

**25th**  
**Annual Report**  
2013-2014



**ALCHEMIST LIMITED**



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**CORPORATE INFORMATION**

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

## NOTICE

NOTICE is hereby given that 25th Annual General Meeting of the Shareholders of the Company will be held on 26<sup>th</sup> September, 2014 at 10.00 A. M. at The Legend Inn, E-4, East of Kailash, New Delhi, to consider the following business :

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2014, Report of the Board of Directors and the Auditors thereon and the audited consolidated financial statements of the company for the financial year ended 31st March, 2014.
2. To declare dividend on equity shares of the company for the Financial Year ended 31st March, 2014.
3. To appoint a Director in place of Mr. R.P. Chhabra (DIN 00056255), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Karan Deep Singh (DIN 02972093), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint M/s N. Kumar Chhabra & Co. as the Statutory Auditors of the Company for a term of three years from FY 2014-15 to 2016-17 up to the conclusion of the Annual General Meeting corresponding to the year 2016-17 and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ordinary Resolution:

**“RESOLVED THAT** M/s N. Kumar Chhabra & Co. Chartered Accountants (Registration No 000837N) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General meeting of the Company corresponding to the Financial Year 2016-17, subject to ratification by the Shareholders at every Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

### AS SPECIAL BUSINESS

6. To appoint Shri Pavan Kumar Verma, (DIN 00213365) as a Director and in this regard to Consider and if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution:

**“RESOLVED THAT** Mr. Pavan Kumar Verma (DIN : 00213365), who was appointed as additional director of the company in the meeting of the Board of Directors of the company held on 28<sup>th</sup> October, 2013 Pursuant to the provisions of section 260 of the Companies Act, 1956 (corresponding section 161 of the Companies Act, 2013) and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Article of Association, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the appointment of Director as per the provisions of Section 160 of the Companies Act, 2013 be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. To appoint Shri Pavan Kumar Verma, (DIN 00213365) as a whole time Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 196, 197 and 203 read with, Schedule V and all other applicable provisions, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), approval of the company be and is hereby accorded to the appointment of Mr. Pavan Kumar Verma (DIN : 00213365), as the Whole Time Director of the Company for a period of 5 years w.e.f. 28<sup>th</sup> October, 2013 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting with liberty to the Board of Directors (herein after referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration committee of the Board) to alter and vary the terms and conditions of the said appointment as it may deem fit and as may be acceptable to the said Shri Pavan Kumar Verma, subject to the remuneration not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any other Statutory enactment or modification thereof:

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

8. To Appoint Shri Asoke Kumar Chatterjee (DIN : 00266151) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution :-

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Shri Asoke Kumar Chatterjee (DIN : 00266151), who was appointed as an Independent Director liable to retire by rotation under Companies Act, 1956, rules made thereunder, read with the then clause 49 of the Listing agreement with stock exchanges and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for such appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from this Annual General Meeting of the company to the conclusion of the Annual General Meeting of the company to be held in calendar year 2019 corresponding to the FY 2018-19.

9. To Appoint Shri Tarlochan Singh (DIN : 00836456) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution :-

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Shri Tarlochan Singh (DIN : 00836456), who was appointed as an Independent Director liable to retire by rotation under Companies Act, 1956, rules made thereunder, read with the then clause 49 of the Listing agreement with stock exchanges and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for such appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from this Annual General Meeting of the company to the conclusion of the Annual General Meeting of the company to be held in calendar year 2019 corresponding to the FY 2018-19.”

10. To Appoint Shri. Jaspreet Singh Jolly (DIN: 06943173) as a Director and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution :-

**"RESOLVED THAT** Shri Jaspreet Singh Jolly, who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

11. To Appoint Smt. Kaajal Aijaz Ilmi (DIN: 01390771) as a Director and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution :-

**"RESOLVED THAT** Smt. Kaajal Aijaz Ilmi, who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."



Date: August 13, 2014  
Place: New Delhi

By Order of the Board  
For ALCHEMIST LIMITED

Sd/-  
Rajansh Thukral  
Company Secretary

## NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. (A blank proxy form is enclosed herewith)

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. 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.
  - a) Members should bring the enclosed attendance slip duly filled in, for attending the meeting.
  - b) 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.
  - c) 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.
  - d) 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. Voting through electronic means
  - i) Pursuant to Section 108 of the Companies Act, 2013 and rules of the Companies(Management and Administration) Rule, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting(AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Service Limited (CDSL).

The instructions for members for voting electronically are as under:-

- (A) In case of members receiving e-mail:
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select the "ALCHEMIST LTD" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  "Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	"In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  "Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant ALCHEMIST LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) In case of members receiving the physical copy: Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (C) Other Instructions:
- a) The voting period begins on September 21, 2014(10.00 A.M.) and ends on September 22, 2014 (6.00 P.M.). During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 29, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - b) The voting rights of the shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of August 29, 2014.
  - c) Mr. Ramesh Bhatia, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and Transparent Manner.
  - d) The Scrutinizer shall, within a period not exceeding three(3) working days from the conclusion of the e-voting period, unblock the vote in the presence of at least two (2) witness not in the employment of the Company and make Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - e) The Results shall be declared on or after the AGM of the Company. The Results declared along either the Scrutinizer's Reports shall be placed on the Company's website [www.alchemist.co.in](http://www.alchemist.co.in) and on website on the CDSL within two (2) days of passing the resolution at the AGM of the Company and communicated to the Stock Exchanges.
  - f) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September, 2014 to 26<sup>th</sup> September, 2014 (both days inclusive).
  5. 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 24<sup>th</sup> September, 2014. 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.
  6. Details of Directors seeking appointment/reappointment are incorporated in the Corporate Governance Report forming part of Annual Report.
  7. 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 2014-15 has been paid to the concerned stock exchange(s).

8. 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 2005-2006 amounting to Rs.27,07,365/- to the Investor Education and Protection Fund established by the Central Government.
9. 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.
10. 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 13, 2014  
Place: New Delhi

Sd/-  
Rajansh Thukral  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****In respect of item no. 6**

In order to broad base the Board of Directors of the Company, your Board of Directors appointed Mr. Pavan Kumar Verma as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 effective from 28<sup>th</sup> October, 2013.

In terms of the provisions of section 161 of the Companies Act, 2013, Mr. Pavan Kumar Verma will hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of requisite amount as prescribed under section 160 of the Companies Act, 2013 proposing the candidature of Mr. Pavan Kumar Verma for the office of a Director of the Company pursuant to the provisions of section 160 of the Companies Act, 2013.

Mr. Pavan Kumar Verma is a double MBA from XLRI in Jamshedpur, brings over 40 years of exemplary entrepreneurial and managerial experience to Alchemist management team and today he drives the support of over 8,000 employees. A true achiever, he has been the winner of the Winsome Trophy by Indian Institute of Material Management for being best Chief Executive, Best HR Manager of the year by Top Rankers & Bim Tech Institute of Management, Founder Chairman of NIPM Chandigarh, Past Chairman of Chandigarh Management Association and the Past President of Executive Club Chandigarh.

The Board of Directors considers that in view of his expertise and experience with multicultural Organizations with assignments across globe in diverse geographies, it has been proposed to appoint him as an Independent Director of the Company liable to retire by rotation and accordingly recommends the resolution as set out at Item No. 6 of the Notice for approval of the members.

Mr. Pavan Kumar Verma is deemed to be interested or concerned in the proposed resolution as set out in the Notice. None of the other Directors are interested or concerned in the proposed resolution.

**In respect of item no. 7**

The Board of Directors of the Company has approved the appointment of Mr. Pavan Kumar Verma as the Whole Time Director of the Company, subject to approval of the members in the General Meeting for a period of 5 (five) years w.e.f 28<sup>th</sup> October, 2013 on the terms and conditions mentioned below and duly recommended by the remuneration committee.

It has been proposed to pay a remuneration of total cost to the company (CTC) of Rs. 24.64 lacs p.a. and that the same is within the permissible limit as laid down in the Companies Act, 2013 and subject to the provisions of Article 160 of Article of Association, but provided that the Gratuity as may be permissible in terms of policy of the Company shall be admissible to him over and above the said CTC.

The above remuneration recommended/ approved by the Remuneration Committee was approved by the Board of Directors in their meeting held on 28<sup>th</sup> October, 2013.

Since Sh. Pavan Kumar Verma has attained the age of 70 years, so in terms of Schedule V read with Section 196 and 197, the proposed resolution may be passed as Special Resolution.

**In respect of item no. 8 & 9**

Shri. Tarlochan Singh and Shri. Asoke Kumar Chatterjee are Independent Directors of the Company and have held the positions as such for 3 years and 9 years respectively. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Shri Asoke Kumar Chatterjee and Shri Tarlochan Singh as Independent Directors of the Company under Section 149 of the Act read with clause 49 of the Listing Agreement for 5 (Five) consecutive years up to the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company to be held in calendar year 2019.

Shri Asoke Kumar Chatterjee and Shri Tarlochan Singh are not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given their consent to act as Directors.

The Company has received declaration from Shri Asoke Kumar Chatterjee and Shri Tarlochan Singh that they meet with the criteria of Independence as prescribed both under sub section(6) of Section 149 of the Act and under Clause 49 of the Listing Agreement .

In the opinion of the Board, Shri Asoke Kumar Chatterjee and Shri Tarlochan Singh fulfill the conditions for appointment as Independent Directors as specified in the Act and the listing agreement. Shri Asoke Kumar Chatterjee and Shri Tarlochan Singh are Independent of the management.

Brief resume of Shri Asoke Kumar Chatterjee and Shri Tralochan Singh, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Shri Asoke Kumar Chatterjee and Shri Tarlochan Singh as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Shri Asoke Kumar Chatterjee and Shri Tarlochan Singh are interested in the resolution set out respectively at item no. 8 & 9 of the Notice with regard to their respective appointment.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolutions set out at item no. 8 & 9 of the Notice for approval by the Shareholders.

#### **In respect of item no. 10**

In order to broad base the Board of Directors of the Company, your Board of Directors had appointed Shri Jaspreet Singh Jolly as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and he holds the office of director up to the date of this Annual General Meeting.

The Company has received a notice along with requisite deposit from member of the company under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Jaspreet Singh Jolly as Director of the Company.

The Board of Directors considers that in view of his expertise and experience, it would be in the interest of the Company to appoint him as Director of the Company and accordingly recommends the resolution as set out at item no. 10 of the notice for approval of the members.

Shri Jaspreet Singh Jolly is considered interested or concerned in the proposed resolution as set out in the notice.

None of the other Directors are in any way interested or concerned in the proposed resolutions.

**In respect of item no. 11**

In order to broad base the Board of Directors of the Company, your Board of Directors had appointed Smt. Kajal Aijaz Ilimi as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and he holds the office of director up to the date of this Annual General Meeting.

The Company has received a notice along with requisite deposit from member of the company under Section 160 of the Companies Act, 2013 proposing the candidature of Smt. Kajal Aijaz Ilimi as Director of the Company.

The Board of Directors considers that in view of his expertise and experience, it would be in the interest of the Company to appoint him as Director of the Company and accordingly recommends the resolution as set out at item no. 11 of the notice for approval of the members.

Smt. Kajal Aijaz Ilimi is considered interested or concerned in the proposed resolution as set out in the notice.

None of the other Directors are in any way interested or concerned in the proposed resolutions.

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

**Date: August 13, 2014  
Place: New Delhi**

**Sd/-  
Rajansh Thukral  
Company Secretary**

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 25th 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, 2014. The financial highlights for the year under review are given below:

### FINANCIAL HIGHLIGHTS

(Rs. In lacs)

Particulars	2013-2014	2012-2013
Sales & Other Income	84872	68120
Operating Profit (PBIDT)	3407	3068
Finance Charges	329	492
Profit before depreciation & Tax (PBDT)	3078	2577
Depreciation	429	332
Profit before Tax (PBT)	2649	2245
Taxation	983	624
Net Profit	1666	1621
Proposed Dividend	136	203
Tax on Dividend	23	34

The volatility and uncertainty in the economy continued and despite the adverse scenario your company demonstrated growth in its operations.

During the year, the net revenue of the Company was Rs.84872 lacs as compared to Rs. 68120 lacs during the previous year, thus registering a growth of 24.59%. The profit before interest and depreciation during the year was Rs.3407 lacs as compared to Rs.3068 lacs during the previous year, thus registering a growth of 11.05%. The Company made a net profit after tax of Rs. 1666 lacs during the year as compared to Rs. 1621 lacs during the previous year, thus registering a marginal growth of 2.78%.

### DIVIDEND

We are pleased to recommend a final Dividend of 10 % (i.e. Rs. 1.00 /- per equity share) for the Financial Year 2013-14. 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 24<sup>th</sup> September, 2014.

### FIXED DEPOSITS

During the year under review, the company has not accepted any fresh deposits and all the earlier deposit have been repaid with interest as on 31<sup>st</sup> March, 2014.

### PERFORMANCE REVIEW:

The company's main business segments are Agri Business comprising largely floriculture and steel and chemicals 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:

Alchemist has entered into international collaborations with HAUS BIOCEUTICALS INC., USA. By this collaboration ALCHEMIST has ventured into marketing of HI-TECH DERMA-CARE products, besides providing succour to patients suffering from BED SORES and DIABETIC FOOT ULCER.

ALCHEMIST is very popular with the institutions where products are registered with premier institutes of the country e.g. Army like AFMSD, DGAFMS, RMSC, DIRECTOR FAMILY WELFARE Punjab, to name a few. Alchemist Pharma is applying to all govt. related tenders in places like BIHAR, JHARKHAND and other areas of India.

Two Management Development Programmes (MDP) have been conducted in the month of July and December 2013. The objective was to understand managers' strengths and weaknesses and to find ways in order to strengthen their effectiveness which could open up avenues to multiply opportunities for organizational growth by strengthening their competence by sharpening their knowledge and skills. MDP was an initiative to open new horizons for making ALCHEMIST PHARMA IN FIRST 20 COMPANIES.

Alchemist Pharma has been registered and will be catering to INDIAN ARMY and working to see our Star Brands grow.

**AGRI AND STEEL DIVISION:**

Your company already marked its presence in business of Global Agri Trade. These business segments are consistently making achievement in their respective fields. The production efforts are now supplemented by trading activity as well

**SUBSIDIARY COMPANIES:**

The Singapore subsidiary is continuing to retain its niche in international trading. The Foods division continues its efforts to add newer products and business models to meet the demands of customers and to increase its presence in India through more stores and sale outlets across the country.

A 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, offers himself for re-appointment as Director at the ensuing Annual General Meeting. He has been on the board of the company since September 1, 1999 and continue with his commitment toward the Company. Your Board place on record the appreciation of his services and 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 in the Report on Corporate Governance that forms part of this Annual Report.

Mr. Karan Deep Singh, Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment as Director at the ensuing Annual General Meeting. He has been on the board of the company from 30<sup>th</sup> August, 2012. 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. Karan Deep Singh giving detail of his expertise areas and directorship given in the Report on Corporate Governance that forms part of this Annual Report.

Mr. Pavan Kumar Verma was appointed as an Additional Director of the Company pursuant to the provisions of section 260 of the Companies Act, 1956 (corresponding section 161 of the Companies Act, 2013) effective from 28.10.2013 and he hold office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Article of Association, and in respect of whom the company has received a notice in writing from a member alongwith requisite deposit, proposing his candidature for the appointment of Director as per the provisions of Section 160 of the Companies Act, 2013. Board recommends his appointment at the ensuing Annual General Meeting.

Further, pursuant to provisions of Section 196, 197 and 203 read with, Schedule V and all other applicable provisions, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), Mr. Pavan Kumar Verma (DIN : 00213365), has been appointed as the Whole Time Director of the Company for a period of 5 years w.e.f. 28<sup>th</sup> October, 2013 on the terms and conditions including remuneration subject to the approval of the Shareholders at the ensuing Annual General Meeting.



Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on 29<sup>th</sup> May, 2014 recommended appointment of Mr. Asoke Kumar Chatterjee and Mr. Tarlochan Singh as Independent Director of the Company, not liable to retire by rotation for a period of five years from the date of its 25<sup>th</sup> Annual General Meeting subject to approval of the members of the Company. These Directors have given the Declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

The Board recommends their appointment as Independent Director.

Mr. Jaspreet Singh Jolly and Ms. Kajal Aijaz Ilmi has been appointed as an Additional Directors of the Company pursuant to the provisions of Section 161(1) of the Companies Act 2013 effective from 13.08.2014 and she holds office of the Director up to the date of this Annual General Meeting. The Company has received notices from members under Section 160 of the Companies Act, 2013, expressing their intention of proposing their appointment as Directors of the Company along with the requisite deposit

#### **CORPORATE SOCIAL RESPONSIBILITY**

During the year the Company has constituted the Corporate Social Responsibility Committee as per the requirement of Section 135 of the Companies Act, 2013 comprising of three Directors namely Mr. Tarlochan Singh- Chairman, Maj. Gen. (Retd.) Anil Kumar Oberoi-Member and Mr. R. P. Chhabra-Member.

The said committee shall be entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

#### **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, 2014 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, 2014 on a going concern basis.

#### **AUDITORS AND AUDITORS REPORT**

M/s N. Kumar Chhabra & Co., Chartered Accountants, Statutory Auditors retires at conclusion of 25th 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 28<sup>th</sup> Annual General Meeting to be held in the Calendar year 2017, subject to ratification of their appointment at the subsequent AGMs.

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 141(3)(g) of the Companies Act, 2013 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, 2014, 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 2013-14 has already been paid.

**SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENTS**

As on 31st March, 2014, 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**

The Company continues to derive its business and service functions through deployment of a strong Information Technology network across its offices, verticals, outlets etc. to inculcate efficiency and discipline at all levels. In pursuit of this, the Company has further strengthened its Human Resource Information System (HRIS) viz. My Adrenalin, which is web portal dedicated to employees. The 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 continue to be coordinated through this System. 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 trees 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.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company.

