacs, duly capitalised during the year and it was ready to use on 1st March, 2013. The company is depreciating the leasehold improvements over the balance period of lease i.e. 98 months, and accordingly one month depreciation is charged during the year.
51. The Commissioner, Central Excise, Chandigarh, has proposed the classification of Poultry Keeping Machinery under Chapter 73 of the Central Excise Tariff Act, 1985 and has demanded the duty of Rs. 173.55 Lacs plus interest and penalty by invoking the extended period of limitation for 5 years. However, the company has cleared the goods as Poultry Keeping Machinery classifying the goods at –Nil- rate of duty under Chapter 84 of the CET Act, 1985. The company has been clearing the goods at –Nil- duty for more than last 5 years and the goods have been classified under Chapter 84 after duly intimating the department from time to time. Under Central Excise Law, the demand can be recovered for a period not more than one year under normal circumstances. However, in case of willfull suppression of facts, the duty can be demanded by invoking the extended period of limitation for last 5 years. In the aforesaid show cause notice, the department has raised the demand by, invoking extended period of 5 years whereas since the activity has been undertaken after duly intimating the department. Therefore the demand is not sustainable for 5 years and at worst the demand can sustain for one year only.
- The company has already paid the duty of Rs. 63.13 Lacs accruing during the last one year as 'Duty Paid Under Protest'. Also the additional amount of Rs 30.96 Lacs paid till 31st March 2013 is deposited under protest. Therefore the total duty of Rs. 92.29 Lacs already paid is shown as 'Amount recoverable in cash or in kind' in the Balance Sheet under the head Short Term Loan and advances. The balance amount of Rs. 110.42 Lacs is shown as Contingent Liability.
52. During the previous year, pharma division has switched from marketing through outsource selling network to distribution and marketing through own network of C&F/ consignee agents/ stockists/ distributors. Company is designing, developing & implementing a Pan India Network system to generate demand & to ensure availability of Company's products with the retailers. Development & establishment of this network system is an intangible asset, as defined in AS 26, under the control of the Company & economic benefits are expected to flow to the Company in future. Expenses incurred directly for the development of this network system, amounting to Rs. 5.42 Crore have been attributed to this intangible asset & capitalised under the head "Intangible under Development" under Fixed Assets.
53. During the year interest paid on term loan (For IT Park Project) amounting to Rs. 231.36 Lacs (Previous Year: 49.60 Lacs) has been capitalised in accordance with AS-16 borrowing Costs.
54. Previous year's figure have been reworked, regrouped, rearranged and reclassified wherever deemed necessary to make them comparable

Sd/- CA. Ashish Chhabra Partner	Sd/- Rajansh Thukral Company Secretary	Sd/- Dinesh Vermani CFO	Sd/- R.P.Chhabra Director	Sd/- Maj. Gen. (Retd.) Anil Oberoi Executive Director
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MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 000837N
Place : New Delhi
Date : 30th May, 2013

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To the Board of Directors of
Alchemist Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Alchemist Limited ("the Company") and its subsidiaries hereinafter collectively referred to as "the Group", which comprise the Consolidated Balance Sheet as at 31st March, 2013 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph*, and on consideration of report of other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the accompanying Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- b) in the case of the Consolidated Statement of Profit & Loss, of the profit of the Group for the year ended on that date; and
- c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of Alchemist Enterprise (S) Pte. Limited, Singapore & Alchemist Hospitality Group Limited. These financial statements and other financial information have been audited by other auditor, whose report has been furnished to us by the management, and our opinion is based solely on the reports of the other auditor.

Date: 30 May, 2013
Place: New Delhi

Sd/-
C.A. Ashish Chhabra
Partner
Membership No. 507083
N. Kumar Chhabra & Co.
Chartered Accountants
Firm Registration No. 000837N

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

CONSOLIDATED BALANCE SHEET

(Amount in Rs.)

As At		31-Mar-13	31-Mar-12
Particulars	Note		
EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
Share Capital	2	268136000	275046000
Reserves & Surplus	3	1508511873	740847926
Money Received against share warrant	4	—	36281250
		1776647873	1052175176
2 Minority Interest		189757634	—
		189757634	—
3 Non Current Liabilities			
Long term borrowings	5	2941673095	3018594677
Deferred Tax Liabilities (Net)	6	256966519	224141783
Other Long Term Liabilities	7	17060838	5254681
Long Term Provisions	8	34064799	16122127
		3249765251	3264113268
4 Current Liabilities			
Short-term borrowings	9	65511184	89919623
Trade payables	10	92225640	79033401
Other current liabilities	11	257047130	575497453
Short-term provisions	12	26623004	62046428
		441406958	806496905
Total Equity and Liabilities		5657577716	5122785349
ASSETS			
1 Non Current Assets			
Fixed Assets			
(i) Tangible Assets	13	2059605482	1779721549
(ii) Intangible Assets	13	292240004	218098059
(iii) Capital work in Progress	13	1886557059	1305612184
(iii) Intangible under Development	13	121729756	43141156
		4360132301	3346572948
Non Current Investments	14	18905173	18905173
Long Term Loan & Advances	15	222491941	226533890
Other Non Current Assets	16	16696834	31981564
		4618226249	3623993575
2 Current Assets			
Current Investments	17	1783935	1389675
Inventories	18	402125047	385369499
Trade Receivables	19	155344109	266815670
Cash and Cash Equivalents	20	387644881	790784227
Short Term Loans and Advances	21	88210449	51915139
Other Current assets	22	4243046	2517564
		1039351467	1498791774
Total Assets		5657577716	5122785349
Significant Accounting Policies & Notes (1 to 49) to the financial statement			

This is the Balance Sheet referred to in our report of even date.

Sd/- CA. Ashish Chhabra Partner	Sd/- Rajansh Thukral Company Secretary	Sd/- Dinesh Vermani CFO	Sd/- R.P.Chhabra Director	Maj. Gen. (Retd.) Anil Oberoi Executive Director
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MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.: 000837N
 Place : New Delhi
 Date : 30th May, 2013

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

CONSOLIDATED STATEMENT OF PROFIT & LOSS

(Amount in Rs.)

For the year ended		31-Mar-13	31-Mar-12
Particulars	Note		
INCOME			
Revenue from Operations	23	14574375867	8857851634
Other Income	24	163386758	117523608
		14737762625	8975375242
EXPENDITURE			
Cost of Material Consumed	25	703784087	532375028
Purchase of Stock in Trade	26	12988757136	7618395763
Change in Inventories of Finished Goods, Work in Progress and Store & Spares	27	(5494745)	(20710254)
Employees Benefit Expenses	28	169344302	124756650
Finance Cost	29	70768913	41251091
Depreciation & Amortization Expenses	30	124453652	107611281
Other Expenses	31	311148805	263228099
		14362762150	8666907658
Profit before tax		375000475	308467584
Tax Expenses :			
Current Tax		81774805	58730582
Minimum Alternative Tax (MAT) Credit Entitlements		(17287125)	(11093164)
Deferred Tax Charge/ (Benefit)		32824738	65556144
Tax Relating to Previous Years		(2898345)	(43590943)
Net Profit For The Year (Before Adjustment of Minority Interest)		280586402	238864965
Add/(Less) Share of Profit/(Loss) Transferred to Minority			
Profit Transferred to Minority		(8656338)	-
Net Profit For The Year (After Adjustment of Minority Interest)		271930064	238864965
Earning Per Shares			
(Equity shares, Per value Rs 10/- each)			
Basic & Diluted			
— Basic EPS	32	20.56	19.50
— Diluted EPS	32	20.05	19.50
Significant Accounting Policies & Notes to the financial statement (1 to 49)			

This is the Statement of Profit and Loss referred to in our report of even date.