**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**

The Company continues to give 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 also launch global associations.

**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.

**PARTICULARS OF EMPLOYEES**

During the year none of the employee(s) received remuneration of Rs. 5.00 lacs or more per month or Rs. 60.00 lacs or more per annum as such disclosure 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, 2014, is Nil.

**ACKNOWLEDGEMENT**

We thank the Government of India and Governments of various states, where the company has its operations. We also take this opportunity to 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 also thank our esteemed customers & clients, vendors, and 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 demonstrate their commitment, handwork, support, and cooperation.

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

Date: August 13, 2014  
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**

We continue to work towards Conservation of Energy and the company has been taking 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**

		<b>2013-2014</b>	<b>2012-2013</b>
1.	Electricity		
	a) Purchased		
	No. of units	448861	512592
	Total Amount (Rs. in lacs)	33.14	37.22
	Rate/Unit (Rs.)	7.38	6.50
	b) Own generation		
	No. of Units	17372	16252
	Total Amount (Rs. in lacs)	2.96	2.68
	Rate per Unit	17.05	16.50
2.	Coal	Nil	Nil
3.	Furnace Oil	Nil	Nil
4.	Others	Nil	Nil

**II TECHNOLOGY ABSORPTION**

**Research and Development**

Your Company continues to accord high priority to the Research & Development activities. Research & Development Centre of the Company carries out research work in several areas with the objective of introducing new products, improve quality of existing products and to lower the cost of production. The Company has incurred Rs. 188.01 lacs on research and development during the year constituting 0.23% 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 13, 2014  
Place: New Delhi

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

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY UNDER CLAUSE NO. 41 (II) (a) AND 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 31<sup>st</sup> March, 2014 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 and do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- (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 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: May 29, 2014  
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	<b>Alchemist Foods Limited</b>	<b>Alchemist Enterprise (S) Pte Ltd.</b>	<b>Alchemist Infrastructures Private Limited</b>	<b>Alchemist Hospitality Group Limited</b>
2	Financial Year Ending	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
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	(977.57)	721.69	4.80	(0.17)
ii)	For subsidiary's previous financial year since it became subsidiary	1535.33	833.15	1.43	(0.16)
5	Net aggregate amount of profits of subsidiary's company after deducting its losses or vice versa				
i)	For financial year of subsidiary				
ii)	For subsidiary's previous financial year since it became subsidiary				

### 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	233.37	1.00	5.00
2	Reserves	16135.97	1214.74	6.24	(4.05)
3	Total Assets	35696.42	1532.20	9.67	26.27
4	Total Liabilities	35696.42	1532.20	9.67	26.27
5	Investment	Nil	Nil	Nil	Nil
6	Turnover	8468.72	59666.12	Nil	Nil
7	Profit before Taxation	62.46	819.40	6.95	(0.23)
8	Provision for Taxation	456.34	97.70	2.15	Nil
9	Profit after Taxation	(1150.08)	721.69	4.80	(0.23)
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 21<sup>st</sup> 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)**

India is among the top five emerging pharma markets and has grown at an estimated compound annual growth rate (CAGR) of 13 per cent during the period FY 2009–2013. The Indian pharmaceutical market is poised to grow to US\$ 55 billion by 2020 from the 2009 levels of US\$ 12.6 billion, according to the report titled 'India Pharma 2020' by McKinsey & Co.

An increase in insurance coverage, an ageing population, rising income, greater awareness of personal health and hygiene, easy access to high-quality healthcare facilities and favourable government initiatives are some of the important factors expected to drive the pharma industry in India. The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacturing.

On improved utilization of manufacturing facilities, the domestic pharmaceutical market is likely to see high revenue growth and profit margins. Pharmaceutical sales in India are expected to grow by 14.4 per cent to US\$ 27 billion in 2016 from US\$ 22.6 billion in 2012, according to a report by Deloitte called '2014 Global Life Sciences Outlook'. India's pharmaceutical exports stood at US\$ 14.84 billion in FY 2013–14. The United States (US) is the country's biggest market for pharma exports accounting for about 25 per cent, followed by the United Kingdom (UK). "India has been able to make its name as a quality supplier of affordable medicines across the globe.

A new cluster of countries is contributing to the growth of the pharma industry, resulting in a robust jump in exports of drugs. The country's pharma industry accounts for about 1.4 per cent of the global pharma industry in value terms and 10 per cent in volume terms. Both domestic and export-led demand contributed towards the robust performance of the sector.

Pharma exports from India will be more than the size of the domestic sales by FY 2015, according to a report by India Ratings & Research. The country provides generic medicines to almost 200 countries. It is responsible for about 40 per cent of the generic and over-the-counter drugs consumed in the US. Indian generics market is expected to grow to US\$ 26.1 billion by 2016 from US\$ 11.3 billion in 2011.

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.

**Global Scenario**

The world pharmaceutical market is estimated to have grown by around 2.5% in 2013. While average revenue growth in developed markets was only 0.36%; in emerging markets the growth was about 10.7%.

The global expenditure on medicines is expected to exceed US\$ 1 trillion for the first time in 2014 and reach almost US\$ 1.2 trillion in 2017, up from US\$ 956 billion in 2011. The market is forecasted to grow at a compounded annual growth rate (CAGR) of 3-6% over 2013-17. Of this increase, over 70% is expected to come from emerging markets, which are expected to grow at 12-15%, while the rest of the growth is expected from the Developed markets, which could grow at 1-4% per annum. Sales in the largest pharmaceutical market, i.e. the United States of America (USA), is expected to be US\$ 350-380 billion by 2017, with growth in the range of 1-4% per annum. Sales in Japan, the second largest pharmaceutical market is expected to be in the range of US\$ 105-110 billion by 2017, reflecting a CAGR of 2-5% during the period 2013-17. The top 5 European markets are expected to grow at a CAGR of 0-3% for the period 2013-17, as compared to 2% CAGR for 2008-12, to achieve sales in the range of US\$ 145-160 billion.



Trends in Prescription Drug Sales, Patent Risk, R&D Spend, Global Brand Sales, Market Performance by Therapy Area continue to remain in highlight and it is expected that during the years by 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.

## **(B) AGRIBUSINESS**

### **Indian Market**

India is the second largest producer of flowers. Floriculture in India has become one of the important commercial trade in agriculture and is viewed as a high growth industry secondly to China. Indian Floriculture Market is growing at a compounded Annual Growth rate (CAGR) of about 30%, India's floriculture is likely to cross Rs. 8000 crore mark by 2015 as per report of Industry body Association. The Floriculture Industry in India is poised at Rs.3700 crore. 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. About 260000 hectares are under cultivation in floriculture.

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**

The global floriculture industry is likely to cross Rupees 9 lacs crore mark by 2015 and is growing at a CAGR of 15%.

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**

India is the world's second largest producer of food with the potential of being the biggest, backed by its food and agricultural sector. The food processing industry is one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. The total food production in India is likely to double in the next 10 years with the country's domestic food market estimated to reach US\$ 258 billion by 2015.

The country produces 450 million broilers and 33 billion eggs every year. Growth rate of egg and broiler production is 16 per cent and 20 per cent respectively.

The Indian food industry which presently stands at close to US\$ 135 billion with a CAGR of 10 per cent, is expected to touch US\$ 200 billion by 2015. The food processing industry in India attracted foreign direct investments (FDI) worth US\$ 5,793.95 million during the period April 2000–March 2014, according to data published by Department of Industrial Policy and Promotion (DIPP).

Blessed with rich agro-technological advantage, India has come a long way in utilizing the poultry sector to the benefits of common masses along with earning ample foreign exchanges. The Indian poultry feed industry, dependent on the sound growth of poultry has a great untapped potential, with southern part of India holding the maximum share of poultry production and consumption.

The report "Indian Poultry Feed Market Forecast to 2017" portrays the current scenario of poultry feed industry in the country with a bird's eye view on both traditional and packaged feed. Our analysis anticipates the poultry feed market to grow at a CAGR of around 8% during period upto 2016-17. In coming years, the potential for packaged feed is expected to grow at a higher pace as compared with the traditional feed. The research report offers a well-framed picture of poultry feed market dynamics, essential to get a grasp of the market nerve.

**Global Scenario**

The outlook for the global poultry sector in 2014 is generally bullish driven by the tailor mind of sharply lower feed cost and tight global supplies of poultry products. The average per capita poultry meat consumption is also estimated to increase from 0.60% in Europe. 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**

Size of the Steel Wire Industry in India is 2.6 million tonne approximately in terms of volume & US \$ 1.7 billion in terms of value, combining both organized and unorganized sectors. Approximately, 70 per cent of total production comes from organized producers and the rest from the unorganized counterpart. Wire Industry is accountable for 5 per cent of total demand of steel in India. India constitutes 1 per cent of the global wire exports and approximately 3 per cent of Indian production caters a portion of the global markets.

Steel is a primary input in the manufacture of security wire fencing, accounting for an estimated 25% of the average supplier's total purchasing costs in 2014. Steel wire is used to make barbed wire, razor wire, wire mesh, chain link fencing for Poultry and other wire fencing for nonresidential and residential building applications. In the three years to 2017, the value is projected to increase at an annualized rate of 8.2%, fueling higher demand for wire fencing. The one-two punch of higher demand and rising steel prices will push security wire fencing prices upward. IBIS World forecasts that the average price for security wire fencing will increase at an annualized rate of 4.5% over the next three years, compared with 3.3% annualized growth from 2011 to 2014.

#### **Global Scenario**

According to a new market report published by Transparency Market Research, "Fencing Market - Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2012 - 2018," the global fencing market is expected to reach USD 29.1 billion by 2018, growing at a CAGR of 4.4% from 2012 to 2018. The metal fencing market is in a commanding position owing to a wide range of products available under this category.

The global fencing market is largely driven by factors such as the rising consumer interest in home improvement and home décor and the need for security and safety. Expanding residential construction and growing economies across the globe are also supporting the growth of the fencing market. The increasing demand for residential fences and the growing acceptance and popularity of synthetic alternatives will serve as an opportunity for the fencing industry. The global fencing market is affected by the fluctuating raw material prices and the rising energy cost.

The fencing market is segmented into two major categories based on product type into agricultural wire fence and commercial wire fence.

Based on material type, the market is divided into four segments, namely metal, wood, plastic & composite and concrete fencing. The end use segments covered in this report are residential, agricultural and the industrial sector. The market is further segmented by geography into North America, Europe, Asia Pacific and Rest of the World regions.

#### **4. FINANCIAL REVIEW**

The Gross income for the year ended 31.03.2014 was Rs. 84872 lacs as compared to Rs. 68120 lacs for the year ended 31.03.2013. The increase in turnover is around 24.59% mainly attributable to shift from volume to value.

The total expenditure for the year ended 31.03.2014 also increased by 24.82% as compared to the expenditure during the previous year.

Interest cost of the Company as a percentage of sales was 0.40% during the year under review against 0.73% during the year 2012-13.

The Net Profit for the year ended 31.03.2014 stands at Rs. 1666 lacs after providing for taxation against Rs. 1621 lacs during the previous year, hence recording a marginal net increase of 2.78%.

#### **5. COMPANY'S PERFORMANCE**

##### **(A) PHARMA & CHEMICALS**

ALCHEMIST PHARMA Division is a strong wing of ALCHEMIST. This team is managed by highly professional team of Vice Presidents, General Managers, line Managers and very efficient field staff. Pharma has both ETHICAL & GENERIC DIVISION. In both the divisions, the marketing operations are in existence for nearly a decade through a strong team of Medical Representatives & Professional Managers accompanied by a dedicated in-house faculty in Management Development and Product Training & Product Development. We also have a well knitted Distribution network across India.

We have highly innovative product range with combinations designed to ensure efficacy and patient compliance. Our contribution towards innovative launches:

We are the pioneers to introduce Colostrum in capsule form in India. There are many other products which are first to our credit like Milk calcium, Alpha-galactosidase, Neurotonic/Neurotropic combinations and combinations for neuralgia. ALCHEMIST also has a comprehensive range of ANTI-INFLAMMATORY products and Antibiotics.

ALCHEMIST PHARMA, has own GMP certified with ISO 9001:2008 certified sophisticated state-of-art manufacturing unit at Solan in Himachal Pradesh. This unit has a large manufacturing capacity of formulations like dry injectable, capsules, tablets, with all dosage forms. Our endeavor is to make the quality products available to both urban and rural masses at affordable prices.

Alchemist has entered into international collaborations with HAUS BIOCEUTICALS INC., USA. By this collaboration ALCHEMIST has ventured into marketing of HI-TECH DERMA-CARE products, besides providing succor to patients suffering from BED SORES and DIABETIC FOOT ULCER.

ALCHEMIST has emerged popular with the institutions where products are registered with premier institutes of the country e.g. Army like AFMSD, DGAFMS, RMSC, DIRECTOR FAMILY WELFARE Punjab, to name a few. Alchemist Pharma is applying to all govt. related tenders in places like BIHAR, JHARKHAND and other areas of India

Two Management Development Programmes (MDP) have been conducted in the month of July and December 2013. The objective was to understand managers' strengths and weaknesses and to find ways in order to strengthen their effectiveness which could open up avenues to multiply opportunities for organizational growth by strengthening their competence by sharpening their knowledge and skills. MDP was an initiative to open new horizons for making ALCHEMIST PHARMA IN FIRST 20 COMPANIES.

Alchemist Pharma has been registered and will be catering to INDIAN ARMY and working to see our Star Brands grow. In the coming year we look forward to:

To reach every household of India

To progress the rank of Alchemist brands - IGTG FORTE, VALCAL-M, ANEMI-XT, Myelin-OD and GASEASE as potential block busters of the division

CONTINUING MEDICAL EDUCATION (CME) to be organized at least thrice a year in premier and highly potential institutes within the country and abroad.

Institution Business contributing to a significant level in 2014-15 with Alchemist Pharma products being registered with leading institutes of the country and also central government sector budgeted hospitals.

VALCAL-M and ANEMI-XT may enter GOVT. OF PUNJAB program for WOMEN & CHILD WELFARE.

Two star brands IGTG FORTE and VALCAL-M will be promoted as nutritional supplements in NEPAL MARKET.

With all these activities by our corporate team it is certain that besides being engaged in philanthropic activities, Pharma division would scale unimaginable heights in combating these life threatening infections by a sizeable reduction in Mortality in patients suffering from Cancer, AIDS, Diabetes, Cardiovascular, Skin and Orthopedic segment of patients in not too distant a future.

With this vision, ALCHEMIST PHARMA is poised for a giant leap for exports in various countries, thus making the presence felt in global healthcare taking the DIVISION to 100 crores.

### **(B) AGRI BUSINESS**

The Company has two divisions, one in Dappar and another in Rajgarh and grows roses carnations and lillium in the green house in both the places. We have thirty thousand square meters under green houses in these units. The manufacturing activity is supplemented by trading in flowers which are purchased locally as well as from Pune. There was increase in production as well as in our trading activity, during the year under review.

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.

**(C) FOOD PROCESSING**

Poultry is one of the fastest growing segments of the agricultural sector in India today. While the production of agricultural crops has been rising at a rate of 1.5 to 2 percent per annum, Indian poultry sector has been growing at around 8-10% annually over the last decade with broiler meat volumes growing at more than 10% while table egg at 5-6% driven by increased domestic consumption.

As a result, India is now the world's fifth largest egg producer and the eighteenth largest producer of broilers. Driving this expansion is a combination of factors - growth in per capita income, a growing urban population and falling real poultry prices.

The year has been full of strategic changes made in the business of the company. The business policy underwent a change and focus was brought back fully on Poultry, the core business of AFL. Decision was taken to discontinue Quick Service Restaurants as they were proving to be a drain on the company's resources, both managerial and financial.

Trading activities were also discontinued to enable the team to work cohesively for efficient and improved poultry operations. These decisions naturally impacted the financial performance adversely in the short run, but would greatly benefit the company in the long run.

This is evident from the fact that the cash profit for FY-14 dipped marginally to Rs. 11.19 crores from Rs. 14.73 crores in FY-13 in spite of a steep reduction in turnover from Rs. 124.85 crores to Rs. 85.08 crores. A one-time hit of Rs. 7.56 crores on account of closure of Quick Service Restaurants was also taken during the financial year.

The increased focus on poultry has started showing positive results already. On the retail front, the company demonstrated the success of its model adequately and ventured out to appointing franchisee stores to enhance its coverage in Delhi-NCR, Chandigarh-Mohali-Panchkula Tricity, Punjab, and Himachal. There has been a very enthusiastic response from the market for its franchise scheme. During 2013-14, the company signed up 50+ franchise agreements, of which 9 outlets became operational within the year. A large number of remaining outlets have since gone operational even as new ones are signed up in FY-15. The increased presence has given further impetus to sales with Average Sales Per Day Per Store refusing to decline.

The company further strengthened its Channel Sales network. Geographical reach was expanded by adding Chennai and Hyderabad in South India. Sales depots were established in Chandigarh, Mumbai and Bangalore. Modern Trade channels are witnessing increasing offtake as acceptance of frozen poultry increases with time.

The company has further strengthened its relations with key institutional customers. Leading international restaurant chains have patronized Republic of Chicken products for their own offerings due to its quality, consistency, reliability and on-time delivery. In addition, AFL also caters to the requirement of Indian Army.

All this has been possible due to a dedicated team of professionals handling its production and marketing functions. The farms team has shown its ability to grow high quality broilers while following internationally established farms management techniques ensuring efficient operations. Our technical team has worked endlessly to bring out new products and also develop customized products for institutional customers.

**(D) STEEL**

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 Company primarily deals in poultry segment and this industry has been sluggish in the last year. There was a recession in the hatchery section as well as layer egg section. This has happened primarily because of over expansion of industry in the last few years and also because of high cost of feed. However, the secondary section i.e fencing gave us good spurt and settled in to increase in revenues. However despite these odds this division managed to do reasonably well.