Sd/- CA. Ashish Chhabra Partner	Sd/- Rajansh Thukral Company Secretary	Sd/- Dinesh Vermani CFO	Sd/- R.P.Chhabra Director	Maj. Gen. (Retd.) Anil Oberoi Executive Director
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MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.: 000837N
 Place : New Delhi
 Date : 30th May, 2013

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place, New Delhi-110019.

Consolidated Cash Flow Statement for the year Ended (Amt. in Lacs)

As At	31-Mar-13	31-Mar-12
Particulars		
A) Cash Flow From Operating Activities		
Net Profit Before, Tax	3750.00	3084.68
<u>Adjustments for:</u>		
Depreciation & Amortisation	1244.54	1076.07
Misc Expenses Written Off	152.97	152.97
Interest Received	(1349.94)	(461.90)
Dividend Received	(251.44)	(251.44)
Operating profit before working capital changes	3546.13	3600.38
<u>Adjustments for changes in Working Capital:</u>		
Inventories	(167.56)	(230.28)
Trade Receivable	1114.72	(576.11)
Short Term Loan & Advances	(362.95)	112.76
Other Current Assets	(17.25)	(6.45)
Other Non Current Assets	—	(13.96)
Long Term Loan & Advances	40.42	(944.46)
Trade Payable	131.92	(427.70)
Other Current Liabilities	(3184.50)	(65.68)
Short Term Provisions	(354.23)	62.74
Long Term Provisions	179.43	10.37
Other Long Term Liabilities	118.06	10.35
Cash generated/(Used) from/in Operation	1044.19	1531.96
Provision For Tax	(615.89)	(40.46)
Net Cash generated/(Used) from/in Operating Activities	428.30	1491.50
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets and capital work in progress	(11433.36)	(7891.97)
Proceeds from Sale of Fixed Asset (Net of Depreciation)	53.21	29.63
Deffered Revenue Expenses of Subsidiaries	(0.13)	—
(Purchase)/Sale of non current Investments	—	2124.36
(Purchase)/Sale of Current Investments	(3.94)	2.43
Foreign Currency Translation Reserve	(31.03)	8.87
Capital Subsidy	30.00	—
Interest Received	1349.94	461.90
Dividend Received	251.44	251.44
Net Cash generated/(Used) from/in Investing Activities	(9783.87)	(5013.34)
C) Cash Flow From Financing Activities		
Increase in Equity Capital (Incl Shares Premium)	7273.85	1376.00
Minority Interest	1897.58	—
Opening Profit / (Losses) of Subsidiary	(3.62)	—
Profit Transfer to Minority	(1718.92)	—
Money Received against Share Warrant	(362.81)	362.81
Re-payment of Preference Shares	(136.60)	(1370.11)
Preference Shares Redemption Premium	(374.04)	(3768.41)
Long Term Borrowings	(769.22)	13304.12
Short Term Borrowings	(244.08)	(84.09)
Dividends Paid and Includings Dividend Tax	(237.96)	(601.25)
Net Cash generated/(Used) from/in Financing Activities	5324.18	9219.07
D) Net Increase / (Decrease) in Cash & Cash Equivalents (D=A+B+C)	(4031.39)	5697.23
E) Cash & Cash Equivalents at the begning of the year	7907.84	2210.61
F) Cash & Cash Equivalents at the end of the year	3876.45	7907.84

This is the cash flow statement referred to in our report of even date.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
CA. Ashish Chhabra	Rajansh Thukral	Dinesh Vermani	R.P.Chhabra	Maj. Gen. (Retd.) Anil Oberoi
Partner	Company Secretary	CFO	Director	Executive Director

MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGISTRATION NO.: 000837N
 Place : New Delhi
 Date : 30th May, 2013

Notes forming part of the Consolidated Financial Statement for the year ended March 31, 2013**Significant Accounting Policies (Note- 1)****1) Principles of Consolidation**

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS) 21, "Consolidated Financial Statements", issued by The Institute of Chartered Accounts of India. The financial statements of Alchemist Limited, Alchemist Foods Limited, Alchemist Infrastructures Pvt Ltd, Alchemist Hospitality Group Ltd. and Alchemist Enterprise (S) Pte. Ltd., Singapore have been consolidated on 31st March, 2013. The Consolidated Financial Statements are prepared by applying on a Line by Line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions resulting in unrealized profit or losses.

Minority Interest

Minority interest's share of net profit of consolidated subsidiaries for the year is indemnified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of Company.

Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of Company's shareholders.

Foreign Subsidiaries

In case of foreign subsidiaries, being non-integral foreign operation, revenue items are consolidated at the average rate prevailing during the month and consolidated month wise for the whole year. All Assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

Associate Companies

Investment in Associate Companies which are acquired and held exclusively with a view to its subsequent disposal in the near future are not accounted for in consolidated financial statements under the equity method. Such Investments are accounted for in accordance with Accounting Standard 13, Accounting for Investments as laid down in Accounting Standard 23, Accounting for Investment in Associates in Consolidated Financial Statements.

2) Basis of Presentation

- The consolidated financial statements relate to Alchemist Ltd ("the Company") and its subsidiaries.
- Notes to these consolidated financial statement are intended to serve as a means of information disclosure and guide to better understanding of the consolidated position of the companies. Recognizing, this purpose, the company has disclosed only such notes from the individual financial statement, which fairly present the needed disclosures.

3) Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the unconsolidated standalone financial statements of Alchemist Limited and its subsidiaries.

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

(Amt. in Rs.)

	Note	31-Mar-13	31-Mar-12
SHARE CAPITAL	2		
a) AUTHORISED			
Equity Shares - 3,00,00,000 of Rs. 10/- each (Previous year -3,00,00,000 of Rs. 10/- each)		300000000	300000000
Preference Shares - 50,00,000 of Rs 100/- each (Previous year -50,00,000 of Rs 100/- each)		500000000	500000000
b) ISSUED, SUBSCRIBED AND PAID-UP			
Equity Shares - 1,35,59,800 of Rs.10/- each (Previous year 1,28,84,800 of Rs.10/- each)		135598000	128848000
Redeemable Preference Shares 13,25,380 of Rs 100/- Each (Previous year 14,61,980 of Rs 100/- Each)		132538000	146198000
Total		268136000	275046000

Terms/right attached to shares:

Equity Shares: The company has only one class of equity shares having a par value of Rs. 10/- per shares. Each holders of equity Shares is entitled to one vote per share.

Redeemable Preference Shares: The Preference Shares are in the nature of redeemable preference shares having a par value of Rs. 100/- per share.

Reconciliation Showing No. of Shares Outstanding at the beginning and at the end of the accounting period:

Equity Shares	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12884800	128848000	12244800	122448000
Shares Issued during the year *	675000	6750000	640000	6400000
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	13559800	135598000	12884800	128848000

*Preferential Allotment of 6,75,000 Shares, par value of Rs. 10/- was made to KDS Corporation Pvt Ltd, Promoter Group Company on 29th September, 2013 at Rs. 215 per share, (Previous Year Preferential Allotment of 6,40,000 Shares, par value of Rs. 10/- was made to KDS Corporation Pvt Ltd, on 28th March, 2012 at Rs. 215 per share)

Reconciliation Showing No. of Shares outstanding at the beginning and at the end of the accounting period:

Preference Shares	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1461980	146198000	2832090	283209000
Shares Issued during the year	—	—	—	—
Shares bought back during the year (Redemption)	136600	13660000	1370110	137011000
Shares outstanding at the end of the year	1325380	132538000	1461980	146198000

The Shareholders holdings more than 5% equity shares of the company are as under :

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Share held Shares held	% of Holding Holding
Kanwar Deep Singh	1257020	9.27	1257020	9.76
KDS Corporation Pvt Ltd	3059000	22.56	2384000	18.50
HS FII Investments Ltd	—	—	727457	5.65
Davos International Fund	746000	5.50	746000	5.79

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

(Amt. in Rs.)

	Note	31-Mar-13	31-Mar-12
RESERVES AND SURPLUS	3		
Capital Reserve *			
Capital Reserve		2999716	—
		<u>2999716</u>	<u>—</u>
Capital Redemption Reserve			
Balance Brought Forward		375393000	238382000
Add: Transfer from General Reserve		13660000	137011000
		<u>389053000</u>	<u>375393000</u>
Preference Shares Redemption Reserve			
Balance Brought Forward		84358587	163416129
Add: Transferred from General Reserve		—	166583208
Add: Transferred from Securities Premium Reserve		29522269	131200000
Less: Utilized for the Redemption of Preference Shares		37404308	376840750
		<u>76476548</u>	<u>84358587</u>
Securities Premium Reserve			
Balance Brought Forward		9408000	9408000
Add: Premium On Issue of Shares		720634550	131200000
Less: Transfer to Preference Shares Redemption Reserve		29522269	131200000
		<u>700520281</u>	<u>9408000</u>
General Reserve			
Balance Brought Forward		24624293	9149605
Add: Transfer from Statement of Profit & Loss		8103544	319068896
Less: Transfer to Preference Shares Redemption Reserve		—	166583208
Less: Transfer to Capital Redemption Reserve		13660000	137011000
		<u>19067837</u>	<u>24624293</u>
Surplus in Statement of Profit & Loss			
Balance Brought Forward		247951054	388280087
Profit\Loss) of Subsidiary company		(361777)	—
Add: Transfer from Statement of Profit & Loss		271930064	238864965
Less: Opening Profit \ (Loss) Reserve of Minority Share Holders		163235246	
Less: Transfer to General Reserve		8103544	319068896
		<u>348180551</u>	<u>308076156</u>
Less:			
Proposed Dividend		20339700	55329713
Corporate Dividend Tax		3456732	4795389
		<u>324384119</u>	<u>247951054</u>
Foreign Currency Translation Reserve			
Balance Brought Forward		(887008)	-
Current Year Recognition		(3102620)	(887008)
		<u>(3989628)</u>	<u>(887008)</u>
Total		1508511873	740847926

* The Company (Alchemist Limited) received a grant of Rs. 29,99,716 from government under the Central Capital Investment Subsidy Scheme, 2003. The grant is in the nature of promoters contributions and accordingly credited to Capital Reserve and treated as part of Shareholders funds.

MONEY RECEIVED AGAINST SHARE WARRANT	4		
Money Received against Share Warrants*		—	36281250
Total		<u>—</u>	<u>36281250</u>

*Money received against shares warrants from KDS Corporations Private Limited was adjusted against 6,75,000 Shares issued to KDS Corporation Pvt. Ltd. during the current year.

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

	Note	31-Mar-13	31-Mar-12
LONG-TERM BORROWINGS	5		
SECURED			
Term Loan from Bank			
Punjab National Bank		331979488	260570782
Less : Current Maturities		(75000000)	(45000000)
		256979488	215570782
Vehicle Loans from Banks			
Vehicle Loans		17217047	18989249
Less : Current Maturities		(6292194)	(7734124)
		10924853	11255125
		267904341	226825907
UN-SECURED			
Deposit from Public			
Deposit from Public		-	113752500
Less : Current Maturities		-	(113752500)
		-	-
Inter Corporate Deposit		2673768770	2791768770
		2673768754	2791768770
		2673768754	2791768770
Total		2941673095	3018594677

Term Loan From Banks

Punjab National Bank: Secured Loan of Rs. 17,87,51,224/- (Rs. Seventeen Crore Eighty Seven Lac Fifty One Thousand Two Hundred Twenty Four Only) (Previous Year Rs. 6,23,42,517/- (Rs. Six Crore Twenty Three Lac Forty Two Thousand Five Hundred Seventeen Only) secured through exclusive Charge on Fixed Assets Block, situated at F-5, Kishangarh Rajiv Gandhi I.T. Park, Chandigarh. Due with in one year is Rs. 3.00 Crore (Rs. Three Crore Only) (Previous Year Rs. Nil).

The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director till 31st August, 2012 and thereafter at the request of company, as promoter.

Term Loan carries interest @ base rate + 4% and is repayable in 84 monthly installment of Rs. 25,00,000/- (Rupees Twenty Five Lac Only) each, commencing from 30th April, 2013.

Punjab National Bank:- Secured Loan of Rs. 15,32,28,264/- (Rs. Fifteen Crore Thirty Two Lac Twenty Eight Thousand Two Hundred Sixty Four Only) (Previous Year Rs. 19,82,28,265/- (Rs. Nineteen Crore Eighty Two Lac Twenty Eight Thousand Two Hundred Sixty Five Only) secured through first charge against Fixed Assets of plant situated at village Banmajra, Tehsil Kharar, Distt. Ropar, Punjab & Commercial Broiler Farms at Boothgarh and Ranjitpura, Poultry Feed Mill at Pathankot & Misc. fixed Assets of retail outlets at different locations. It is further collaterally secured by 2nd charge on company's current assets charged to bank. Due with in one year is Rs. 4.50 Crore (Rs. Four Crore Fifty Lac Rupees) (Previous Year Rs. 4.50 Crore Rupees Four Crore Fifty Lac Only).

The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director of the holding company, Alchemist Limited till 31st August, 2012 and thereafter on the request of holding company, being the promoter of the holding company.

Term Loan carries interest base rate +4.75% and is repayable in 84 monthly installment of Rs. 37,50,000/- (Rupees Thirty Seven Lac Fifty Thousand Only) each.

Vehicle Loans from Banks

Vehicle Loans of Rs.1,72,17,047/- (Rupees One Crore Seventy Two Lac Seventeen Thousand Forty Seven Only) (Previous Year 1,89,89,249/- (Rupees One Crore Eighty Nine Lac Eighty Nine Thousand Two Hundred Forty Nine Only) are Secured against hypothecation of vehicles. Due with in one year is Rs. 62,92,194/- (Rupees Sixty Two Lac Ninety Two Thousand One Hundred Ninety Four Only) (Previous Year Rs. 77,34,124/- (Rupees Seventy Seven Lac Thirty Four Thousand One Hundred Twenty Four Only)

Vehicle Loans have been procured from various banks with rate of interest varying from 9% to 12% with repayment term of 3 to 5 Years.