## 6. RESEARCH & DEVELOPMENT CAPABILITIES

The Company's state-of-the-art Research and Development centre 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.

During the year under review the Company continued its thrust on frontline research and to strengthen its R & D capabilities and has achieved further breakthroughs and develop new products in the various medicinal segments that helped us to create new product portfolios 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.

## 7. STRENGTHS

The Promoters of the Company have been harping on 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 are focussing on 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 proving 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 and continuous to have 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

The strategy development and deployment at Alchemist continuous to be aligned to its vision and is working on 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 is continuously working to strengthen 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 carried out extensive audits throughout the year, across all verticals and reported to the Audit Committee of the Board of Directors.

The Audit Committee addresses all important issues raised by the Internal and Statutory Auditors which are consequently implemented to strengthen various functional areas.

### 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 continues to be 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.

**13. CORPORATE SOCIAL RESPONSIBILITY**

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

**The Human Footprint:** To 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:** To provide all our employees 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:** To 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:** To give back to the community that the company lives in by providing free mentorship and entrepreneurial assistance to all citizens who wish to better their lives.

**Diversity:** To ensure that 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 stake-holders into confidence. The company is also akin to the fact that from 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 stake holders 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.



## 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, the essence of Corporate Governance lies in 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 eight Directors.

Name of the Director	Office/Designation	Executive/ Non Executive	Independent/ Non Independent
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
Sh. Pavan Kumar Verma	Whole Time Director	Executive	Non Independent
Sh. Jaspreet Singh Jolly	Director	Non-Executive	Non Independent
Smt. Kaajal Aijaz Ilmi	Director	Non-Executive	Non Independent

#### Notes:

- Shri Pavan Kumar Verma was appointed as an Additional Director of the Company w.e.f. October 28, 2013 and thereafter appointed as a Whole-time Director of the Company.
- Sh. Jaspreet Singh Jolly and Smt. Kaajal Aijaz Ilmi appointed as Additional Directors of the Company w.e.f. August 13, 2014
- None of the Directors of the Company are in any way related to each other.

As on 31<sup>st</sup> March 2014, Board of Directors of your Company consisted of six directors, out of which one is Promoter Director (Non- Executive), two are Executive Directors 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.

- ii) Number and date of Board meetings held during the year 2013-2014  
During the financial year 2013-2014, Six Board Meetings were held viz (i) 30<sup>th</sup> May 2013, (ii) 14<sup>th</sup> August 2013, (iii) 27<sup>th</sup> September 2013, (iv) 28<sup>th</sup> October 2013, (v) 13<sup>th</sup> November 2013 and (vi) 13<sup>th</sup> February 2014.

Name of the Director	No. of Board Meetings attended	Attendance at the Last AGM	No. of Other Directorships*
Sh. Karan Deep Singh	Nil	No	1
Maj. Gen. (Retd.) Anil Oberoi	6	Yes	7
Sh. R.P. Chhabra	6	Yes	9
Sh. Asoke Kumar Chatterjee	1	No	8
Sh. Pavan Kumar Verma	2	No	11
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, 2014 are given below:

Name of the Director	Name of the Company/Firm	Nature of Interest
Sh. Karan Deep Singh	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	
	Alchemist Universe of Education 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 Six Ten Retail Limited	Director
	My Grahak Shopping Online Limited	Director
	Alchemist Realty Limited	Director
Sh. Tarlochan Singh	C & C Constructions Limited	Director
	Alchemist Realty Limited	Director
Mr. Pavan Kumar Verma	Metal Corporation of India Limited	Director
	Dhaneshwari Wood Products Limited	Director
	Alchemist Medishphere Limited	Director
	Optimum Constructors & Developers Limited	Director
	Technology Parks Limited	Director
	Alchemist Realty Limited	Director
	Alchemist Hotels & Resorts Limited	Director
	Alchemist F & B Limited	Director
	Alchemist Touchnology Limited	Director
	Alchemist Hospitality Group Limited	Director
	Alchemist Foods 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 Investors Grievances Committee Remuneration Committee	Chairman Chairman Chairman
Sh. Asoke Kumar Chatterjee	Alchemist Limited	Audit Committee	Member
Sh. Tarlochan Singh	Alchemist Limited	Audit Committee Remuneration Committee	Member Member
Maj. Gen. (Retd.) Anil Oberoi	Alchemist Limited	Investors Grievances Committee Audit Committee Remuneration Committee	Member Member Member

**v) Remuneration of Directors :**

During the year under review the directors namely Shri Anil Oberoi, Executive Director of the Company and Shri Pavan Kumar Verma, whole-time Director of the Company were in receipt of remuneration by way of salary as per the following details :

- |                            |                |
|----------------------------|----------------|
| i) Shri Anil Oberoi        | Rs. 36.62 Lacs |
| ii) Shri Pavan Kumar Verma | Rs. 9.10 Lacs  |

**vi) 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, 2014.

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

Date: May 29, 2014  
Place: New Delhi

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, 2014 the Company has complied with the requirements of the said sub-clause.

Date: May 29, 2014  
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. DETAIL OF DIRECTOR SEEKING APPOINTMENT /REAPPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE 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 75 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 Private Limited, Torus Infra Development Private Limited, Dooteriah Kalej Valley & Tea Estates Private Limited, Alchemist Speciality Healthcare Private Limited, Alchemist Hill Resorts Private Limited, Dhaneshwari Wood Products Limited, Alchemist Infrastructures Private Limited, Alchemist Foods Limited, Alchemist Aviation Private 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.

**Mr. Karan Deep Singh**

Mr. Karan Deep Singh, 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. Karan Deep Singh, aged 25 years, is a Graduate in Commerce. At a very young age he has demonstrated leadership qualities and talent in various spheres of business activities.

He has been on the Board of this company from 30-08-2012 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 Universe of Education Limited, A 1 News Network Private Limited and MAF Academy Private Limited.

Mr. Karan Deep Singh is holding 117400 equity shares in the Company. He is not related to any other Director.

**Mr. Asoke Kumar Chatterjee**

Mr. Asoke Kumar Chatterjee, aged 84 years is a Qualified Mechanical Engineer, Chartered Engineer. He has a vast experience to his credit in the field of Management Consultancy, Management Information Systems and Valuations etc., both in India and abroad. He has been on the Board of this Company since April, 2005 and during this period he has made significant contribution in the growth of the business of the company.

He is also a director on the board of Companies viz Alchemist Realty Limited REI Agro Limited, SPS Steels & Rolling Mills Limited, MSL Industries Limited, Graittec India Limited, Varsana Ispat Limited, REI Six Ten Retail Limited, REI Food Beverages Limited, REI Retail Limited and MyGrahak Shopping Online Limited.

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

**Mr. Tarlochan Singh**

Mr. Tarlochan Singh, aged 81 years, holds a Masters' degree in Economics; he has been Ex Member of parliament and has served as Chairman of National Commission for minorities & members, National Human Rights Commission of India, from 2003-2006. He has been on the Board of this Company since September, 2011 and during this period he has made significant contribution in the growth of the business of the Company.

He is also a director on the board of Companies viz. Alchemist Realty Limited and C&C Constructions Limited.

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

**Mr. Jaspreet Singh Jolly**

Mr. Jaspreet Singh Jolly aged 32 years, holds Electrical Engineer Degree from MIT, Manipal and MBA from SP Jain. He has an experienced and astute professional with more than 8 years of rich and varied experience across areas of management consulting, retailing and franchising. He has worked with diversified and reputed business groups in India and Middle East(Dubai) such as TATA's, Landmark and US based consumer goods major Whirlpool Corporation.

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

**Ms. Kaajal Aijaz Ilmi**

Ms. Kajal Aijaz Ilmi, aged 44 years, holds a bachelor's degree in arts from Jesus & Mary College, Delhi University and a post graduate diploma in management from Delhi University. She has rich experience of 17 years. She has handled various senior positions in some of the established organizations in both in India and abroad, while working on Vice President of PVR she was trained in Australia under the parent company Village Road Show Limited she also worked as group president in Reliance ADAG and Director, DLF Services.

She is also a director on the board of Companies Alchemist Realty Limited and Technology Parks Limited.

Ms. Ilmi is holding Nil equity shares in the Company. She is not related to any other Director.

**5. AUDIT COMMITTEE**

The following are the current members of the Audit Committee:

1. Mr.R.P. Chhabra, CHAIRMAN
2. Mr.Asoke Kumar Chatterjee, MEMBER
3. Mr.Tarlochan Singh, MEMBER
4. Major Gen. (Retd.) Anil Oberoi Kumar, MEMBER

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 31<sup>st</sup> March, 2014**

Name	No. of meetings held	No. of meetings attended
Mr. R.P. Chhabra	4	4
Mr. Asoke Kumar Chatterjee	4	1
Mr. Tarlochan Singh	4	4
Maj. Gen.(Retd.) Anil Oberoi Kumar	4	2

During the year 2013-14, Audit Committee met 4 times on 30<sup>th</sup> May 2013, 14<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 & 13<sup>th</sup> February 2014. 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.

**1. REMUNERATION COMMITTEE**

**The Remuneration Committee was reconstituted to Nomination and Remuneration Committee w.e.f. 29<sup>th</sup> May, 2014 with terms of reference as per provisions of the Companies Act, 2013.**

The Composition of Nomination & 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. Tarlochan Singh	Independent Director	Member
3.	Major Gen.(Retd.) Anil Oberoi	Executive Director	Member

One meeting of the Remuneration Committee was held during the financial year 2013-14 on 28<sup>th</sup> October, 2013.

**6. INVESTORS GRIEVANCE COMMITTEE**

The Investors Grievance Committee [Stakeholders Relationship 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 31<sup>st</sup> March, 2014:**

Name	No. of meetings held	No. of meetings attended
Mr. R.P. Chhabra	4	4
Maj. Gen. (Retd.) Anil Oberoi	4	4

**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 2013-14**

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	5	5	0
SEBI	0	9	9	0
<b>Total</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>

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

**8. SUBSIDIARY COMPANY**

As on 31<sup>st</sup> March, 2014, the Company have 'Alchemist Foods Limited', 'Alchemist Enterprise (S) Pte Ltd.', 'Alchemist Infrastructures Private Limited' and Alchemist Hospitality Group Ltd. subsidiary companies. Mr. R. P. Chhabra, 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, Alchemist Hospitality Group Limited and Alchemist Enterprise (S) Pte Ltd. Mr. Pavan Kumar Verma, Whole time Director is on the Board of the Alchemist Foods Ltd, Alchemist Hospitality Group Ltd and Alchemist Infrastructures Pvt. Ltd.

**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
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
2012-13	Deshbandhu Chittaranjan Memorial Society,C-405A, Chittranjan Park, New Delhi	Annual General Meeting	27-09-2013	10.00 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<br>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 26, 2014 at 10.00 A.M. at The Legend Inn, E-4, East of Kailash, New Delhi
ii)	Financial Calendar (2014-15) (Tentative): Quarterly Results: Quarter ended 30.06.2014 Quarter ended 30.09.2014 Quarter ended 31.12.2014 Quarter ended 31.03.2015	On or before August 14, 2014 On or before November 14, 2014 On or before February 14, 2015 On or before May 30, 2015
iii)	Date of Book Closure	25th September, 2014 to 26th September, 2014
iv)	Dividend payment date	On or before 25th October, 2014
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 2014-15 has already been paid.
vi)	Stock Code - BSE 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



viii)	Performance in comparison to broad-based BSE Sensex	As per Chart I
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 31.03.2014:- With NSDL:10753245 (79.30%) With CDSL:2005916 (14.79%) Physical : 800639 (5.91%)
		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	<b>Pharma Unit:</b> Electronic Complex, Chambaghat, Solan, Himachal Pradesh <b>Steel Unit</b> Chanalon, Near Kurali, District Ropar, Punjab <b>Floriculture Unit</b> - Dappar, Ambala Chandigarh Highway, District Mohali, Punjab - Village Kanogata, Rajgarh, District Sirmour (Himachal Pradesh)
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 CIN : L72200DL1988PLC192643 Email: investors@alchemist.co.in Website : www.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 31<sup>st</sup> March, 2014 are as follows:-

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Monthly Vol. (Qty.)	High (Rs.)	Low (Rs.)	Monthly Vol. (Qty.)
April, 2013	50.70	43.85	26918	51.95	44.25	101418
May, 2013	48.75	40.30	39428	54.55	39.60	132582
June, 2013	41.30	28.35	92212	42.95	29.00	192022
July, 2013	31.15	21.10	32886	30.95	20.55	83478
August, 2013	38.95	22.30	59250	40.00	22.50	124915
September, 2013	39.80	33.75	17388	40.00	33.40	81524
October, 2013	46.90	33.00	85878	46.90	33.30	90211
November, 2013	49.85	44.00	93663	50.00	42.30	72368
December, 2013	48.20	42.50	8539	51.00	41.00	19921
January, 2014	49.85	41.05	17976	49.00	40.85	46727
February, 2014	44.85	34.05	32595	47.00	36.70	36607
March, 2014	44.00	38.25	16828	42.55	38.20	46637

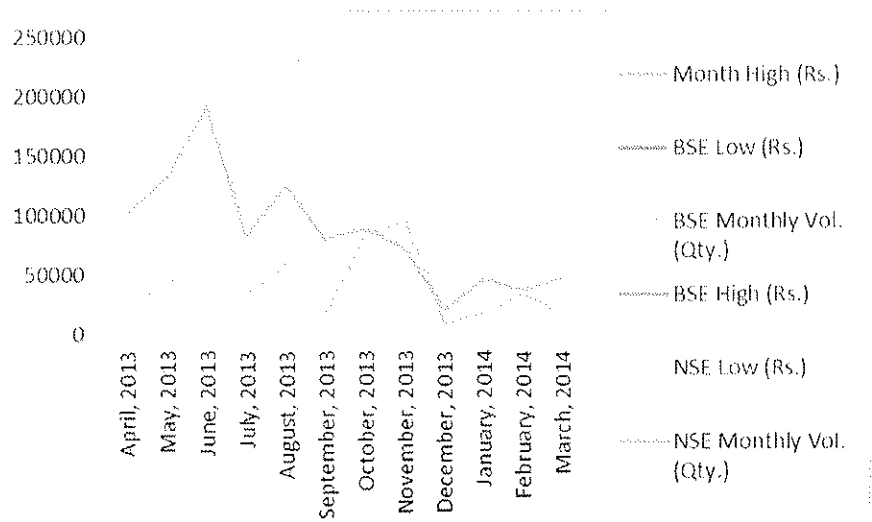
**TABLE-II****Distribution of Shareholding as on 31<sup>st</sup> March, 2014:**

No. of Equity Shares	Number of Shareholders	% of shareholders	No. of Shares held	% of shareholding
1-5000	7027	90.78	879531	6.49
5001-10000	330	4.26	269673	1.99
10001-20000	209	2.70	346725	2.56
20001-30000	42	0.54	108188	0.80
30001-40000	40	0.52	144807	1.07
40001-50000	12	0.16	57585	0.42
50001-100000	31	0.40	233559	1.72
100001 & above	50	0.64	11519732	84.95
<b>Grand Total</b>	<b>7741</b>	<b>100.00</b>	<b>13559800</b>	<b>100.00</b>
Physical Mode	1548	20.00	800639	5.90
Electronic Mode	6193	80.00	12759161	94.10

**TABLE-III****Category of Shareholders as on 31<sup>st</sup> March, 2014:**

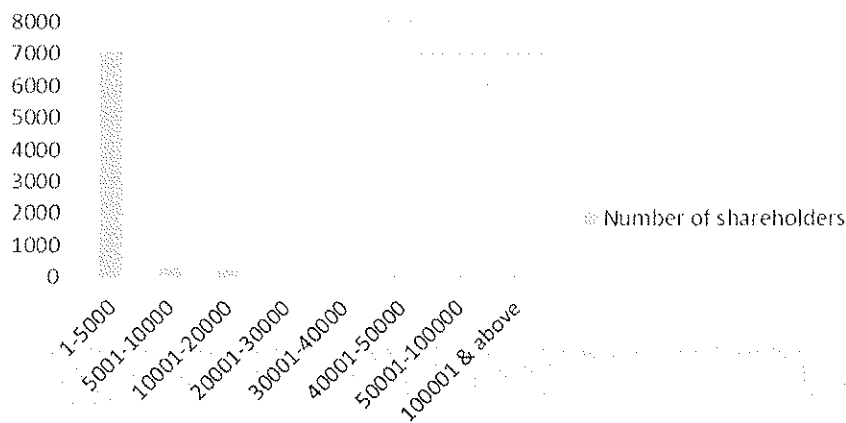
Category	Number of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
Promoter (s) and Persons acting in concert	11	0.14	4744541	34.99
Private Bodies Corporate	186	2.40	2380978	17.56
Indian Public	7298	94.28	2744152	20.24
NRI / OCBs / FIIs	199	2.57	3154355	23.26
Nationalized Bank	01	0.01	200000	1.47
Insurance Companies	02	0.03	309076	2.28
Mutual Funds	01	0.01	5000	0.04
HUF	0	0	0	0
Others-Clearing Member	43	0.56	21698	0.16
<b>TOTAL</b>	<b>7741</b>	<b>100</b>	<b>13559800</b>	<b>100</b>