Deposit from Public :

Deposit from Public - Nil- (Previous year Rs 11.37 Crore). Out of This - Nil- (Previous Year Rs 3.33 Crore) are guaranteed by Directors. Due with in one year - Nil- (Previous Year Rs 11.37 Crore)

Inter Corporate Deposit:

Inter Corporate Deposit has been received from KDS Corporation Pvt Ltd, a promoter group company. The terms of the repayment have not been defined and is repayable on the mutual agreement of both the parties involved, hence terms are not prejudicial to the interest of the company

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.* (Amt. in Rs.)

	Note	31-Mar-13	31-Mar-12
DEFERRED TAX LIABILITY (NET)	6		
Deferred Tax Liability			
Fixed assets : Impact of Difference between carrying amount of Tax Depreciation and depreciation charged in the books			
		264728968	231534295
Gross deferred tax liability		264728968	231534295
Deferred tax assets			
Carrying amount of provisions for Gratuity, Bonus, Leave Encashment, and Bad and doubtful debts			
		7762449	7392512
Gross deferred tax assets		7762449	7392512
Deferred tax liabilities (Net)		256966519	224141783
OTHER LONG TERM LIABILITIES	7		
Securities Received			
		17060838	5254681
Total		17060838	5254681
LONG TERM PROVISIONS	8		
Provision for Employees Benefits			
— Gratuity		20946429	8749494
— Earned Leave		13118370	7372633
Total		34064799	16122127
SHORT TERM BORROWINGS	9		
SECURED			
Loan Repayable On Demand, From Banks			
Working Capital Facilities			
(i) Bank of India		16369648	23202299
(ii) Punjab National Bank		49141536	50600876
(iii) UCO Bank		—	12486474
Overdraft Facility			
(i) Punjab National Bank		—	3629974
Total		65511184	89919623

Loan Repayable On Demand, From Banks

Working Capital Facilities

Bank of India:

Working Capital facility of Rs. 1,63,69,648/- (Rupees One Crore Sixty Three Lac Sixty Nine Thousand Six Hundred Forty Eight Only) (Previous Year Rs. 2,32,02,299/- (Rupees Two Crore Thirty Two Lac Two Thousand Two Hundred Ninety Nine Only) secured against hypothecation of stocks and book debt of the company's unit located at Chambaghat, Solan (H.P). It is further collaterally secured by Land and Building and other structures (erected or to be erected), other immovable properties of the Unit situated at Chamba Ghat, Solan.

The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director till 31st August, 2012 and thereafter at the request of company, as promoter.

Punjab National Bank:

Working Capital facility of Rs. 4,91,41,536/- (Rs. Four Crore Ninety One Lac Forty One Thousand Five Hundred Thirty Six Only) (Previous Year Rs. 5,06,00,876/- (Rs. Five Crore Six Lac Eight Hundred Seventy Six Only) secured against hypothecation of Stocks & Receivables of the company Plant at Village Banmajra, Tehsil Kharar, Distt. Ropar, (Punjab), two poultry farms at Boothgarh & Ranjitpura and Feed Mill at Pathankot and ROC DELI and Diner Retail Outlets. It is further collaterally secured by 2nd charge on company's fixed assets charged to the bank.

The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director of the holding company, Alchemist Limited till 31st August, 2012 and thereafter on the request of holding company, being the promoter of the holding company.

UCO Bank:

Cash Credit Limit of Rs. - NIL (Previous Year Rs. 1,24,86,474/- (Rupees One Lac Twenty Four Lac Eighty Six Thousand Four Hundred Seventy Four Only) secured against hypothecation of entire current assets of the Company's Egg layer Farm including Stocks, SIP, Loans and advances and receivable of the Company's Durgapur Unit in District Burdwan (West Bengal). and collaterally secured by way of EMTD/exclusive charge on Land & Building and other assets movable & immovable fixed assets of the company's Egg Layer Farm (present & future) located at District Burdwan (West Bengal).

The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director of the holding company, Alchemist Limited till 31st August, 2012 and thereafter on the request of holding company, being the promoter of the holding company.

Overdraft Facility

Punjab National Bank:

Demand Loan Of Rs.- NIL- (Previous Year Rs. 36,29,974 /- (Rs. Thirty Six Lac Twenty Nine Thousand Nine Hundred Seventy Four Only) secured against the Term Deposit Receipts of the company.

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

	Note	31-Mar-13	31-Mar-12
TRADE PAYABLES	10		
Trade Payables		92225640	79033401
Total		92225640	79033401
OTHER CURRENT LIABILITIES	11		
Current Maturities of Long term borrowings*			
Term Loan		75000000	45000000
Vehicle Loan		6292194	7734124
Deposit from Public		-	113752500
Interest Accrued and Due on Borrowings		4607701	3454970
Liabilities For Capital Goods		13435797	18415270
Expenses and Statutory Dues Payable		61938693	46386369
Advance received		34306936	105001009
Unclaimed Dividend **		8429342	11255098
Unclaimed Matured Public Deposits		6111000	-
Securities Refundable		1750000	193231000
Other Liabilities		45175467	31267113
Total		257047130	575497453
SHORT TERM PROVISIONS	12		
Provisions from Employees			
— Gratuity		1833667	1137855
— Earned Leave		992905	783471
Proposed Equity Dividend		20339700	55329713
Corporate Dividend Tax		3456732	4795389
Total		26623004	62046428
Fixed Assets	13		

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	AS AT 1-Apr-12	SALE / ADJUST-MENTS	ADDITIONS/ CAPITA-LISED	AS AT 31-Mar-13	AS AT 1-Apr-12	ON SALE / ADJUST-MENTS	FOR THE YEAR	AS AT 31-Mar-13	AS AT 31-Mar-13	AS AT 31-Mar-12
Tangible Assets										
- Land	356806255	3407672	28150000	381548583	-	-	-	-	381548583	356806255
- Building	1006595054	-	91858945	1098453999	210950661	-	32882006	243832667	854621332	795644393
- Lease Hold Improvements	-	-	38593565	38593565	-	-	397872	397872	38195693	38195693
- Plant & Machinery	638648201	2460560	184527787	820715428	189171123	189260	32456438	221438301	599277127	449477078
- Sapling	69565589	-	242080	69807669	68659251	383266	223675	68499660	1308009	906338
- Green House	54310280	-	1251059	55561339	27541363	-	2613766	30155129	25406210	26768917
- Furniture & Fixtures	26600017	-	2044649	28644666	9434172	-	3102732	12536904	16107762	17165844
- Vehicles	136151857	74744	20577631	156654744	54467421	54476	13615265	68028210	88626534	81684436
- Office Equipment's	17628667	-	5647646	23276313	5420567	-	1076747	6497314	16778999	12208100
- Computer & Peripherals	63351855	29500	9054732	72377087	24291668	24490	10374677	34641855	37735232	39060187
Sub Total	2369657774	5972476	381948094	2745633393	589936225	651492	96743177	686027911	2059605482	1779721549
Previous Year	2265837491	3799848	107620131	2369657774	503431162	828244	87333307	589936225	1779721549	-
Intangible Assets										
- Computer Software Licensing	26001857	-	17127633	43129490	3476412	-	2656871	6133283	36996207	22525445
- Reserch & Developments	230532027	-	71568265	302100292	54105064	-	22734718	76839782	225260510	176426963
- Technical Know How	12711730	-	4096063	16807793	1480747	-	1272298	2753045	14054748	11230983
- Master Franchise	8206973	-	9060459	17267432	292305	-	1046588	1338893	15928539	7914668
Sub Total	277452587	-	101852420	379305007	59354528	-	27710475	87065003	292240004	218098059
Previous Year	202599836	-	74852751	277452587	39076554	-	20277974	59354528	218098059	-
Grand Total	2647110361	5972476	483800514	3124938400	649290753	651492	124453652	773092914	2351845486	1997819608
Previous Year	2468437327	3799848	182472882	2647110361	542507716	828244	107611281	649290753	1997819608	-
Capital Work in Progress *	-	-	-	-	-	-	-	-	1886557059	1305612184
Intangible under development	-	-	-	-	-	-	-	-	121729756	43141156

* Capital Work in Progress mainly includes Capex, interest on borrowed funds attributable to construction of fixed assets and related pre-operative expenses in relation to the construction of building at I.T. Park, Chandigarh and the various ROC out-lets spread throughout the country.

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

	Note	31-Mar-13	31-Mar-12
NON CURRENT INVESTMENTS	14		
Non Trade Investments (In Equity Instruments)			
Unquoted - Associates			
— Dooteriah & Kalej Valley Tea Estate Pvt Ltd. (Current Year Equity shares 36000 (Previous year 36000) of Rs 100/- Each)		18180173	18180173
— Alchemist Medisphare Limited (Current Year Equity Shares 22500 (Previous year 22500 Shares) of Rs. 10/- Each)		225000	225000
		18405173	18405173
Non Trade Investment (In Mutual Funds)			
Quoted			
— Religare Business Leader Fund (Current Year Units 50000 (Previous Year Units 50000) of Rs. 10/- Each)		500000	500000
		500000	500000
Total		18905173	18905173
Aggregate Market Value of Quoted Investments		633000	582000
LONG TERM LOAN AND ADVANCES	15		
Unsecured, Considered good			
Capital Advances		120214342	153090833
Mat Credit Entitlements		49130358	29408461
Security Deposits		53147241	44034596
Total		222491941	226533890
OTHER NON CURRENT ASSETS	16		
Deferred Revenue, Preliminary & Pre operative Expenditure			
Balance Brought Forward		30586146	45879217
Add: Subsidiary Company		12510	—
Less: Written off		15297240	15293071
Balance Carried Forward		15301416	30586146
Balances With Banks in Deposit Accounts with Maturity after 31st March, 2014 *		1395418	1395418
		1395418	1395418
Total		16696834	31981564
* Total deposit of Rs. 13.95 Lacs (Previous Year 13.95 Lac) under lien for guarantee given by banks to various Government Authorities			
CURRENT INVESTMENTS	17		
Non Trade Investments (In Equity Shares)			
Quoted			
— Andhra Bank* (Current Year Equity Shares 3394 (Previous Year 3394) of Rs 10/- Each)		305460	305460
— Marksans Pharma Ltd* (Current Year. Equity Shares 657100 of Rs, 1/- each (Prev.Year 657100 of Rs 1/- each)1		1478475	1084215
Total		1783935	1389675
Market Value if Quoted Investments		2905532	1489119

* Appreciation of Rs. 394261/- on the value of current investment up to the cost of acquisition has been considered in the books as against reduction of Rs. 394261/- in the previous year.

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

	Note	31-Mar-13	31-Mar-12
INVENTORIES	18		
Inventories taken as valued and certified by the Management			
— Raw Materials *		62457659	51196856
— Finished Goods *		149149933	116191288
— Work In Progress/Semi finished goods.*		189756721	217467924
— Store, Spares and Scrap **		760734	513431
Total		402125047	385369499
* Valued at lower of cost and net realizable value.			
** Valued at cost or under.			
TRADE RECEIVABLE	19		
Trade Receivable outstanding for a period exceeding six months from the date they were due for payment:			
Unsecured - Considered good		32135673	106589918
Less : Provision for doubtful trade receivable		4235563	4235563
		27900110	102354355
Other Trade Receivable			
Unsecured - Considered good		127443999	164461315
Total		155344109	266815670
CASH AND CASH EQUIVALENTS	20		
Balance with Banks - Current Accounts		192763570	262444904
Balance with Banks - Fixed Deposit A/c *		157425379	469744864
Balance with Banks - Escrow Account With Punjab National Bank		—	37027728
Cheque in Hand		8528266	—
Cash in hand		28927666	21566731
Total		387644881	790784227
* (Including deposit of Rs. -Nil- Lacs (Previous Year 48.98 Lacs) under Lien against demand Loan and Rs. 26.64 Lacs (Previous Year 91.28 Lac) under lien for guarantee given by banks to various Government Authorities)			
SHORT TERM LOANS AND ADVANCES	21		
Unsecured, Considered good			
Advances Paid to Suppliers for Goods\Services		34472880	19846686
Advances Recoverable in Cash or in Kind or for value to be received		53737569	32068453
Total		88210449	51915139
OTHER CURRENT ASSETS	22		
Unsecured, Considered good			
Interest Accrued		4243046	2517564
Total		4243046	2517564
REVENUE FROM OPERATIONS	23		
Gross Sales		14582339060	8867165260
By Products and Scrap		7748610	2385444
Less :- Excise Duty		15711803	11699070
Net Sale Total		14574375867	8857851634
OTHER INCOME	24		
Dividend received		25143517	25143667
Interest received		134993988	46190280
Net Foreign Exchange Difference		—	25273814
Misc. Other Income		3249253	20915847
Total		163386758	117523608

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

	Note	31-Mar-13	31-Mar-12
(Amt. in Rs.)			
COST OF MATERIALS CONSUMED	25		
Opening Stock		51196855	48878888
Add : Purchases		715044891	534692996
		766241746	583571884
Less : Closing Stock		62457659	51196856
Total		703784087	532375028
PURCHASE OF STOCK IN TRADE	26		
Purchase of Stock in Trade		12988757136	7618395763
Total		12988757136	7618395763
CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STORE, SPARES AND SCRAP	27		
Opening Stock			
— Finished goods		116191288	103880827
— Work in Progress		217467924	209024920
— Store & Spares		513431	556642
		334172643	313462389
Closing Stock			
— Finished goods		149149933	116191288
— Work in Progress		189756721	217467924
— Store & Spares		760734	513431
		339667388	334172643
Increase / (Decrease) in Stock		(5494745)	(20710254)
EMPLOYEES BENEFIT EXPNESES	28		
Salaries & Wages including Bonus, Gratuity ,Welfare Expenses		148585292	112943518
Employer's Contribution towards Provident & other Funds		20759010	11813132
Total		169344302	124756650
FINANACE COST	29		
Interest Paid		25216307	33671385
Other Borrowing Cost		15533234	7579706
Net Loss/(Gain) on foreign currency transactions & translation		30019372	—
Total		70768913	41251091
DEPRICATION AND AMORTISATION EXPENSES	30		
Deprecation on Tangible Assets		96743177	87333307
Amortization of Intangible Assets		27710475	20277974
Total		124453652	107611281