**CHART I**



**CHART II**

**Number of shareholders**



**CHART III**

**No. of Shares held**

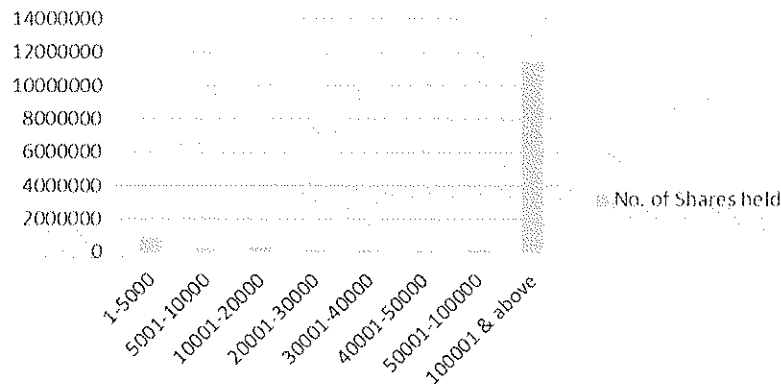
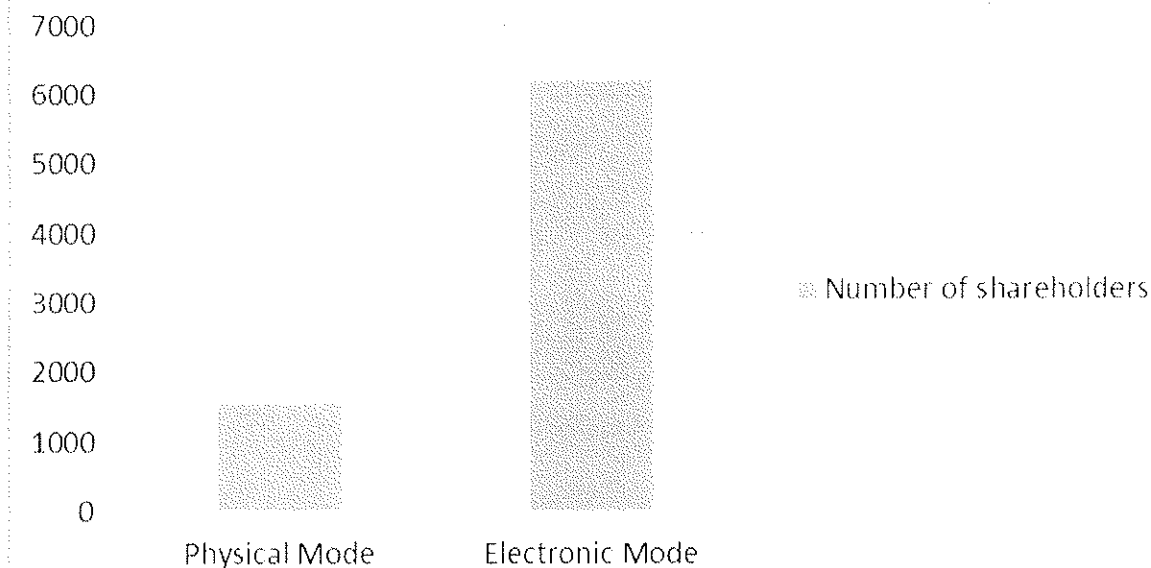


CHART IV

## Number of shareholders



### 13. NON MANDATORY REQUIREMENTS

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

**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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014, 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 13, 2014  
Place: New Delhi

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

## INDEPENDENT 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, 2014, 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") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- 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.

#### Emphasis of Matter

Without qualifying our report, we draw attention to the note no. 43 to the financial statements "The balances of some of the trade receivables, trade payables and loans & advances made and received, 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.". In view of the same, the impact, if any, on the financial statements could not be ascertained.

#### 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 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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: 29 May, 2014

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 except for the work in progress inventory.
  - (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 except for the work in progress inventory. 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 and Alchemist Hospitality Group Private 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 ₹ 12185.01 Lacs and ₹ 25.16 Lacs respectively and amount outstanding on 31<sup>st</sup> March, 2014 was ₹ 12180.26 Lacs and ₹ 25.15 Lacs respectively.
  - (b) According to the information & explanations given to us, the loans given by the Company are interest free unsecured loans and the loans can be recalled by the Company by giving a prior notice of at least twelve months, subject to concurrence of the loanee. Accordingly the terms of the loans are prima-facie prejudicial to the interest of the Company.
  - (c) According to the information & explanations given to us, there has been no incidence of default in repayment.
  - (d) In our opinion and according to the information and explanations given to us, there is no overdue amount in respect of the loan given by the Company.
  - (e) According to the information & explanations given to us, the Company has taken unsecured loan from KDS Corporation Private Limited and Technology Parks Limited (Party covered in the register maintained under section 301 of the Companies Act, 1956) for which the maximum amount outstanding during the year was ₹ 72555.94 Lacs and ₹ 70460.00 Lacs respectively and amount outstanding on 31<sup>st</sup> March, 2014 was ₹ 4971.17 Lacs and ₹ 70460.00 Lacs respectively.
  - (f) According to the information & explanations given to us, the loans accepted by the Company are interest free unsecured loans. The terms of repayment with respect to loan from KDS Corporation Private Limited has not been defined and is repayable on the mutual agreement of both the parties involved. Loan from Technology Parks Limited is repayable on service of a minimum notice of 12 months by the tender for a repayment in excess of ₹ 50.00 Crores, however upon the concurrence of the Company. Hence terms of both the loans prima-facie are not prejudicial to the interest of the Company.
  - (g) According to the information & explanations given to us, there has been no incidence of default in repayment.
- (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 and services. 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 ₹ 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. 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 deposited in time with the appropriate authorities, though there have been slight delays in few cases. According to the information and explanations given to us there was an amount of ₹ 26884/- pertaining to labour cess outstanding as on 31<sup>st</sup> March, 2014, for a period of more than six months from the date it became payable.
- (b) Details of excise duty which has not been deposited as on 31<sup>st</sup> March, 2014 by the Company on account of dispute is given below:

Name of the Statute	Nature of the dues	Forum where pending	Total Amount involved* (₹ Lacs)	Amount paid under protest (₹ 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, during the year there have been delays in repayment of dues by the Company to financial institutions, banks or debenture holders. The details of the continuing default as on 31<sup>st</sup> March, 2014 in repayment of principle and interest is as follows:

Name of Bank -Type of Loan	Sanction amount	Default amount as on 31/03/14	Default cleared amount	Default cleared date	Default outstanding as on 29/05/14
Punjab National Bank-Project Term Loan	210000000	4484969	4484969	05-04-2014	—
UCO Bank-Vehicle Loan	612000	21222	9017 12205	02-05-2014 27-05-2014	—
UCO Bank-Vehicle Loan	1143000	50251	15880 24541	02-05-2014 27-05-2014	9830
UCO Bank-Vehicle Loan	716000	41366	9617 15375	02-05-2014 27-05-2014	16374
UCO Bank-Vehicle Loan	529000	28111	—	—	28111
<b>Total</b>	<b>213000000</b>	<b>4625919</b>	<b>4571604</b>		<b>54315</b>

- (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.
- (xiii) 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, the Company is maintaining proper records in respect of transactions and contract, in shares, securities, debentures and other investments and timely entries have been made therein. The shares and other investments have been held by the company in its own name.



- (xv) According to the information and explanations given to us, the Company has given guarantees to the tune of ₹ 3597.49 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) According to the information and explanations given to us, the Company has not issued shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956, during the year. Therefore, the provision of clause 4(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us, the Company has 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. Therefore, the provision of clause 4(xx) of the Order is not applicable to the Company.
- (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: 29 May, 2014**  
**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 ₹)

As At		31-Mar-14	31-Mar-13
Particulars	Note		
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds:</b>			
Share Capital	2	140098000	268136000
Reserves & Surplus	3	542550050	773820172
		<b>682648050</b>	<b>1041956172</b>
<b>2 Non Current Liabilities</b>			
Long term borrowings	4	7669554909	2830515214
Deferred Tax Liabilities (Net)	5	46234514	37886861
Other Long Term Liabilities	6	34958771	17060838
Long Term Provisions	7	24753014	20697766
		<b>7775501208</b>	<b>2906160679</b>
<b>3 Current Liabilities</b>			
Short-term borrowings	8	18731359	16369648
Trade payables	9	1362087508	53459917
Other current liabilities	10	248351385	123627003
Short-term provisions	11	17946563	25604401
		<b>1647116815</b>	<b>219060969</b>
<b>Total Equity and Liabilities</b>		<b>10105266073</b>	<b>4167177820</b>
<b>ASSETS</b>			
<b>1 Non Current Assets</b>			
<b>Fixed Assets</b>	12		
(i) Tangible Assets		399193588	417125023
(ii) Intangible Assets		198087303	75338829
(iii) Capital work in Progress		1320216409	1049915942
(iv) Intangible under development		-	54215313
		1917497300	1596595107
Non Current Investments	13	1043241707	1041146582
Long Term Loan & Advances	14	1322958547	1112365628
Other Non Current Assets	15	2372762	10060045
		<b>4286070316</b>	<b>3760167362</b>
<b>2 Current Assets</b>			
Current Investments	16	1699119	1783935
Inventories	17	110153898	93390276
Trade Receivables	18	3810824542	67679549
Cash and Cash Equivalents	19	1806366535	193453810
Short Term Loans and Advances	20	89502968	48145986
Other Current assets	21	648695	2556902
		<b>5819195757</b>	<b>407010458</b>
<b>Total Assets</b>		<b>10105266073</b>	<b>4167177820</b>

**Significant Accounting Policies & Notes to the financial statement**

(1 to 51)

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

Sd/-  
CA. Ashish Chhabra  
PartnerSd/-  
Rajansh Thukral  
Company SecretarySd/-  
Dinesh Vermani  
CFOSd/-  
Pavan Kumar Verma  
Whole Time DirectorSd/-  
R.P. Chhabra  
DirectorMEMBERSHIP NO.: 507083  
N. KUMAR CHHABRA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO.: 000837N  
Place : New Delhi  
Date : 29th May, 2014

**ALCHEMIST LIMITED**

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

**STATEMENT OF PROFIT & LOSS**

(Amount in ₹)

For the year ended		31-Mar-14	31-Mar-13
Particulars	Note		
<b>INCOME</b>			
Revenue from Operations	22	8270022469	6665604124
Other Income	23	217214323	146418814
		<b>8487236792</b>	<b>6812022938</b>
<b>EXPENSES</b>			
Cost of Material Consumed	24A	109951838	171497824
Purchase of Stock in Trade	24B	7794294498	6118771466
Change in Inventories of Finished Goods, Work in Progress and Store & Spares	24C	(18544343)	(6911149)
Employees Benefit Expenses	25	108232437	86545054
Finance Cost	26	32908567	49177414
Depreciation & Amortization Expenses	27	42857542	33175061
Other Expenses	28	152595987	135248079
		<b>8222296526</b>	<b>6587503749</b>
<b>Profit Before Taxes</b>		<b>264940266</b>	<b>224519189</b>
<b>Tax Expenses:</b>			
Current Tax		88657301	61175409
Deferred Tax Charge/ (Benefit)		8347651	1275360
Tax Relating to Previous Years		1297274	(2457)
<b>Net Profit For The Year</b>		<b>166638040</b>	<b>162070877</b>
<b>Earning Per Shares</b>			
(Equity shares, Par value ₹10/- each)			
<b>Basic &amp; Diluted</b>			
- Basic EPS	29	12.29	12.25
- Diluted EPS	29	12.29	11.95
<b>Significant Accounting Policies &amp; Notes to the financial statement</b>		<b>(1 to 51)</b>	

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

Sd/-  
CA. Ashish Chhabra  
PartnerSd/-  
Rajansh Thukral  
Company SecretarySd/-  
Dinesh Vermani  
CFOSd/-  
Pavan Kumar Verma  
Whole Time DirectorSd/-  
R.P. Chhabra  
DirectorMEMBERSHIP NO.: 507083  
N. KUMAR CHHABRA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO.: 000837N  
Place : New Delhi  
Date : 29th May, 2014

**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-14	31-Mar-13
<b>A) Cash Flow From Operating Activities</b>		
Net Profit before Tax	2649.40	2245.19
Adjustments for:		
Depreciation & Amortisation	428.58	331.75
Misc Expenses Written Off	86.65	86.65
Interest Received	(2151.13)	(1180.26)
Dividend Received	(0.21)	(251.44)
<b>Operating profit before working capital changes</b>	<b>1013.28</b>	<b>1231.89</b>
<b>Adjustments for changes in Working Capital:</b>		
Inventories	(167.64)	(84.76)
Trade Receivable	(37431.45)	1047.73
Short Term Loan & Advances	(413.57)	(183.38)
Other Non Current Assets	(9.77)	—
Other Current Assets	19.08	(1.25)
Long Term Loan & Advances	(2105.93)	2016.84
Trade Payable	13086.28	(119.60)
Other Current Liabilities	1247.24	(3220.50)
Short Term Provisions	(76.58)	(17.44)
Long Term Provisions	40.55	76.45
Other Long Term Liabilities	178.98	118.06
Cash generated/(Used) from/in Operation	(24619.52)	864.04
Provision For Tax	(899.55)	(611.73)
<b>Net Cash generated/(Used) from/in Operating Activities</b>	<b>(25519.07)</b>	<b>252.31</b>
<b>B) Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets and capital work in progress	(3642.90)	(6461.95)
Proceeds from Sale of Fixed Asset (Net of Depreciation)	5.30	1.80
(Purchase)/Sale of non current Investments	(20.95)	(13.65)
(Purchase)/Sale of current Investments	0.85	(3.94)
Foreign Currency Translation reserve	20.70	9.91
Capital Subsidy	—	30.00
Interest Received	2151.13	1180.26
Dividend Received	0.21	251.44
<b>Net Cash generated/(Used) from/in Investing Activities</b>	<b>(1485.66)</b>	<b>(5006.13)</b>
<b>C) Cash Flow From Financing Activities</b>		
Increase in Equity Capital (Incl Shares Premium)	—	1451.25
Redemption of Preference Shares	(1280.38)	(136.60)
Preference Shares Redemption Premium	(3841.14)	(374.04)
Money Received against Share Warrant	—	(362.81)
Long Term Borrowings	48390.40	(348.51)
Short Term Borrowings	23.62	(104.63)
Dividends Paid (Including Dividend Tax)	(158.64)	(237.96)
<b>Net Cash generated/(Used) from/in Financing Activities</b>	<b>43133.85</b>	<b>(113.30)</b>
<b>D) Net Increase /(Decrease) in Cash &amp; Cash Equivalents (D=A+B+C)</b>	<b>16129.12</b>	<b>(4867.12)</b>
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>1934.54</b>	<b>6801.66</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>18063.66</b>	<b>1934.54</b>

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	Pavan Kumar Verma	R.P. Chhabra
Partner	Company Secretary	CFO	Whole Time Director	Director

MEMBERSHIP NO.: 507083

N. KUMAR CHHABRA &amp; CO.

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO.: 000837N

Place : New Delhi

Date : 29th May, 2014

**Notes forming part of the financial statement for the year ended March 31, 2014****Significant Accounting Policies (Note- 1)****(i) Basis of Preparation**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable), and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(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 deprecation 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 1/7<sup>th</sup> & 1/10<sup>th</sup> 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.

**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.****(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.

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.

**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.****- Employee State Insurance**

The Company makes contribution to Employee State Insurance scheme in accordance with Employees' State Insurance Act, 1948. The scheme is a self-financing social security and health insurance scheme for workers 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**

Compensated absences are post-employment benefit and are in the nature of defined benefit plans. The liability recognized in the balance sheet in respect of compensated absences 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.

**(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. 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.

**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.****(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 account.

**(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, 2014, Contd.

	Note	31-Mar-14	31-Mar-13
(Amt. in ₹)			
<b>SHARE CAPITAL</b>	<b>2</b>		
<b>a) AUTHORISED</b>			
Equity Shares - 3,00,00,000 of ₹ 10/- each (Previous year -3,00,00,000 of ₹ 10/- each)		300000000	300000000
Preference Shares - 50,00,000 of ₹ 100/- each (Previous year -50,00,000 of ₹ 100/- each)		500000000	500000000
<b>b) ISSUED, SUBSCRIBED AND PAID-UP</b>			
Equity Shares - 1,35,59,800 of ₹ 10/- each (Previous year 1,35,59,800 of ₹ 10/- each)		135598000	135598000
Redeemable Preference Shares 45,000 of ₹ 100/- Each (Previous year 13,25,380 of ₹ 100/- Each)		4500000	132538000
<b>Total</b>		<b>140098000</b>	<b>268136000</b>

### Terms/right attached to shares:

**Equity Shares:** The company has only one class of equity shares having a par value of ₹ 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 ₹ 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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	13559800	135598000	12884800	128848000
Shares Issued during the year*	-	-	675000	6750000
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>13559800</b>	<b>135598000</b>	<b>13559800</b>	<b>135598000</b>

\* Current Year Allotment- Nil, (Previous Year Preferential Allotment of 6,75,000 Shares, par value of ₹ 10/- was made to KDS Corporation Pvt Ltd, Promoter Group Company on 29th September, 2013 at ₹ 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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1325380	132538000	1461980	146198000
Shares Issued during the year	-	-	-	-
Shares bought back during the year (Redemption)	1280380	128038000	136600	13660000
<b>Shares outstanding at the end of the year</b>	<b>45000</b>	<b>4500000</b>	<b>1325380</b>	<b>132538000</b>

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Share held	% of Holding
Kanwar Deep Singh	1257020	9.27	1257020	9.27
KDS Corporation Pvt Ltd	3059000	22.56	3059000	22.56
Davos International Fund	746000	5.50	746000	5.50

# ALCHEMIST LIMITED

## Notes forming part of the financial statement for the year ended March 31, 2014, Contd.

(Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>RESERVES AND SURPLUS</b>	<b>3</b>		
<b>Capital Reserve</b>			
Capital Reserve		2999716	2999716
		<u>2999716</u>	<u>2999716</u>
<b>Capital Redemption Reserve</b>			
Balance Brought Forward		389053000	375393000
Add: Transfer from General Reserve		10738843	13660000
Add: Transfer from Statement of Profit & Loss		117299157	-
		<u>517091000</u>	<u>389053000</u>
<b>Preference Shares Redemption Reserve</b>			
Balance Brought Forward		76476548	84358588
Add: Transferred from Share Premium A/c		118260731	29522269
Add: Transfer from Statement of Profit & Loss		191973292	-
Less: Utilized for the Redemption of Preference Shares		<u>384113999</u>	<u>37404308</u>
		<u>2596572</u>	<u>76476548</u>
<b>Securities Premium Reserve</b>			
Opening Balance		118260731	9408000
Add: Premium On Issue of Shares			138375000
Less: Transfer to Preference Shares Redemption Reserve		<u>118260731</u>	<u>29522269</u>
		-	<u>118260731</u>
<b>General Reserve</b>			
Balance Brought Forward		10738843	16295299
Add: Transfer from Statement of Profit & Loss		-	8103544
Less: Transfer to Capital Redemption Reserve		<u>10738843</u>	<u>13660000</u>
		-	<u>10738843</u>
<b>Surplus in Statement of Profit &amp; Loss</b>			
Balance Brought Forward		175184195	45013293
Add: Profit for the Year		166638040	162070877
Less: Transfer to General Reserves		-	8103544
Less: Transfer to Capital Redemption Reserve		117299157	-
Less: Transfer to Preference Share Redemption Reserve		191973292	-
		<u>32549786</u>	<u>198980627</u>
<b>Less: Proposed Dividend *</b>		13559800	20339700
<b>Less: Corporate Dividend Tax *</b>		2304488	3456732
		<u>16685498</u>	<u>175184195</u>
<b>Foreign Currency Translation Reserve</b>			
Opening Balance		1107139	116540
Current Year Recognition		2070125	990599
		<u>3177264</u>	<u>1107139</u>
<b>Total</b>		<b>542550050</b>	<b>773820172</b>

\* The Company has announced a dividend of 10% amounting to ₹ 1/- per equity share for the current financial year (P.Y 15% amounting to ₹ 1.5/- per equity share), CDT liability arriving on the same has been provided during the current year.