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

	Note	31-Mar-13	31-Mar-12
OTHER EXPENSES	31		
Consumable, Stores & Spares		57141141	40437962
Power & Fuel Expenses		49813345	42832301
Rent		30457958	31465772
Postage, Telegram & Courier		2285391	773696
Repair & Maintenance		9199403	6747216
Travelling Expenses		8338394	17008359
Fee & Taxes		2770285	5878225
Insurance Charges		3781002	3642146
Telephone, Internet & Communication Charges		3902325	2339488
Vehicle Running & Maintenance		13807265	13476692
Director Sitting Fees		85000	145000
Misc. and General Expenses		19002089	19164237
Misc. Expenses Written off		15297240	15293071
Prior Period Items		876904	2750985
Marketing Expenses		42610087	24271055
Advertisement & Publicity		20483901	10542883
Printing and Stationery		3290428	1521006
<u>Auditor's Remuneration</u>			
— Statutory Audit Fee		2128599	1645849
— Tax Audit Fee		330069	275057
— For Others		797525	419050
<u>Cost Auditor's Remuneration</u>			
— Audit Fee		275000	257000
Legal & Professional Charges		10454465	11606263
Business Promotion / Entertainment Expenses		14020989	10734786
Total		311148805	263228099

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 contd.

32. Earning Per Shares (EPS)

Particulars	Year	Year
	31.03.2013	31.03.2012
	(Rs.)	(Rs.)
Profit After Tax as per the Statement of Profit and Loss attributable to Equity Share Holders	27,19,30,064	23,89,31,108
Weighted Average No of Equity Shares (Basic)	1,32,28,773	1,22,51,795
Weighted Average No of Equity Shares (Diluted)	1,35,59,800	1,22,51,795
Nominal value of Equity Shares (Rs.)	10/-	10/-
Earnings Per Share (Rs.)		
— Basic EPS	20.56	19.50
— Diluted EPS	20.05	19.50

33. Contingent Liabilities and Commitments (Rs. In Lacs)

Particulars	Year	Year
	31.03.2013	31.03.2012
Contingent Liabilities		
– Corporate Guarantees	3049.45	1877.00
– Disputed demand under excise duty (Net of duty deposited under protest)	110.41	—
– Claims against the company not acknowledge as debts	12.00	12.00
Commitments		
– Estimated amount of Contract remaining to be executed on capital account and not provide for (Net of Advances)	593.04	634.71

34. Alchemist Limited has four subsidiaries namely Alchemist Foods Limited, Alchemist Infrastructures Pvt. Ltd., Alchemist Hospitality Group Limited, Alchemist Enterprise (S) Pte. Ltd, Singapore.

35. Investment in Associate Companies Dooteriah & Kalaj Valley Tea Estates Private Limited and Alchemist Medisphere Limited which were acquired and held exclusively with a view to its subsequent disposal in the near future are not accounted for in consolidated financial statements under the equity method. Such Investments are accounted for in accordance with Accounting Standard 13, Accounting for Investments as laid down in Accounting Standard 23, Accounting for Investment in Associates in Consolidated Financial Statements.

36. The Company had entered into a scheme of arrangement under section 391-394 of the Companies Act, 1956 with Alchemist Foods Limited, a wholly owned subsidiary which had been approved by the Hon'ble High Court of Delhi and High Court of Punjab and Haryana at Chandigarh vide its order dated 1st November, 2010 & 2nd December, 2010 respectively. The same had been registered with the Office of Registrar of Companies at Delhi and Chandigarh dated 2nd December, 2010 & 23rd December, 2010. Hence, appointed date for the implementation of the scheme was 23rd December, 2010 with effect from 1st April 2008, being the effective date. The scheme of arrangement was duly implemented in the financial year 2010-11.

As per scheme, food division of Alchemist limited had been demerged from the Company and transferred to and vested in Alchemist Foods Limited. All the properties, rights and power, assets, both movable and immovable, liabilities including contingent liabilities and reserves, all income and expenses of the Food Division have without further act or deed been transferred to and vested with Alchemist Foods Limited at their book values, as a going concern with effect from the appointed date i.e. 1st April, 2008. In consideration, thereof, Alchemist Foods Limited had issued 1,00,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 90/- per shares to Alchemist Limited and an amount of Rs. 27.44 Crores was treated as unsecured loan from Alchemist Limited to Alchemist Foods Limited.

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 contd.

As per Scheme of arrangement, Authorized share capital of Alchemist Limited i.e. Rs. 121.25 Crores as on effective date i.e. 1st April, 2008 had been partly clubbed with Authorized Share Capital of the Transferee Company i.e. Alchemist Foods Limited. Accordingly, after implementation of scheme of arrangement, authorized share capital of Alchemist Limited had been reduced to Rs. 80.00 Crores consisting of 3.00 Crore equity shares of Rs. 10/- each aggregating to Rs. 30.00 Crores and 50.00 Lac redeemable preference shares of Rs. 100/- each aggregating to Rs. 50.00 Crores and authorised share capital of Alchemist Foods Limited had been increased from Rs. 10,00,00,000/- to Rs. 51,25,00,000/- consisting of 5,12,50,000 equity shares of Rs. 10/- each.

37. Related Party Disclosures

Key Managerial Personnel

- Dr. Kanwar Deep Singh (Retired on 30th August, 2012)
- Maj. Gen. (Retd.) Anil Oberoi

Associates:

- Alchemist Hospitals Limited
- Alchemist Airways Pvt. Ltd.
- Alchemist Realty Limited
- Black Cats Protections Pvt. Ltd.
- KDS Corporation Pvt. Ltd
- Optimum Constructors and Developers Limited
- Platinum Ventures Limited
- A 1 News Network Pvt Ltd
- Alchemist Media Limited

Relatives of Key Management Personnel

- Mr. Karan Deep Singh
- Mr. Kaman Deep Singh
- Mr. Ravinder Singh
- Mrs. Hapreet Kaur
- Mrs. Isher Kaur

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

(Rs. In Lacs)

Detail of Related Parties Transactions:

Sr. No	Transaction's	Key Managerial Person & Their Relative		Associates	
		2012-13	2011-12	2012-13	2011-12
1	Managerial Remuneration Mr. Kanwar Deep Singh	64.64	104.17	—	—
2	Inter Corporate Loans - Received (Balance Outstanding as at the year-end) KDS Corporation Pvt. Ltd.	—	—	26737.68	27917.69
3	Rent Paid Mr. Kanwar Deep Singh Mr. Karan Deep Singh Mr. Kaman Deep Singh	18.00 0.71 0.71	36.00 0.68 0.68	— — —	— — —
4	Sale of Goods Alchemist Life Sciences Ltd Alchemist Hospitals Ltd	— —	— —	— 0.32	1032.84 9.75
5	Purchase of Investments Optimum Constructions & Developers Pvt .Ltd. Platinum Ventures Limited	— —	— —	1.99 0.25	— —
6	Services Received Black Cats Protections Pvt. Ltd Alchemist Realty Limited Alchemist Media Limited	— — —	— — —	46.03 59.23 16.83	68.64 72.54 9.64
7	Rent Received Alchemist Airways Pvt. Ltd. A 1 News Network Private Limited	— —	— —	0.24 4.55	0.72 —
8	Dividend Paid Mr. Kanwar Deep Singh Mr. Karan Deep Singh Mrs. Harpreet Kaur Mrs. Isher Kaur Mr Ravinder Singh KDS Corporation Pvt. Ltd Optimum Constructors and Developers Ltd.	25.14 2.35 0.008 0.004 4.42 — —	25.14 2.35 0.008 0.004 4.42 — —	— — — — — 47.68 1.19	— — — — — 34.88 1.19

38. Segment Reporting

- The Business Segments comprise the following:
 - Agri Business
 - Pharma & Chemical
- Business segments have been identified based on the nature and class of products and services, their customers and assessment of the differential risks and returns and financial reporting system within the Company.
- The risk and returns of business are not affected by any economic or cultural or other considerations prevailing in any geography where the goods or services are sold, so segmentation on Geographical basis is not applicable.
- Segment accounting policies
In addition to the significant accounting policies, applicable to the business as set out in note 1 'Notes to the Financial Statements', the accounting policies in relation to segment accounting are as under:
 - Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Which most of the assets/liabilities can be directly attributed to individual segments, the carrying amount certain assets/liabilities pertaining to two or more segment are allocated to the segment on reasonable basis.
 - Segment revenue and expenses :
Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segment
 - Inter Segment Sales:
Inter-segment sales are accounted for at cost and are eliminated in consolidation.

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.*

c) Primary Segment information (Business Segments) for the year ended 31st March, 2013. (Rs. In Lacs)

Sr. No.	Particulars	Agri Business	Pharma & Chemicals	Unallocated	Total
a)	Segment Revenue :				
	Revenue from Sales	14283.24	131460.51	—	145743.76
	Total Revenue	14283.24	131460.51	—	145743.76
b)	Segment Results:				
	Operating Profit(Loss)	422.23	358.87	—	781.10
	Add :- Unallocated Incomes	—	—	1464.19	1464.19
	Profit Before Tax	422.23	358.87	1464.19	2245.29
	Provision for Taxes	—	—	624.50	624.50
	Previous year Taxes	—	—	(0.02)	(0.02)
	Profit After Tax	422.23	358.87	839.71	1620.71
c)	Other Information :				
	Segment Assets				
	Investments	—	—	206.89	206.89
	Other Segment Assets	8167.96	4599.61	—	12767.56
		8167.96	4599.61	206.89	12974.45
	Segment Liabilities				
	Share Capital	—	—	2681.36	2681.36
	Other Segment Liabilities	26523.72	27371.26	—	53894.41
		26523.72	27371.26	2681.36	56575.77
	Fixed Assets (Incl. Capital Work in Progress)	41100.14	2501.01	—	43601.14
Depreciation Non Cash Exp. Other than Deprecation	66.33	2.76	83.89	152.98	

39. As per Accounting Standard – 28 “Impairment of Assets”, the company has assessed the conditions of all the assets used in its operation and is of the opinion that there is no impairment of assets, hence no provision was made.

40. **Employees benefits:**

Defined Contribution plans:

Contribution to defined contribution plans charged off for the years as under: (Rs. In Lacs)

Particulars	Year	Year
	31.03.2013	31.03.2012
Company's Contribution to Provident Fund	150.69	146.77

Defined Benefit Plans:

- (a) Gratuity
- (b) Earned Leave

These are unfunded schemes, the present value of obligation is determined based on actuarial valuation, the disclosure of which is given as under:

ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 *contd.* (Amount in Rs.)

Particulars	Gratuity		Leave	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit Plans				
Change in benefit obligations				
Obligations at period beginning-Current	1137835	1169543	783471	791419
Obligations at period beginning-Non-current	8749514	9241209	7372633	5843069
Service Cost	12788559	1711898	5943211	2910871
Interest on Defined benefit obligation	761878	824537	633440	487934
Benefits settled	(1304933)	(1420633)	(956080)	(1788173)
Actuarial (gain)/loss	647244	(1639205)	334599	(89016)
Obligations at period end	22780097	9887349	14111274	8156104
Current Liability (within 12 months)	1833667	1137835	992905	783471
Non Current Liability	20946429	8749514	13118370	7372633
Change in plan assets				
Plans assets at period beginning, at fair value	—	—	—	—
Expected return on plan assets	—	—	—	—
Actuarial gain/(loss)	—	—	—	—
Contributions	1304933	1420633	956080	1788173
Benefits settled	(1304933)	(1420633)	(956080)	(1788173)
Plans assets at period end, at fair value	—	—	—	—
Funded Status				
Closing Fair value of plan assets	—	—	—	—
Closing value of obligations	(5605156)	9887349	(2514943)	8156104
Liability recognized in the balance sheet	(22780097)	(9887349)	(14111274)	(8156104)
Details of Gratuity / Leave cost				
Service cost	12788559	1711898	5943211	2910871
Expected return on plan assets	—	—	—	—
Actuarial (gain)/loss	647244	(1639205)	334599	(89016)
Net gratuity / leave cost	14197681	897230	6911250	3309789
Experience Adjustment on Plan Liabilities	647244	(1639205)	334599	(89016)
Experience Adjustment on Plan Assets	—	—	—	—
Assumptions				
Interest rate	8.25%	8.50%	8.25%	8.50%
Discount factor	8.25%	8.50%	8.25%	8.50%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary Increase	10.00%	11.00%	10.00%	11.00%
Attrition rate	6.00%	3.00%	7.00%	3.00%
Retirement age	60	60	58	60

41. The balances of some Debtors and Creditors, Loan and Advances are subject to confirmation and as such there balances are reflected in the Balance Sheet as appearing in the books, pending reconciliation, the net effect is unascertainable.
42. **Assets Taken/ Given on Operating Lease:**
Some of the Office premises have been taken/given on operating leases for a period of less than 10 years and are generally renewable by mutual consent on mutually agreeable terms. The agreements have an escalation clause. There are no sub leases and the leases are generally cancellable in nature.
43. The Company (Alchemist Foods Limited) has received a subsidy of Rs –Nil- (Previous Year Rs. 13,79 Lacs) from the Ministry of Food Processing Industries out of the total subsidy of Rs. 17.24 Lacs receivable as contribution for setting up a laboratory in the processing division of Alchemist Foods Limited. The subsidy is in relation to specific fixed assets. However, since the fixed assets in relation to laboratory have not been capitalised till 31st March, 2013, the subsidy is deducted from the balance of Capital WIP.

Notes forming part of the consolidated financial statement for the year ended March 31, 2013 contd.

Further, the company received a Subsidy of Rs. 101.60 Lacs (P.Y.-Nil-) from Ministry of Food Processing Industries under the Scheme for Cold Chain, Value addition and Preservation infrastructure for setting up of integrated cold chain project. This is being the 1st Instalment out of total subsidy receivable of Rs. 406.41 Lacs.