# ALCHEMIST LIMITED

## Notes forming part of the financial statement for the year ended March 31, 2014, Contd.

	Note	31-Mar-14	31-Mar-13
(Amt. in ₹)			
<b>LONG-TERM BORROWINGS</b>	4		
<b>SECURED</b>			
<b>Term Loans From Bank</b>			
Punjab National Bank		151251224	178751224
Less : Current Maturities		(30000000)	(30000000)
		<u>121251224</u>	<u>148751224</u>
<b>Vehicle Loans from Banks</b>			
Vehicle loan		9599202	13587838
Less : Current Maturities		(4412985)	(5592618)
		<u>5186217</u>	<u>7995220</u>
		<u>126437441</u>	<u>156746444</u>
<b>UN-SECURED</b>			
<b>Inter Corporate Deposits</b>			
		7543117468	2673768770
		<u>7543117468</u>	<u>2673768770</u>
		<u>7543117468</u>	<u>2673768770</u>
<b>Total</b>		<u>7669554909</u>	<u>2830515214</u>

### Total

#### Term Loans From Bank:

**Punjab National Bank:** Secured Loan of ₹ 15,12,51,224/- (Rupees Fifteen Crore Twelve Lac Fifty One Thousand Two Hundred Twenty Four Only) (Previous Year ₹ 17,87,51,224/- (Rupees Seventeen Crore Eighty Seven Lac Fifty One Thousand Two Hundred Twenty Four Only) secured through exclusive Charge on Fixed Assets Block, situated at F-5, Kishangarh Rajiv Gandhi I.T. Park, Chandigarh. Due within one year is ₹ 3.00 Crore (Rupees Three Crore Only) (Previous Year ₹ 3.00 Crore (Rupees Three Crore Only).

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

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

#### Vehicle Loans from Bank:

Vehicle Loans of ₹ 95,99,202/- (Rupees Ninety Five Lac Ninety Nine Thousand Two Hundred Two Only) (Previous Year ₹ 1,35,87,838/- (Rupees One Crore Thirty Five Lac Eighty Seven Thousand Eight Hundred Thirty Eight Only) are secured against hypothecation of vehicles. Due with in one year is ₹ 44,12,985/- (Rupees Forty Four Lac Twelve Thousand Nine Hundred Eighty Five Only) (Previous year ₹ 55,92,618/- (Rupees Fifty Five Lac Ninety Two Thousand Six Hundred Eighteen 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.

#### Inter Corporate Loan:

Inter Corporate loan has been received from KDS Corporation Pvt Limited (a promoter group Company) and Technology Park Limited (a party covered under section 301 of the companies Act. 1956) amounting to ₹ 49.71 Crores and ₹ 704.60 Crores. The Terms of repayment with respect to loan from KDS Corporation Private Limited 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. Loan from Technology Park Limited is repayable on service of a minimum notice of 12 months by the lender for a repayment in excess of ₹ 50.00 Crores, however upon the concurrence of the Company, hence terms are not prejudicial to the interest of the Company. The Inter Corporate Loans obtained by the Company are non interest bearing.

#### Details of continuing default as on 31st March, 2014 in repayment of loans and interest:

Name of Bank - Type of Loan	Sanction Amount	Default amount as on 31/03/14	Default cleared Amount	Default cleared date	Default outstanding as on 29/05/14
Punjab National Bank - Project Term Loan	210000000	4484969	4484969	5/4/2014	-
UCO Bank - Vehicle Loan	612000	21222	9017	2/5/2014	-
			12205	27/5/14	
UCO Bank - Vehicle Loan	1143000	50251	15880	2/5/2014	9830
			24541	27/5/14	
UCO Bank - Vehicle Loan	716000	41366	9617	2/5/2014	16374
			15375	27/5/14	
UCO Bank - Vehicle Loan	529000	28111	-	-	28111
<b>Total</b>	<b>213000000</b>	<b>4625919</b>	<b>4571604</b>		<b>54315</b>

# ALCHEMIST LIMITED

## Notes forming part of the financial statement for the year ended March 31, 2014, Contd.

		(Amt. in ₹)	
	Note	31-Mar-14	31-Mar-13
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>5</b>		
<b>Deferred tax liability</b>			
Fixed assets : Impact of Difference between carrying amount of Tax depreciation and depreciation charged in the books		55731468	45649310
<b>Gross deferred tax liability</b>		<b>55731468</b>	<b>45649310</b>
<b>Deferred tax assets</b>			
Carrying amount of provisions for Gratuity, Bonus and Leave Encashment		9496954	7762449
<b>Gross deferred tax assets</b>		<b>9496954</b>	<b>7762449</b>
<b>Deferred tax liabilities (Net)</b>		<b>46234514</b>	<b>37886861</b>
<b>OTHER LONG TERM LIABILITIES</b>	<b>6</b>		
Security Received		34958771	17060838
<b>Total</b>		<b>34958771</b>	<b>17060838</b>
<b>LONG TERM PROVISIONS</b>	<b>7</b>		
<b>Provision for Employees Benefits</b>			
- Gratuity		14219079	12987991
- Earned Leave		10533935	7709775
<b>Total</b>		<b>24753014</b>	<b>20697766</b>
<b>SHORT TERM BORROWINGS</b>	<b>8</b>		
<b>SECURED</b>			
Bank of India (Cash Credit Limit)		18731359	16369648
<b>Total</b>		<b>18731359</b>	<b>16369648</b>
<b>Loan Repayable on demand, from Banks</b>			
<b>Bank of India:</b>			
Working Capital facility of ₹ 1,87,31,359/- (Rupees One Crore Eighty Seven Lac Thirty One Thousand Three Hundred Fifty Nine Only) (Previous Year ₹ 1,63,69,648/- (Rupees One Crore Sixty Three Lac Sixty Nine Thousand Six Hundred Forty Eight 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, other structures (erected or to be erected) and other immovable properties of the Unit situated at Chambaghat, Solan.			
The loan has been guaranteed by Mr. Kanwar Deep Singh in the capacity of the director till 31st August, 2012 and thereafter being the promoter of the company.			
<b>TRADE PAYABLE</b>	<b>9</b>		
Trade Payables		1362087508	53459917
<b>Total</b>		<b>1362087508</b>	<b>53459917</b>
<b>OTHER CURRENT LIABILITIES</b>	<b>10</b>		
<b>Current maturities of long-term borrowings*</b>			
Term Loan		30000000	30000000
Vehicle Loan		4412985	5592618
Interest Accrued and Due on Borrowings		1984969	2648433
Liabilities for Capital Goods		1742141	2918713
Expenses and Statutory Dues Payable		41546905	32867919
Advance received **		127920468	3306904
Unclaimed Dividend ***		6035847	8429342
Unclaimed Matured Public Deposits		-	6111000
Securities Refundable		-	1750000
Other Liabilities		34708070	30002074
<b>Total</b>		<b>248351385</b>	<b>123627003</b>
* Refer Note No. 4			
** Refer Note No. 50			
*** A sum of ₹ 60,35,847/- (Rupees Sixty Lac Thirty Five Thousand Eight Hundred Forty Seven Only) (Previous year ₹ 84,29,342/- (Rupees Eighty Four Lac Twenty Nine Thousand Three Hundred Forty Two only) is lying as unclaimed dividend in separate accounts with HDFC Bank, Chandigarh.			
<b>SHORT TERM PROVISIONS</b>	<b>11</b>		
<b>Provision for Employees</b>			
- Gratuity		1123871	1204635
- Earned Leave		958404	603334
Proposed Dividend *		13559800	20339700
Corporate Dividend Tax *		2304488	3456732
<b>Total</b>		<b>17946563</b>	<b>25604401</b>

\* The Company has announced a dividend of 10% for the current financial year (P.Y 15%), CDT liability arriving on the same has been provided during the current year.

**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.**

(Amt. in ₹)

**Note**

**Fixed Assets**

**12**

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	NET BLOCK
	AS AT 1-Apr-13	SALE / ADJUST- MENTS	ADDITIONS/ CAPITA- LISED	AS AT 31-Mar-14	AS AT 1-Apr-13	ON SALE / ADJUST- MENTS	FOR THE YEAR	AS AT 31-Mar-14	AS AT 31-Mar-14	AS AT 31-Mar-13
<b>Tangible Assets</b>										
- Land	175976908	-	-	175976908	-	-	-	-	175976908	175976908
- Building	41582211	-	-	41582211	21828424	-	1000455	22828879	18753332	19753787
- Lease Hold Improvements	38593565	-	-	38593565	397872	-	4774462	5172334	33421231	38195693
- Plant & Machinery	100586327	-	2428441	103014768	45070225	169527	4846645	49747543	53267225	55516102
- Sapling	69807669	-	156750	69964419	68499660	435	249909	68750004	1214415	1308009
- Green House	55561339	-	-	55561339	30155129	-	2639164	32794293	22767046	25406210
- Furniture & Fixtures	14027021	-	309517	14335538	8503373	187120	760138	9076391	5259141	5523642
- Vehicles	120428097	931040	2883859	122380916	57181006	112924	11245274	68313356	54067560	63247091
- Office Equipment's	14755395	-	3651793	18407188	3220419	11285	917828	4126962	14280226	11534976
- Computer & Peripherals	42057672	-	6493398	48551070	21395067	37024	6932475	28364566	20186504	20662605
<b>Sub Total</b>	<b>673376204</b>	<b>931040</b>	<b>15922758</b>	<b>688367922</b>	<b>256251175</b>	<b>518315</b>	<b>33366551</b>	<b>289174328</b>	<b>399193588</b>	<b>417125023</b>
Previous Year	585043593	600216	88932826	673376204	229231507	419735	27439402	256251175	417125023	
<b>Intangible Assets</b>										
- Computer Software	17127633	-	230994	17358627	56685	42536	1732203	1831424	15527203	17070948
- Research & Developments	80462464	-	18801048	99263512	22194583	-	7727761	29922344	69341168	58267881
- Pan India Distribution Network	-	-	113249960	113249960	-	-	31027	31027	113218933	-
<b>Sub Total</b>	<b>97590097</b>	<b>-</b>	<b>132282002</b>	<b>229872099</b>	<b>22251268</b>	<b>42536</b>	<b>9490991</b>	<b>31784795</b>	<b>196087303</b>	<b>75338829</b>
Previous Year	59974594	-	37615503	97590097	16515609	-	5735659	22251268	75338829	
<b>Grand Total</b>	<b>770966301</b>	<b>931040</b>	<b>148204760</b>	<b>918240021</b>	<b>278502443</b>	<b>560851</b>	<b>42857542</b>	<b>320959123</b>	<b>597280891</b>	<b>492463852</b>
Previous Year	645018187	600216	126548329	770966301	245747116	419735	33175061	278502443	492463852	
Capital Work In Progress* Intangible Under Development									1320216409	1049915942
									-	54215313

\*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**

**13**

**31-Mar-14**

**31-Mar-13**

**Non Trade Investments (In Equity Instruments)**

**Unquoted - Subsidiaries**

- <b>Alchemist Foods Ltd</b> (Current Year Equity Shares 100050000 (Previous Year 100050000.) of ₹ 10/- Each)	1000500000	1000500000
- <b>Alchemist Hospitality Group Limited</b> (Current Year Equity Shares 37440 (Previous year Nil.) of ₹ 10/- Each)	374400	374400
- <b>Alchemist Infrastructures Pvt Ltd</b> (Current Year Equity Shares 10000 (Previous year 10000) of ₹ 10/- Each)	100000	100000
- <b>Alchemist Enterprise(S) Pte. Ltd</b> (Current Year Equity Shares 501000 (Previous year 501000 ) of SGD\$ 1 Each)	23337134	21267009

**Unquoted - Associates**

- <b>Dooteriah &amp; Kalej Valley Tea Estate Pvt Ltd.</b> (Current Year Equity shares 36000 (Previous year 36000) of ₹ 100/- Each)	18180173	18180173
- <b>Alchemist Medisphere Limited</b> (Current Year Equity Shares 22500 (Previous year 22500 Shares) of ₹ 10/- Each)	225000	225000

**Unquoted - Others**

- <b>Shivalik Solid Waste Management Ltd.</b> (Current Year Equity Shares 2500 (Previous year Nil.) of ₹ 10/- Each)	25000	-
	<u>1042741707</u>	<u>1040646582</u>

# ALCHEMIST LIMITED

## Notes forming part of the financial statement for the year ended March 31, 2014, Contd.

	Note	31-Mar-14	31-Mar-13
(Amt. in ₹)			
<b>Non Trade Investment (In Mutual Funds)</b>			
<b>Quoted</b>			
- Religare Business Leader Fund (Current Year Units 50000 (Previous Year Units 50000 ) of ₹ 10/- Each)		500000	500000
		<u>500000</u>	<u>500000</u>
<b>Total</b>		<u>1043241707</u>	<u>1041146582</u>
<b>Aggregate Market Value of Quoted Investment</b>		<u>744500</u>	<u>633000</u>
<b>LONG TERM LOAN AND ADVANCES</b> <span style="float: right;">14</span>			
<b>Unsecured, Considered Good</b>			
Capital Advances		81743883	90215746
Loan to Subsidiaries*		1220540970	1003513859
Mat Credit Entitlements		920442	459327
Security Deposits		19753252	18176696
<b>Total</b>		<u>1322958547</u>	<u>1112365628</u>
*Loan to Subsidiaries : Loan to Alchemist Foods Limited of ₹ 121.80 Crore (Previous Year ₹ 97.72 Crore) and to Alchemist Infrastructures Pvt. Ltd - Nil (Previous Year ₹ 2.37 Crore) and to Alchemist Hospitality Group Ltd of ₹ 25.15 Lacs (Previous Year ₹ 25.00 Lacs).			
<b>OTHER NON CURRENT ASSETS</b> <span style="float: right;">15</span>			
<b>Deferred Revenue Expenditure</b>			
Balance Brought Forward		8664627	17329257
Less: Written off		8664627	8664630
Balance Carried Forward		-	8664627
Balances with Banks in Deposit Accounts* with maturity after 31st March, 2015		2372762	1395418
		<u>2372762</u>	<u>1395418</u>
<b>Total</b>		<u>2372762</u>	<u>10060045</u>
*Including deposit of ₹ 19.95 Lacs (Previous Year ₹ 13.95 Lacs) under lien for guarantee given by banks to various Government Authorities.			
<b>CURRENT INVESTMENTS</b> <span style="float: right;">16</span>			
<b>Non Trade Investments (In Equity Shares)</b>			
<b>Quoted</b>			
- Andhra Bank* (Current Year Equity Shares 3394 (Previous Year 3394 ) of ₹ 10/- Each)		220644	305460
- Marksans Pharma Ltd* (Current Year Equity Shares 657100 of ₹ 1/- each (Prev.Year 657100 of ₹ 1/- each)		1478475	1478475
<b>Total</b>		<u>1699119</u>	<u>1783935</u>
<b>Aggregate Market Value of Quoted Investments</b>		<u>16056754</u>	<u>2905532</u>
*Reduction of ₹ 84816/- on the value of current investment on account of market value being less than the cost of acquisition has been considered in the books as against appreciation of ₹ 394261/- in the previous year.			
<b>INVENTORIES</b> <span style="float: right;">17</span>			
<b>Inventories taken as valued and certified by the Management</b>			
- Raw Materials*		16885982	18666703
- Finished Goods*		31935799	31617904
- Work In Progress/Semi finished goods.*		61330916	43101310
- Store, Spares and Scrap**		1201	4359
<b>Total</b>		<u>110153898</u>	<u>93390276</u>
* 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, 2014, Contd.