The subsidy is in relation to specific fixed assets and accordingly Rs 74.36 Lacs has been deducted from the cost of fixed assets and for the balance Rs. 27.24 Lacs. Since the relevant fixed assets has still not been capitalised the same has been deducted from Capital CWIP.

The Company (Alchemist Limited) has also received a Capital Subsidy of Rs. 29.99 Lacs from HP State Industrial Development Corporation Ltd. Shimla towards 15% of Capital Investment of Plant & Machinery of Rs.1999.81 Lacs.

44. Disclosure of Micro and Small Enterprises (Trade Payables)

The company is in the process of compiling information from the suppliers regarding their status as Micro/ Small Scale Enterprises, So as to disclose the information as per required by MSMED Act and Schedule VI of the Companies Act relating to Micro, Small and Medium Enterprises. In absence of confirmed information about the suppliers, it is practically not feasible to state the amount payable to them as on 31st March 2013.

45. During the year the company (Alchemist Limited) took a building 25, Nehru Place on lease for a period of 108 Months. The company made improvements to the building to the tune of Rs. 385.94 Lacs, duly capitalised during the year and it was ready to use on 1st March, 2013. The company is depreciating the leasehold improvements over the balance period of lease i.e. 98 months, and accordingly one month depreciation is charged during the year.

46. The Commissioner, Central Excise, Chandigarh, has proposed the classification of Poultry Keeping Machinery under Chapter 73 of the Central Excise Tariff Act, 1985 and has demanded the duty of Rs. 173.55 Lacs plus interest and penalty by invoking the extended period of limitation for 5 years. However, the company has cleared the goods as Poultry Keeping Machinery classifying the goods at –Nil- rate of duty under Chapter 84 of the CET Act, 1985. The company has been clearing the goods at –Nil- duty for more than last 5 years and the goods have been classified under Chapter 84 after duly intimating the department from time to time. Under Central Excise Law, the demand can be recovered for a period not more than one year under normal circumstances. However, in case of willfull suppression of facts, the duty can be demanded by invoking the extended period of limitation for last 5 years. In the aforesaid show cause notice, the department has raised the demand by, invoking extended period of 5 years whereas since the activity has been undertaken after duly intimating the department. Therefore the demand is not sustainable for 5 years and at worst the demand can sustain for one year only.

The company has already paid the duty of Rs. 63.13 Lacs accruing during the last one year as 'Duty Paid Under Protest'. Also the additional amount of Rs 30.96 Lacs paid till 31st March 2013 is deposited under protest. Therefore the total duty of Rs. 92.29 Lacs already paid is shown as 'Amount recoverable in cash or in kind' in the Balance Sheet under the head Short Term Loan and advances. The balance amount of Rs. 110.42 Lacs is shown as Contingent Liability.

47. During the previous year, pharma division of Alchemist Limited has switched from marketing through outsource selling network to distribution and marketing through own network of C&F/ consignee agents/ stockists/ distributors. Company is designing, developing & implementing a Pan India Network system to generate demand & to ensure availability of Company's products with the retailers. Development & establishment of this network system is an intangible asset, as defined in AS 26, under the control of the Company & economic benefits are expected to flow to the Company in future. Expenses incurred directly for the development of this network system, amounting to Rs. 5.42 Crore have been attributed to this intangible asset & capitalised under the head "Intangible under Development" under Fixed Assets.

48. Borrowing Costs (AS-16):

During the year interest paid on term loan capitalised in the company as borrowing cost as per detail given below:

Alchemist Limited - IT Park Project - Rs. 231.36 Lacs (Previous Year Rs 49.60 Lacs)

Alchemist Foods Limited - ROC Project - Rs. 161.54 Lacs (Previous year Rs 200.15 Lacs)

49. Previous year's figure have been reworked, regrouped, rearranged and reclassified wherever deemed necessary to make them comparable

Sd/- CA. Ashish Chhabra Partner	Sd/- Rajansh Thukral Company Secretary	Sd/- Dinesh Vermani CFO	Sd/- R.P.Chhabra Director	Maj. Gen. (Retd.) Anil Oberoi Executive Director
-----------------------------------------------------	------------------------------------------------------------	---------------------------------------------	-----------------------------------------------	------------------------------------------------------------

MEMBERSHIP NO.: 507083
N. KUMAR CHHABRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 000837N
Place : New Delhi
Date : 30th May, 2013

ALCHEMIST LIMITED

ALCHEMIST LIMITED
Regd. Office : Alchemist House, 23, Nehru Place
New Delhi-110019

ATTENDANCE SLIP
Annual General Meeting

I hereby record my presence at 24th Annual General Meeting held on Friday, 27th September 2013, at 10.00 A.M. at Deshbandhu Chittaranjan Memorial Society, C-405 A, Chittaranjan Park, New Delhi-110019

Signature of Shareholder/Proxy

*Delete whichever is not applicable.

Member/Proxy attending the meeting must fill in this attendance slip and hand it over at the entrance of the Meeting Hall

..... TEAR HERE

ALCHEMIST LIMITED
Regd. Office : Alchemist House, 23, Nehru Place
New Delhi-110019

PROXY FORM

Folio No. _____ No. of Shares held _____

DP ID No. and Client ID No. _____

I/We _____ of _____ in the District of _____ being a Member(s) of the above named Company hereby appoint Mr./Mrs. _____ of _____ in the district of _____ or failing him/her Mr./Ms. _____ of _____ in the district of _____

as my/our Proxy to vote for me/us on me/us on my/our behalf at the Annual General Meeting of the Company Friday, 27th September 2013, at 10.00 A.M. at Deshbandhu Chittaranjan Memorial Society, C-405 A, Chittaranjan Park, New Delhi-110019 and at any adjournments thereof.

Signature this _____ day of _____ 2013

Affix Re.1
Revenue
Stamp

Signature of Shareholder

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself.
2. The Proxy form, in order to be valid and effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

BOOK POST
(PRINTED MATTER)

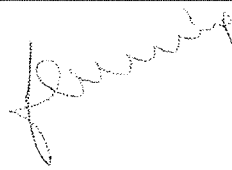



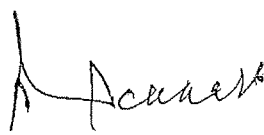
If undelivered please return to :

ALCHEMIST LIMITED

Regd. Office : Alchemist House, 23, Nehru Place,
New Delhi-110019.

ALCHEMIST

FORM A

1.	Name of the Company:	Alchemist Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Nil
4.	Frequency of observation	Nil
5.	To be signed by-	
	• CEO/Whole Time Director	
	• CFO	
	• Auditor of the company	 
	• Audit Committee Chairman	

Date: 30/05/2013

Place: New Delhi

ALCHEMIST LTD.

Regd. & Head Office : Alchemist House, Building No. 23, Nehru Place, New Delhi - 110 019 **Tel. :** +91-11-40600800, **Fax :** +91-11-40600888

Chd. Office : S.C.O. 12-13, Sector 9-D, Madhya Marg, Chandigarh - 160 009 **Tel. :** +91-172-2743480-82, 4680000 **Fax:** +91-172-4680003