	Note	31-Mar-14	31-Mar-13
(Amt. in ₹)			
<b>TRADE RECEIVABLES</b>	<b>18</b>		
<b>Trade Receivable outstanding for a period exceeding six months from the date they were due for payment</b>			
Unsecured - Considered good		25495257	18649076
<b>Other Trade Receivable</b>			
Unsecured - Considered good		3785329285	49030473
<b>Total</b>		<b>3810824542</b>	<b>67679549</b>
<b>CASH &amp; CASH EQUIVALENTS</b>	<b>19</b>		
Balance with Banks - Current Accounts		186929157	54037670
Balance with Banks - Fixed Deposit*		1575535467	103499357
Cheque in Hand		7010700	8528266
Cash in hand		36891211	27388517
<b>Total</b>		<b>1806366535</b>	<b>193453810</b>
*Including deposit of ₹ 15597.84 Lacs (Previous Year Nil) under Lien for margin against letter of credits issued by the Company and ₹ 11.95 Lacs (Previous Year ₹ 11.49 Lac) under lien for guarantee given by banks to various Government Authorities).			
<b>SHORT TERM LOANS AND ADVANCES</b>	<b>20</b>		
<b>Unsecured, Considered good</b>			
Advances Paid to Suppliers for Goods/Services		27192108	25964605
Amount Recoverable in Cash or in Kind or for value to be received		62310860	22181381
<b>Total</b>		<b>89502968</b>	<b>48145986</b>
<b>OTHER CURRENT ASSETS</b>	<b>21</b>		
<b>Unsecured, Considered good</b>			
Interest Accrued		648695	2556902
<b>Total</b>		<b>648695</b>	<b>2556902</b>
<b>REVENUE FROM OPERATION</b>	<b>22</b>		
Gross Sales		8279911031	6681315927
Less :- Excise Duty		9888562	15711803
<b>Net Sale</b>	<b>Total</b>	<b>8270022469</b>	<b>6665604124</b>
<b>OTHER INCOME</b>	<b>23</b>		
Interest received		215113469	118026176
Dividend received*		20703	25143517
Misc. Other Income		2080151	3249121
<b>Total</b>		<b>217214323</b>	<b>146418814</b>
* Dividend received includes - Nil (Previous Year ₹ 2,51,25,000/- (Rupees Two Crore Fifty One Lac Twenty Five Thousand Only) received from Alchemist Foods Limited which is a subsidiary of the company.			
<b>DETAILS OF INVENTORY</b>	<b>24</b>		
<b>24A Cost of Material Consumed</b>			
Opening Stock		18666703	17101986
Add : Purchases		108171117	173062541
		126837820	190164527
Less : Closing Stock		16885982	18666703
		<b>109951838</b>	<b>171497824</b>
<b>24B Purchase of Stock in Trade</b>		7794294498	6118771466
		<b>7794294498</b>	<b>6118771466</b>

# ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2014, Contd.

		(Amt. in ₹)	
	Note	31-Mar-14	31-Mar-13
<b>24C Change in Inventories of Finished Goods, Work in Progress and Store &amp; Spares</b>			
<b>Opening Stock</b>			
- Finished goods		31617904	20710720
- Work in Progress		43101310	47097931
- Store & Spares		4359	3773
		<u>74723573</u>	<u>67812424</u>
<b>Closing Stock</b>			
- Finished goods		31935799	31617904
- Work in Progress		61330916	43101310
- Store & Spares		1201	4359
		<u>93267916</u>	<u>74723573</u>
<b>(Increase) / Decrease in Inventory of Finished Goods, Work in Progress and Stores &amp; Scrap</b>		<b>(18544343)</b>	<b>(6911149)</b>
<b>EMPLOYEES BENEFIT EXPENSES</b>	<b>25</b>		
Salaries & Wages including Bonus, Gratuity, Welfare Expenses		98847872	73769960
Employer's Contribution towards Provident & other Funds		9384565	12775094
<b>Total</b>		<u>108232437</u>	<u>86545054</u>
<b>FINANCE COST</b>	<b>26</b>		
Interest Paid		6327139	5997105
Other Borrowing Cost		17841196	13846835
Net Loss/(Gain) on foreign currency transactions & translation		8740232	29333474
<b>Total</b>		<u>32908567</u>	<u>49177414</u>
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>27</b>		
Depreciation on Tangible Assets		33366551	27439402
Amortization on Intangible Assets		9490991	5735659
<b>Total</b>		<u>42857542</u>	<u>33175061</u>
<b>OTHER EXPENSES</b>	<b>28</b>		
Consumable, Stores & Spares		22403327	19663847
Power & Fuel Expenses		3610052	3721845
Rent		11806895	3572444
Postage, Telegram & Courier		706667	2151721
Repair & Maintenance		4426407	2052850
Travelling Expenses		8141575	5194471
Fee & Taxes		947308	829269
Insurance Charges		3583275	1847384
Telephone, Internet & Communication Charges		3217568	2381145
Vehicle Running & Maintenance		6669004	4823839
Director Sitting Fees		58416	85000
Misc. and General Expenses		9135039	11150341
Misc. Expenses Written off		8664627	8664630
Prior Period Item		3078831	833903
Marketing Expenses		25013454	35726592
Advertisement & Publicity		17495893	11825124
Printing and Stationery		4468797	2669332
<b>Auditor's Remuneration</b>			
- Statutory Audit Fee		1467835	1397938
- Tax Audit Fee		244640	232990
- For Others		490776	797525
<b>Cost Auditor's Remuneration</b>			
- Audit Fee		160000	160000
Legal & Professional Charges		8712600	3558163
Business Promotion / Entertainment Expenses		8093001	11907726
<b>Total</b>		<u>152595987</u>	<u>135248079</u>



**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.**
**29. Earning Per Shares (EPS)**

Particulars	Year	Year
	31.03.2014	31.03.2013
	(₹)	(₹)
Profit After Tax as per the Statement of Profit and Loss attributable to Equity Share Holders	16,66,38,040	16,20,70,877
Weighted Average No of Equity Shares (Basic)	1,35,59,800	1,32,28,773
Weighted Average No of Equity Shares (Diluted)	1,35,59,800	1,35,59,800
Nominal value of Equity Shares (Rs.)	10/-	10/-
Earning Per Share (Rs.)		
- Basic EPS	12.29	12.25
- Diluted EPS	12.29	11.95

**30. Contingent Liabilities and Commitments**

(₹ In Lacs)

Particulars	Year	Year
	31.03.2014	31.03.2013
	(₹)	(₹)
<b>Contingent Liabilities</b>		
Corporate Guarantees	3597.49	3049.45
Disputed demand under excise duty (Net of duty deposited under protest)	110.42	110.42
Claims Against the company not acknowledged as debts	13.60	12.00
Letter of Credit		-
<b>Commitments</b>		
Estimated amount of Contract remaining to be executed on capital account and not provide for (Net of Advances)	139.92	487.66

**31. Detail of raw material and components consumed:**

(₹ In Lacs)

Particulars	Year	Year
	31.03.2014	31.03.2013
	(₹)	(₹)
Raw Material Consumed	1099.52	1714.98
Consumables, Store & Spares Consumed	224.03	196.64
<b>Total</b>	<b>1323.55</b>	<b>1911.62</b>

**32. Imported and Indigenous consumed:**

(₹ In Lacs)

Particulars	Year	Indigenous		Imported		Total Amount
		Amount	Value	Amount	Value	
Raw Material	2013-14	1099.52	100 %	Nil	Nil	1099.52
	2012-13	1714.98	100 %	Nil	Nil	1714.98
Consumables, Store & Spares	2013-14	224.03	100 %	Nil	Nil	224.03
	2012-13	196.64	100 %	Nil	Nil	196.64

33. 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 ₹ 4.60 Crores stands outstanding from Medisphare Marketing Limited. The company has initiated a legal action in the Kolkata High Court for recovery of the same.

34. 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, 2014, 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 ₹ 10/- each at a premium of ₹ 90/- per shares to Alchemist Limited and an amount of ₹ 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. ₹ 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 ₹ 80.00 Crores consisting of 3.00 Crore equity shares of ₹ 10/- each aggregating to ₹ 30.00 Crores and 50.00 Lac redeemable preference shares of ₹ 100/- each aggregating to ₹ 50.00 Crores.

35. Alchemist Limited has four subsidiaries namely Alchemist Foods Limited, Alchemist Infrastructures Private Limited, Alchemist Hospitality Group Limited and Alchemist Enterprises Pte Limited. 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.

36. **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**

- Maj. Gen. (Retd.) Anil Oberoi
- Mr. Pavan Kumar Verma

**Subsidiary:**

- Alchemist Foods Limited
- Alchemist Infrastructures Private Limited
- Alchemist Hospitality Group Limited
- Alchemist Enterprise Pte Limited, Singapore

**Associates:**

- Alchemist Hospitals Limited
- Alchemist Airways Private Limited
- Alchemist Realty Limited
- Black Cat Protection Services Private Limited
- KDS Corporation Private Limited
- Optimum Constructors and Developers Limited
- Platinum Ventures Limited
- A 1 News Network Private Limited
- Alchemist Media Limited
- Dooteriah & Kalej Valley Tea Estate Private Limited
- Alchemist Medisphere Limited
- Technology Parks Limited
- Anant Media Private Limited

**Joint Venture:**

- Alchemist Township India Limited

# ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2014, Contd.

Detail of Related Parties Transactions:

(₹ In Lacs)

Sr. No	Transaction's	Subsidiary		Key Managerial Persons & Their Relative		Associates	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	<b>Managerial Remuneration</b>						
	Maj. Gen. (Retd.) Anil Oberoi	-	-	36.62	0.00	-	-
	Mr. Pavan Kumar Verma	-	-	9.10	0.00	-	-
2	<b>Inter Corporate Loans- Paid/ (Repaid)</b>						
	Alchemist Foods Limited (Subsidiary)	2407.60	(2001.72)	-	-	-	-
	Alchemist Infrastructures Private Limited (WOS)	(237.50)	230.00	-	-	-	-
	Alchemist Hospitality Group Limited (Subsidiary)	0.15	25.00	-	-	-	-
3	<b>Inter Corporate Loan- Received/ (Repaid)</b>						
	KDS Corporation Private Limited	-	-	-	-	(21766.51)	(1180.00)
	Technology Parks Limited	-	-	-	-	70460.00	0.00
4	<b>Sale of Goods</b>						
	Alchemist Hospitals Limited	-	-	-	-	1.63	0.31
	Alchemist Foods Limited	8.62	0.00	-	-	-	-
5	<b>Purchase of Goods</b>						
	Alchemist Foods Limited	0.00	121.97	-	-	-	-
	Anant Media Private Limited	-	-	-	-	12.03	0.00
6	<b>Purchase of Investments</b>						
	Optimum Constructions and Developers Private Limited	-	-	-	-	0.00	1.99
	Platinum Ventures Limited	-	-	-	-	0.00	0.25
7	<b>Services Received</b>						
	Black Cats Protections Private Limited	-	-	-	-	27.96	46.03
	Alchemist Realty Limited	-	-	-	-	19.76	59.23
	Alchemist Media Limited	-	-	-	-	10.10	16.49
	Alchemist Hospitals Limited	-	-	-	-	0.88	0.00
8	<b>Rent Received</b>						
	Alchemist Airways Private Limited	-	-	-	-	0.00	0.24
	A1 News Network Private Limited	-	-	-	-	0.46	4.55
	Black Cats Protections Private Limited	-	-	-	-	0.05	0.00
9	<b>Dividend Paid</b>						
	KDS Corporation Private Limited	-	-	-	-	45.89	47.68
	Optimum Constructions and Developers Private Limited	-	-	-	-	0.89	1.19
10	<b>Dividend Received</b>						
	Alchemist Foods Limited	0.00	251.25	-	-	-	-

# ALCHEMIST LIMITED

Notes forming part of the financial statement for the year ended March 31, 2014, Contd.

Detail of related party balances outstanding at year end:

(₹ In Lacs)

Sr. No	Balance Outstanding	Subsidiary		Associates/ Joint Venturer	
		31-03-14	31-03-13	31-03-14	31-03-13
<b>1</b>	<b><u>Inter Corporate Loans- Given</u></b>				
	Alchemist Foods Limited (Subsidiary)	12180.26	9772.66	-	-
	Alchemist Infrastructures Private Limited (WOS)	0.00	237.50	-	-
	Alchemist Hospitality Group Limited (Subsidiary)	25.15	25.00	-	-
<b>2</b>	<b><u>Inter Corporate Loan- Received</u></b>				
	KDS Corporation Private Limited	-	-	4971.17	26737.68
	Technology Parks Limited	-	-	70460.00	0.00
<b>3</b>	<b><u>Investments</u></b>				
	Alchemist Foods Limited (Subsidiary)	10005.00	10005.00	-	-
	Alchemist Enterprises Pte Limited (WOS)	233.37	212.67	-	-
	Alchemist Infrastructures Private Limited (WOS)	1.00	1.00	-	-
	Alchemist Hospitality Group Limited (Subsidiary)	3.74	3.74	-	-
	Alchemist Medisphere Limited	-	-	2.25	2.25
	Dooteriah & Kalej Valley Tea Estate Private Limited	-	-	181.80	181.80
<b>4</b>	<b><u>Trade Receivables</u></b>				
	Alchemist Hospitals Limited	-	-	0.36	0.26
	Alchemist Foods Limited	2.00	0.00	-	-
<b>5</b>	<b><u>Trade Payable</u></b>				
	Anant Media Private Limited	-	-	1.10	0.00
	Alchemist Hospitals Ltd	-	-	0.88	0.55
<b>6</b>	<b><u>Advance to Suppliers</u></b>				
	Black Cats Protections Private Limited	-	-	13.47	1.66
<b>7</b>	<b><u>Amount Recoverable</u></b>				
	Alchemist Realty Limited	-	-	426.85	0.00
<b>8</b>	<b><u>Advance from Joint Venturer</u></b>				
	Alchemist Township India Limited	-	-	1229.49	0.00

**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.**

37. 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.
38. Finished Goods Stock of Steel Division for year 2014 has been carried over including excise duty.
39. Common Expenses relating to Head Office and other administrative office have been allocated to various divisions on the following basis.
- Financial Cost - Fixed & Current Assets Employed
  - Other Expenses - Sales/Reasonable Estimations
40. During the year 12,80,380 (Previous year 1,36,600) preference shares were redeemed and as per provisions of the Companies Act, 1956 a sum of ₹ 1,07,38,843/- (Previous Year ₹ 1,36,60,000/-) has been transferred to Capital Redemption Reserve out of General Reserve and ₹ 11,72,99,157 (Previous Year – Nil) has been transferred from Statement of Profit & Loss A/c. Further a sum of ₹ 11,82,60,731/- (Previous Year ₹ 2,95,22,269/-) has been transferred from Share Premium Account and a Sum of ₹ 19,19,73,292/- (Previous Year – Nil) has been transferred from Statement of Profit & Loss A/c to Preference Shares redemption reserve on account of premium amount of preference shares redeemed.
41. **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 31<sup>st</sup> March, 2014.
42. The balances of some of the Trade Receivables, Trade Payables and Loan & Advances made and received, 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.
43. **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.
44. **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 company operates through in India, hence, no distinction on the basis of geographical segment have been made.
  - 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. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of 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.

**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.**

 e) Primary Segment information (Business Segments) for the year ended 31<sup>st</sup> March, 2014. (₹ in Lacs)

Sr. No.	Particulars	Agri Business	Pharma & Chemicals	Unallocated	Total
a)	<b>Segment Revenue :</b>				
	Revenue from Sales	1012.97	81687.25	-	82700.22
	<b>Total Revenue</b>	<b>1012.97</b>	<b>81687.25</b>	-	<b>82700.22</b>
b)	<b>Segment Results :</b>				
	Operating Profit/(Loss)	365.26	112.03		477.29
	Add :- Unallocated Incomes			2172.15	2172.15
	<b>Profit Before Tax</b>	<b>365.26</b>	<b>112.03</b>	<b>2172.15</b>	<b>2649.44</b>
	Provision for Taxes			970.05	970.05
	Previous year Taxes			12.97	12.97
	<b>Profit After Tax</b>	<b>365.26</b>	<b>112.03</b>	<b>1189.13</b>	<b>1666.42</b>
c)	<b>Other Information :</b>				
	<b>Segment Assets</b>				
	Investments	-	-	10449.41	10449.41
	Other Segment Assets	1035.00	70393.28	-	71428.28
		<b>1035.00</b>	<b>70393.28</b>	<b>10449.41</b>	<b>81877.69</b>
	<b>Segment Liabilities</b>				
	Share Capital	-	-	1400.98	1400.98
	Other Segment Liabilities	8758.68	90893.00	-	99651.68
		<b>8758.68</b>	<b>90893.00</b>	<b>1400.98</b>	<b>101052.66</b>
	<b>Fixed Assets</b>				
	(Incl. Capital Work in Progress)	16040.60	3134.37	-	19174.97
	<b>Depreciation</b>				
	Non Cash Exp. Other than Deprecation	-	2.76	83.89	86.65

**45. Employee Benefits:**
**Defined Contribution plans:**

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

Particulars	Year 31.03.2014	Year 31.03.2013
Company's Contribution to Provident Fund	115.42	107.69
Company's Contribution to Employees State Insurance	27.60	26.24

**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, 2014, contd.**

(Amount in ₹)

Particulars	Gratuity		Leave	
	2013-14	2012-13	2013-14	2012-13
<b>Defined Benefit Plans</b>				
<b>Change in benefit obligations</b>				
Obligations at period beginning - Current	1204635	1045362	603334	533714
Obligations at period beginning - Non-current	12987991	7716927	7709775	5335571
Service Cost	4872839	5355077	3042657	2496034
Interest on Defined benefit obligation	1110170	676922	648131	463413
Benefits settled	(4039416)	(1114337)	(2412811)	(504325)
Actuarial (gain)/loss	(793269)	512675	1901253	(11298)
<b>Obligations at period end</b>	15342950	14192626	11492339	8313109
Current Liability (within 12 months)	1123871	1204635	958404	603334
Non-Current Liability	14219079	12987991	10533935	7709775
<b>Change in plan assets</b>				
Plans assets at period beginning, at	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Contributions	4039416	1114337	2412811	504325
Benefits settled	(4039416)	(1114337)	(2412811)	(504325)
<b>Plans assets at period end, at fair value</b>				
<b>Funded Status</b>				
Closing Fair value of plan assets				
Closing value of obligations	(15342950)	(14192626)	(11492339)	(8313109)
<b>Liability recognized in the balance sheet</b>	(15342950)	(14192626)	(11492339)	(8313109)
<b>Details of Gratuity / Leave cost</b>				
Service cost	4872839	5355077	3042657	2496034
Interest cost	1110170	676922	648131	463413
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	(793269)	512675	1901253	(11298)
<b>Net gratuity / leave cost</b>	5189740	6544674	5592041	2948149
Experience Adjustment on Plan Liabilities	(793269)	512675	1901253	(11298)
Experience Adjustment on Plan Assets				
<b>Assumptions</b>				
Interest rate	9.12%	8.25%	9.12%	8.25%
Discount factor	9.12%	8.25%	9.12%	8.25%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary Increase	10.00%	10.00%	10.00%	10.00%
Attrition rate	7.00%	7.00%	7.00%	7.00%
Retirement age	60	60	58	58

**46. Disclosures as per Clause 32 of the Listing Agreement with the stock exchanges**
**a) Loan and advance in the nature of loan to subsidiary:**

(₹ in Lacs)

Name of Company	Relationship	As At 31.03.14	As At 31.03.13	Maximum balance outstanding during the year 2013-14
Alchemist Foods Limited	Subsidiary	12180.26	9772.66	12185.01
Alchemist Infrastructure Private Limited	Wholly owned Subsidiary	Nil	237.50	237.50
Alchemist Hospitality Group Limited	Subsidiary	25.15	25.00	25.16

**Notes forming part of the financial statement for the year ended March 31, 2014, Contd.**

Loans and advance shown above fall under the category of Loan and Advance in nature of loan which are repayable on demand by the company by giving a prior notice of at least 12 months, subject to concurrence of the loanee.

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

47. 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 ₹ 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 demanded for a period of one year under normal circumstances. However, in case of wilful 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 ₹ 63.13 Lacs against the above demand as 'Duty Paid Under Protest'. Also the additional amount of ₹ 30.96 Lacs paid subsequent to the demand and till 31<sup>st</sup> March 2013 is deposited under protest. Therefore the total duty of ₹ 92.29 Lac 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 ₹ 110.42 Lacs is pending payable against the demand is shown as contingent Liability.

48. During the year 2012-2013, pharmaceutical division had started the transition from marketing through a sole selling agent to distribution and marketing through own network of C&F/consignee agents/ stockists/distributors.

During the current year 2013-14, Company has successfully completed the design, development & implementation of 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 ₹ 5.90 Crores (Previous Year ₹ 5.42 Crores) have been attributed to this intangible asset & capitalised under the head Fixed Assets on 31<sup>st</sup> March, 2014.

In this distribution network, specialist doctor population of 45000 and 6000 stockists, have been empanelled with the company, and through this the company is able to touch base at least 35000 retailers.

49. During the year interest paid on term loan (For IT Park Project) amounting to ₹ 256.41 Lacs (Previous Year ₹ 231.36 Lacs) has been capitalised in accordance with AS-16 borrowing Costs.

**50. Financial reporting of interest in Joint Venture – Accounting Standard 27**

Advance received include ₹ 12,29,49,002/- as advance received against joint development agreement entered into by the Company on 13<sup>th</sup> June, 2013 and addendum dated 12<sup>th</sup> July, 2014 with Alchemist Township India Limited for joint development of 7.2 acres of land of the Company situated at Village Dappar and Samlehri. The Project would be a residential development carried out under the name "Riviera Heights" with a built up area of at least 6,30,000 square feet. The Company is entitled for an overall advance of ₹ 50 Crores against the 35% share of the developed area along with proportionate rights in the land of the said project, which the developer is required to make available with the Company by 31<sup>st</sup> March, 2016. The advance would be in the nature of a current account and the developer can demand for withdrawal of the advance, subject to approval of the Company.

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
<b>CA. Ashish Chhabra</b>	<b>Rajansh Thukral</b>	<b>Dinesh Vermani</b>	<b>Pavan Kumar Verma</b>	<b>R.P. Chhabra</b>
Partner	Company Secretary	CFO	Whole Time Director	Director

MEMBERSHIP NO.: 507083  
**N. KUMAR CHHABRA & CO.**  
 CHARTERED ACCOUNTANTS  
 FIRM REGISTRATION NO.: 000837N  
 Place : New Delhi  
 Date : 29th May, 2014



**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 31<sup>st</sup> March, 2014 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 the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. 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 and based on the consideration of reports 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 31<sup>st</sup> March, 2014;
- 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 Matters**

- a) Financial Statements of Alchemist Foods Limited and Alchemist Infrastructure Private Limited, subsidiaries of Alchemist Limited, which reflect total assets of ₹ 35706.09 Lacs as at 31<sup>st</sup> March, 2014, total revenue of ₹ 8510.74 Lacs for the year then ended, have been audited by us.
- b) We did not audit the financial statements of Alchemist Hospitality Group Private Limited, subsidiary of Alchemist Limited, which reflect total assets of ₹ 26.27 Lacs as at 31<sup>st</sup> March, 2014, total revenue of Rs. Nil for the year then ended. These financial statements have been audited by other auditor whose report has been furnished to us and our opinion is based solely on the report of such other auditor.
- c) We have relied on the unaudited financial statement of Alchemist Enterprise (S) Pte. Limited, subsidiary of Alchemist Limited, which reflect total assets of ₹ 1532.20 Lacs as at 31<sup>st</sup> March, 2014, total revenue of ₹ 59666.12 Lacs for the year then ended. These unaudited financial statements as approved by the respective Boards of Directors of this Company have been furnished to us by the Management and our report insofar as it relates to the amounts included in respect of this subsidiary is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of other matters.

Date: 29 May, 2014  
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 ₹)

As At		31-Mar-14	31-Mar-13
Particulars	Note		
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds:</b>			
Share Capital	2	140098000	268136000
Reserves & Surplus	3	1223209063	1508511873
		<b>1363307063</b>	<b>1776647873</b>
<b>2 Minority Interest</b>		172496470	189757634
		<b>172496470</b>	<b>189757634</b>
<b>3 Non Current Liabilities</b>			
Long term borrowings	4	7741181365	2941673095
Deferred Tax Liabilities (Net)	5	309758296	256966519
Other Long Term Liabilities	6	34958771	17060838
Long Term Provisions	7	35442772	34064799
		<b>8121341204</b>	<b>3249765251</b>
<b>4 Current Liabilities</b>			
Short-term borrowings	8	70104803	65511184
Trade payables	9	1457362209	92225640
Other current liabilities	10	383365654	257047130
Short-term provisions	11	18892049	26623004
		<b>1929724715</b>	<b>441406958</b>
<b>Total Equity and Liabilities</b>		<b>11586869452</b>	<b>5657577716</b>
<b>ASSETS</b>			
<b>1 Non Current Assets</b>	12		
<b>Fixed Assets</b>			
(i) Tangible Assets		2315382712	2059605482
(ii) Intangible Assets		445084340	292240004
(iii) Capital work in Progress		2020508186	1910930346
(iii) Intangible under Development		-	97356469
		4780975238	4360132301
Non Current Investments	13	18930173	18905173
Long Term Loan & Advances	14	200865977	222491941
Other Non Current Assets	15	2376933	16696834
		<b>5003148321</b>	<b>4618226249</b>
<b>2 Current Assets</b>			
Current Investments	16	1699119	1783935
Inventories	17	449675453	402125047
Trade Receivables	18	4100515669	155344109
Cash and Cash Equivalents	19	1886691022	387644881
Short Term Loans and Advances	20	143143197	88210449
Other Current assets	21	1996671	4243046
		<b>6583721131</b>	<b>1039351467</b>
<b>Total Assets</b>		<b>11586869452</b>	<b>5657577716</b>

Significant Accounting Policies & Notes  
to the financial statement

(1 to 47)

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
CA. Ashish Chhabra	Rajansh Thukral	Dinesh Vermani	Pavan Kumar Verma	R.P. Chhabra
Partner	Company Secretary	CFO	Whole Time Director	Director

MEMBERSHIP NO.: 507083

N. KUMAR CHHABRA &amp; CO.

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO.: 000837N

Place : New Delhi

Date : 29th May, 2014

**ALCHEMIST LIMITED**

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

**CONSOLIDATED STATEMENT OF PROFIT & LOSS**

(Amount in ₹)

For the year ended		31-Mar-14	31-Mar-13
Particulars	Note		
<b>INCOME</b>			
Revenue from Operations	22	15083516095	14574375867
Other Income	23	221407006	163386758
		<b>15304923101</b>	<b>14737762625</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	24A	538815277	703784087
Purchase of Stock in Trade	24B	13683367933	12988757136
Change in Inventories of Finished Goods, Work in Progress and Store & Spares	24C	(48856589)	(5494745)
Employees Benefit Expenses	25	216192933	169344302
Finance Cost	26	50994811	70768913
Depreciation & Amortisation Expenses	27	148729006	124453652
Other Expenses	28	361881268	311148805
		<b>14951124639</b>	<b>14362762150</b>
<b>Profit Before Exceptional Items &amp; Taxes</b>		<b>353798462</b>	<b>375000475</b>
<b>Exceptional Items</b>		<b>75620021</b>	<b>-</b>
<b>Profit Before Tax</b>		<b>278178441</b>	<b>375000475</b>
<b>Tax Expenses :</b>			
Current Tax		99832488	81774805
Minimum Alternative Tax (MAT) Credit Entitlements		-	(17287125)
Deferred Tax Charge/ (Benefit)		52791776	32824738
Tax Relating to Previous Years		1297274	(2898345)
<b>Net Profit For The Year (Before Adjustment of Minority Interest)</b>		<b>124256903</b>	<b>280586402</b>
<b>Profit Transferred to Minority</b>		<b>(17261164)</b>	<b>(8656338)</b>
<b>Net Profit For The Year (After Adjustment of Minority Interest)</b>		<b>141518067</b>	<b>271930064</b>
<b>Earning Per Shares</b>			
(Equity shares, par value ₹ 10/- each)			
<b>Basic &amp; Diluted</b>			
- Basic EPS	29	10.44	20.56
- Diluted EPS	29	10.44	20.05
<b>Significant Accounting Policies &amp; Notes to the financial statement (1 to 47)</b>			

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/- Pavan Kumar Verma Whole Time Director	Sd/- R.P. Chhabra Director
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MEMBERSHIP NO.: 507083  
**N. KUMAR CHHABRA & CO.**  
 CHARTERED ACCOUNTANTS  
 FIRM REGISTRATION NO.: 000837N  
 Place : New Delhi  
 Date : 29th May, 2014

**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-14	31-Mar-13
<b>Particulars</b>		
<b>A) Cash Flow From Operating Activities</b>		
Net Profit Before, Tax	3537.98	3750.00
Adjustments for:		
Depreciation & Amortisation	1487.29	1244.54
Misc Expenses Written Off	152.97	152.97
Interest Received	(2184.18)	(1349.94)
Dividend Received	(0.21)	(251.44)
<b>Operating profit before working capital changes</b>	<b>2993.86</b>	<b>3546.13</b>
<b>Adjustments for changes in Working Capital:</b>		
Inventories	(475.50)	(167.56)
Trade Receivable	(39451.72)	1114.72
Short Term Loan & Advances	(549.33)	(362.95)
Other Current Assets	22.46	(17.25)
Other Non Current Assets	(9.77)	-
Long Term Loan & Advances	216.26	40.42
Trade Payable	13651.37	131.92
Other Current Liabilities	1263.19	(3184.50)
Short Term Provisions	(77.31)	(354.23)
Long Term Provisions	13.78	179.43
Other Long Term Liabilities	178.98	118.06
<b>Cash generated/(Used) from/in Operation</b>	<b>(22223.73)</b>	<b>1044.19</b>
Provision For Tax	(1011.30)	(615.89)
<b>Net Cash generated/(Used) from/in Operating Activities</b>	<b>(23235.03)</b>	<b>428.30</b>
<b>B) Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets and capital work in progress	(5713.30)	(11433.36)
Proceeds from Sale of Fixed Asset (Net of Depreciation)	17.58	53.21
Deferred Revenue Expenses of Subsidiaries	-	(0.13)
(Purchase)/Sale of non current Investments	(0.25)	-
(Purchase)/Sale of Current Investments	0.85	(3.94)
Foreign Currency Translation Reserve	(268.43)	(31.03)
Capital Subsidy	-	30.00
Interest Received	2184.18	1349.94
Dividend Received	0.21	251.44
Exceptional Item (QSR Business Model)	(756.20)	-
<b>Net Cash generated/(Used) from/in Investing Activities</b>	<b>(4535.37)</b>	<b>(9783.87)</b>
<b>C) Cash Flow From Financing Activities</b>		
Increase in Equity Capital (Incl Shares Premium)	-	7273.85
Minority Interest	-	1897.58
Opening Profit / (Losses) of Subsidiary	-	(3.62)
Profit Transfer to Minority	-	(1,718.92)
Money Received against Share Warrant	-	(362.81)
Re-payment of Preference Shares	(1280.38)	(136.60)
Preference Shares Redemption Premium	(3841.14)	(374.04)
Long Term Borrowings	47995.08	(769.22)
Short Term Borrowings	45.94	(244.08)
Dividends Paid and Including Dividend Tax	(158.64)	(237.96)
<b>Net Cash generated/(Used) from/in Financing Activities</b>	<b>42760.86</b>	<b>5324.18</b>
<b>D) Net Increase / (Decrease) in Cash &amp; Cash Equivalents (D=A+B+C)</b>	<b>14990.46</b>	<b>(4031.39)</b>
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>3876.45</b>	<b>7907.84</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>18866.91</b>	<b>3876.45</b>

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	Pavan Kumar Verma	R.P. Chhabra
Partner	Company Secretary	CFO	Whole Time Director	Director

MEMBERSHIP NO.: 507083  
**N. KUMAR CHHABRA & CO.**  
 CHARTERED ACCOUNTANTS  
 FIRM REGISTRATION NO.: 000837N  
 Place : New Delhi  
 Date : 29th May, 2014

**Notes forming part of the Consolidated Financial Statement for the year ended March 31, 2014****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 statement of Alchemist Limited the parent company of Alchemist Foods Limited, Alchemist Infrastructures Pvt Ltd, Alchemist Hospitality Group Ltd. and Alchemist Enterprise (S) Pte Ltd. has been combined on 31<sup>st</sup> March 2014. 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 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 subsidiary.
- 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 subsidiary.

# ALCHEMIST LIMITED

## Notes forming part of the consolidated financial statement for the year ended March 31, 2014 *contd.* (Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>SHARE CAPITAL</b>			
2			
<b>a) AUTHORISED</b>			
Equity Shares - 3,00,00,000 of ₹ 10/- each (Previous year -3,00,00,000 of ₹ 10/- each)		300000000	300000000
Preference Shares - 50,00,000 of ₹ 100/- each (Previous year -50,00,000 of ₹ 100/- each)		500000000	500000000
<b>b) ISSUED, SUBSCRIBED AND PAID-UP</b>			
Equity Shares - 1,35,59,800 of ₹ 10/- each (Previous year 1,35,59,800 of ₹ 10/- each)		135598000	135598000
Redeemable Preference Shares 45,000 of ₹ 100/- Each (Previous year 13,25,380 of ₹ 100/- Each)		4500000	132538000
<b>Total</b>		<b>140098000</b>	<b>268136000</b>

### Terms/right attached to shares:

**Equity Shares:** The company has only one class of equity shares having a par value of ₹ 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 ₹ 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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	13559800	135598000	12884800	128848000
Shares Issued during the year *	-	-	675000	6750000
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>13559800</b>	<b>135598000</b>	<b>13559800</b>	<b>135598000</b>

\* Current Year Allotment- Nil, (Previous Year Preferential Allotment of 6,75,000 Shares, par value of ₹ 10/- was made to KDS Corporation Pvt Ltd, Promoter Group Company on 29th September, 2013 at ₹ 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 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1325380	132538000	1461980	146198000
Shares Issued during the year	-	-	-	-
Shares bought back during the year (Redemption)	1280380	128038000	136600	13660000
<b>Shares outstanding at the end of the year</b>	<b>45000</b>	<b>4500000</b>	<b>1325380</b>	<b>132538000</b>

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

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kanwar Deep Singh	1257020	9.27	1257020	9.27
KDS Corporation Pvt Ltd	3059000	22.56	3059000	22.56
Davos International Fund	746000	5.50	746000	5.50

# ALCHEMIST LIMITED

## Notes forming part of the consolidated financial statement for the year ended March 31, 2014 *contd.*

	Note	31-Mar-14	31-Mar-13
<b>RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Capital Reserve		2999716	2999716
		<u>2999716</u>	<u>2999716</u>
<b>Capital Redemption Reserve</b>			
Balance Brought Forward		389053000	375393000
Add: Transfer from General Reserve		10738843	13660000
Add: Transfer from Statement of Profit & Loss		117299157	-
		<u>517091000</u>	<u>389053000</u>
<b>Preference Shares Redemption Reserve</b>			
Balance Brought Forward		76476548	84358587
Add: Transferred from Share Premium Account		118260731	29522269
Add: Transfer from Statement of Profit & Loss		191973292	-
Less: Utilized for the Redemption of Preference Shares		384113999	37404308
		<u>2596572</u>	<u>76476548</u>
<b>Share Premium</b>			
Opening Balance		700520281	9408000
Add: Premium On Issue of Shares		-	720634550
Less: Transfer to Preference Shares Redemption Reserve		118260731	29522269
		<u>582259550</u>	<u>700520281</u>
<b>General Reserve</b>			
Balance Brought Forward		19067837	24624293
Add: Transfer from Statement of Profit & Loss		-	8103544
Less: Transfer to Capital Redemption Reserve		10738843	13660000
		<u>8328994</u>	<u>19067837</u>
<b>Surplus in Statement of Profit &amp; Loss</b>			
Balance Brought Forward		324384119	247951054
Add: Transfer from Statement of Profit & Loss		141518067	271568287
Less: Opening Profit \ (Loss) Reserve of Minority Share Holders		-	163235246
Less: Transfer to Capital Redemption Reserve		117299157	-
Less: Transfer to Preference Share Redemption Reserve		191973292	-
Less: Transfer to General Reserve		-	8103544
		<u>156629737</u>	<u>348180551</u>
Less: Proposed Dividend *		13559800	20339700
Less : Corporate Dividend Tax *		2304488	3456732
		<u>140765449</u>	<u>324384119</u>
<b>Foreign Currency Translation Reserve</b>			
Balance Brought Forward		(3989628)	(887008)
Current Year Recognition		(26842590)	(3102620)
		<u>(30832218)</u>	<u>(3989628)</u>
<b>Total</b>		<b>1223209063</b>	<b>1508511873</b>

\* The Company has announced a dividend of 10% amounting to ₹ 1/- per equity share for the current financial year (P.Y 15% amounting to ₹ 1.5/- per equity share), CDT liability arriving on the same has been provided during the current year.

# ALCHEMIST LIMITED

## Notes forming part of the consolidated financial statement for the year ended March 31, 2014 contd. (Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>LONG-TERM BORROWINGS</b>	<b>4</b>		
<b>SECURED</b>			
<b>Term Loans from Bank</b>			
Punjab National Bank		264670810	331979488
Less : Current Maturities		(75000000)	(75000000)
		<b>189670810</b>	<b>256979488</b>
<b>Vehicle Loans from Banks</b>			
Vehicle Loans		13883236	17217047
Less : Current Maturities		(5490149)	(6292194)
		<b>8393087</b>	<b>10924853</b>
		<b>198063897</b>	<b>267904341</b>
<b>UN-SECURED</b>			
<b>Inter Corporate Deposits</b>		<b>7543117468</b>	<b>2673768770</b>
		<b>7543117468</b>	<b>2673768754</b>
<b>Total</b>		<b>7741181365</b>	<b>2941673095</b>

### Term Loans From Banks

**Punjab National Bank:** Secured Loan of ₹ 15,12,51,224/- (Rupees Fifteen Crore Twelve Lac Fifty One Thousand Two Hundred Twenty Four Only) (Previous Year ₹ 17,87,51,224/- (Rupees Seventeen Crore Eighty Seven Lac Fifty One Thousand Two Hundred Twenty Four Only) secured through exclusive Charge on Fixed Assets Block, situated at F-5, Kishangarh Rajiv Gandhi I.T. Park, Chandigarh. Due within one year is ₹ 3.00 Crore (Rupees Three Crore Only) (Previous Year ₹ 3.00 Crore (Rupees Three Crore Only).

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

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

**Punjab National Bank :** Secured Loan of ₹ 11,34,19,586/- (Rupees Eleven Crore Thirty Four Lac Nineteen Thousand Five Hundred Eighty Six Only) (Previous Year ₹ 15,32,28,264/- (Rupees Fifteen Crore Thirty Two Lac Twenty Eight Thousand Two Hundred Sixty Four 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. Due with in one year is ₹ 4.50 Crore (Rupees Four Crore Fifty Lac Only) (Previous Year ₹ 4.50 Crore) Rupees Four Crore Fifty Lac Only).

The loan has been guaranteed by Mr. Karan Deep Singh in the capacity of the director of holding company, Alchemist Limited.

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

### Vehicle Loans from Banks

Vehicle Loans of ₹ 1,38,83,236/- (Rupees One Crore Thirty Eight Lac Eighty Three Thousand Two Hundred Thirty Six Only) (Previous Year ₹ 1,72,17,047/- (Rupees One Crore Seventy Two Lac Seventeen Thousand Forty Seven Only) are Secured against hypothecation of vehicles. Due within one year is ₹ 54,90,149/- (Rupees Fifty Four Lac Ninety Thousand One Hundred Forty Nine Only) (Previous Year ₹ 62,92,194/- (Rupees Sixty Two Lac Ninety Two Thousand One Hundred Ninety 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.

### Inter Corporate Loan:

Inter Corporate loan has been received from KDS Corporation Pvt Limited (a promoter group Company) and Technology Park Limited (a party covered under section 301 of the companies Act. 1956) amounting to ₹ 49.71 Crores and ₹ 704.60 Crores. The Terms of repayment with respect to loan from KDS Corporation Private Limited 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. Loan from Technology Park Limited is repayable on service of a minimum notice of 12 months by the lender for a repayment in excess of ₹ 50.00 Crores, however upon the concurrence of the Company, hence terms are not prejudicial to the interest of the Company. The Inter Corporate Loans obtained by the Company are non interest bearing.

### Details of continuing default as on 31st March, 2014 in repayment of loans and interest:

Name of Bank - Type of Loan	Sanction Amount	Default amount as on 31/03/14	Default cleared Amount	Default cleared date	Default outstanding as on 29/05/14
Punjab National Bank - Project Term Loans (2 in number)	480000000	9604555	5047850 4484969 71736	3/4/2014 5/4/14 1/5/14	-
UCO Bank - Vehicle Loans (9 in number)	6910400	409314	123315 67958 104226	16/4/14 2/5/2014 27/5/14	113815
Axis Bank - Vehicle Loan	487500	13197	13197	13/5/14	-
<b>Total</b>	<b>487397900</b>	<b>10027066</b>	<b>9913251</b>		<b>113815</b>



# ALCHEMIST LIMITED

## Notes forming part of the consolidated financial statement for the year ended March 31, 2014 *contd.* (Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>DEFERRED TAX LIABILITY (NET)</b>	<b>5</b>		
<b>Deferred Tax Liability</b>			
Fixed assets : Impact of Difference between carrying amount of Tax Depreciation and depreciation charged in the books		323917291	264728968
<b>Gross deferred tax liability</b>		<b>323917291</b>	<b>264728968</b>
<b>Deferred tax assets</b>			
Carrying amount of provisions for Gratuity, Bonus and Leave Encashment		14158995	7762449
<b>Gross deferred tax assets</b>		<b>14158995</b>	<b>7762449</b>
<b>Deferred tax liabilities (Net)</b>		<b>309758296</b>	<b>256966519</b>
<b>OTHER LONG TERM LIABILITIES</b>	<b>6</b>		
Securities Received		34958771	17060838
<b>Total</b>		<b>34958771</b>	<b>17060838</b>
<b>LONG TERM PROVISIONS</b>	<b>7</b>		
<b>Provision for Employees Benefits</b>			
– Gratuity		19937693	20946429
– Earned Leave		15505079	13118370
<b>Total</b>		<b>35442772</b>	<b>34064799</b>
<b>SHORT TERM BORROWINGS</b>	<b>8</b>		
<b>Loan Repayable On Demand, From Banks</b>			
<b>Working Capital Facilities</b>			
(i) Bank of India		18731359	16369648
(ii) Punjab National Banks		51373444	49141536
<b>Total</b>		<b>70104803</b>	<b>65511184</b>

### Loan Repayable On Demand, From Banks

#### Working Capital Facilities

##### Bank of India:

Working Capital facility of ₹ 1,87,31,359/- (Rupees One Crore Eighty Seven Lac Thirty One Thousand Three Hundred Fifty Nine Only) (Previous Year ₹ 1,63,69,648/- (Rupees One Crore Sixty Three Lac Sixty Nine Thousand Six Hundred Forty Eight 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, other structures (erected or to be erected) and other immovable properties of the Unit situated at Chambaghat, Solan.

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

##### Punjab National Bank :

Working Capital facility of ₹ 5,13,73,444/- (Rupees Five Crore Thirteen Lac Seventy Three Thousand Four Hundred Forty Four Only) (Previous Year ₹ 4,91,41,536/- (Rupees Four Crore ninety One Lac Forty One Thousand Five Hundred Thirty 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 DELHI and Diner Retail Outlets. It is further collaterally secured by way of 2nd charge on company's fixed assets charged to the bank.

The loan has been guaranteed by Mr. Karan Deep Singh in the capacity of the director of the holding company, Alchemist Limited.

# ALCHEMIST LIMITED

## Notes forming part of the consolidated financial statement for the year ended March 31, 2014 contd. (Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>TRADE PAYABLES</b>	<b>9</b>		
Trade Payable		1457362209	92225640
<b>Total</b>		<b>1457362209</b>	<b>92225640</b>
<b>OTHER CURRENT LIABILITIES</b>	<b>10</b>		
<b>Current Maturities of Long term borrowings*</b>			
Term Loan		75000000	75000000
Vehicle Loan		5490149	6292194
Interest Accrued and Due on Borrowings		1984969	4607701
Liabilities For Capital Goods		7835829	13435797
Expenses and Statutory Dues Payable		72718321	61938693
Advance received **		158694955	34306936
Unclaimed Dividend ***		6035847	8429342
Unclaimed Matured Public Deposits		-	6,111,000
Securities Refundable		-	1750000
Other Liabilities		55605584	45175467
<b>Total</b>		<b>383365654</b>	<b>257047130</b>

\* Refer Note No. 4

\*\* Refer Note No. 45

\*\*\* A sum of ₹ 60,35,847/- (Rupees Sixty Lac Thirty Five Thousand Eight Hundred Forty Seven Only) (Previous year ₹ 84,29,342/- (Rupees Eighty Four Lac Twenty Nine Thousand Three Hundred Forty Two only) is lying as unclaimed dividend in separate accounts with HDFC Bank, Chandigarh

	Note	31-Mar-14	31-Mar-13
<b>SHORT TERM PROVISIONS</b>	<b>11</b>		
<b>Provisions from Employees</b>			
- Gratuity		1614660	1833667
- Earned Leave		1413101	992905
Proposed Equity Dividend *		13559800	20339700
Corporate Dividend Tax *		2304488	3456732
<b>Total</b>		<b>18892049</b>	<b>26623004</b>

\* The company has announced a dividend of 10% for the current financial year (P.Y. 15%), CDT liability arriving on the same has been provided during the current year.

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	NET BLOCK
	AS AT 1-Apr-13	SALE / ADJUSTMENTS	ADDITIONS/ CAPITALISED	AS AT 31-Mar-14	AS AT 1-Apr-13	ON SALE / ADJUSTMENTS	FOR THE YEAR	AS AT 31-Mar-14	AS AT 31-Mar-14	AS AT 31-Mar-13
<b>Tangible Assets</b>										
- Land	381548583	-	-	381548583	-	-	-	-	381548583	381548583
- Building	1098453999	-	120542946	1218996945	243832667	-	34760508	278593175	940403770	854621332
- Lease Hold Improvements	38593565	-	-	38593565	397872	-	4774462	5172334	33421231	38195693
- Plant & Machinery	820715428	945222	187512892	1007283098	221438301	171781	38871241	260137761	747145337	599277127
- Sapling	69807669	-	156750	69964419	68499660	435	249909	68750004	1214415	1308009
- Green House	55561339	-	-	55561339	30155129	-	2639164	32794293	22767046	25406210
- Furniture & Fixtures	28644666	100901	15346594	43890359	12536904	13635	1579039	14129578	29760781	16107762
- Vehicles	156654744	931040	15227954	170951658	68028210	112924	14844904	82760190	88191469	88626534
- Office Equipment's	23276313	68490	6766195	29974018	6497314	11285	1548547	8034576	21939442	16778999
- Computer & Peripherals	72377087	157683	23190989	95410393	34641855	4876	11782770	46419749	48990644	37735232
<b>Sub Total</b>	<b>2745633393</b>	<b>2203336</b>	<b>368744321</b>	<b>3112174378</b>	<b>686027911</b>	<b>314936</b>	<b>111050544</b>	<b>796791659</b>	<b>2315382712</b>	<b>2059605482</b>
Previous Year	2369657774	5972476	381948094	2745633393	589936225	651492	96743177	686027911	2059605482	-
<b>Intangible Assets</b>										
- Computer Software Licensing	43129490	-	236994	43360484	6133283	42536	4332389	10508208	32852276	36996207
- Research & Developments	302100292	-	73764328	375864620	76839782	-	29906602	106746384	269118236	225260510
- Technical Know How	16807793	-	3320053	20127846	2753045	-	1681701	4434746	15693100	14054748
- Master Agreement	17267432	-	-	17267432	1338893	-	1726743	3065636	14201796	15928539
- Pan India Distribution Network	-	-	113249960	113249960	-	-	31027	113218933	-	-
<b>Sub Total</b>	<b>379305007</b>	<b>-</b>	<b>190565335</b>	<b>569870342</b>	<b>87065003</b>	<b>42536</b>	<b>37678462</b>	<b>124786001</b>	<b>445084340</b>	<b>292240004</b>
Previous Year	277452587	-	101852420	379305007	59354528	-	27710475	87065003	292240004	-
<b>Grand Total</b>	<b>3124938400</b>	<b>2203336</b>	<b>559309656</b>	<b>3682044720</b>	<b>773092914</b>	<b>357472</b>	<b>148729006</b>	<b>921577660</b>	<b>2760467052</b>	<b>2351845486</b>
Previous Year	2647110361	5972476	483800514	3124938400	649290753	651492	124453652	773092914	2351845486	-
Capital Work in Progress *									2020508186	1886557059
Intangible under development									-	121729756

\* 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, 2014 *contd.*

(Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>NON CURRENT INVESTMENTS</b>	<b>13</b>		
<b>Non Trade Investments (In Equity Instruments)</b>			
<b>Unquoted - Associates</b>			
- Dooteriah & Kalej Valley Tea Estate Pvt Ltd. (Current Year Equity shares 36000 (Previous year 36000) of ₹ 100/- Each)		18180173	18180173
- Alchemist Medisphare Limited (Current Year Equity Shares 22500 (Previous year 22500 Shares) of ₹ 10/- Each)		225000	225000
<b>Unquoted - Others</b>			
- Shivalik Solid Waste Management Ltd. (Current Year Equity Shares 2500 (Previous year Nil) of ₹ 10/- Each)		25000	-
		<u>18430173</u>	<u>18405173</u>
<b>Non Trade Investments (In Mutual Funds)</b>			
<b>Quoted</b>			
- Religare Business Leader Fund (Current Year Units 50000 ( Previous Year Units 50000) of ₹ 10/- Each)		500000	500000
		<u>500000</u>	<u>500000</u>
<b>Total</b>		<u>18930173</u>	<u>18905173</u>
<b>Aggregate Market Value of Quoted Investments</b>		<u>744500</u>	<u>633000</u>
<b>LONG TERM LOAN AND ADVANCES</b>	<b>14</b>		
<b>Unsecured, Considered good</b>			
Capital Advances		106722243	120214342
Mat Credit Entitlements		49591473	49130358
Security Deposits		44552261	53147241
<b>Total</b>		<u>200865977</u>	<u>222491941</u>
<b>OTHER NON CURRENT ASSETS</b>	<b>15</b>		
<b>Deferred Revenue, Preliminary &amp; Pre operative Expenditure</b>			
Balance Brought Forward		15301416	30586146
Add: Subsidiary Company		-	12510
Less: Written off		15297245	15297240
Balance Carried Forward		<u>4171</u>	<u>15301416</u>
Balances With Banks in Deposit Accounts with Maturity after 31st March, 2015 *		2372762	1395418
		<u>2372762</u>	<u>1395418</u>
<b>Total</b>		<u>2376933</u>	<u>16696834</u>
* Including deposit of ₹ 19.95 Lacs (Previous Year ₹ 13.95 Lacs) under lien for guarantee given by banks to various Government Authorities.			
<b>CURRENT INVESTMENTS</b>	<b>16</b>		
<b>Non Trade Investments (In Equity Shares)</b>			
<b>Quoted</b>			
- Andhra Bank* (Current Year Equity Shares 3394 (Previous Year 3394 ) of ₹ 10/- Each)		220644	305460
- Marksans Pharma Ltd* (Current Year Equity Shares 657100 (Previous Year 657100) of ₹ 1/- each)		1478475	1478475
<b>Total</b>		<u>1699119</u>	<u>1783935</u>
<b>Market Value of Quoted Investments</b>		<u>16056754</u>	<u>2905532</u>

\* Reduction of ₹ 84816/- on the value of current investment on account of market value being less than the cost of acquisition has been considered in the books as against appreciation of ₹ 394261/- in the previous year.

# ALCHEMIST LIMITED

## Notes forming part of the consolidated financial statement for the year ended March 31, 2014 *contd.* (Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>INVENTORIES</b>	<b>17</b>		
<b>Inventories taken as valued and certified by the Management</b>			
- Raw Materials *		61151476	62457659
- Finished Goods *		186353850	149149933
- Work In Progress/Semi finished goods.*		201651664	189756721
- Store, Spares and Scrap **		518463	760734
<b>Total</b>		<b>449675453</b>	<b>402125047</b>
* Valued at lower of cost and net realizable value.			
** Valued at cost or under.			
<b>TRADE RECEIVABLE</b>	<b>18</b>		
<b>Trade Receivable outstanding for a period exceeding six months from the date they were due for payment:</b>			
Unsecured - Considered good		41196021	32135673
Less : Provision for doubtful trade receivable		-	4235563
Unsecured - Considered good		41196021	27900110
<b>Other Trade Receivable</b>			
Unsecured - Considered good		4059319648	127443999
<b>Total</b>		<b>4100515669</b>	<b>155344109</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>19</b>		
Balance with Banks - Current Accounts		211725776	192763570
Balance with Banks - Fixed Deposit A/c *		1620907676	157425379
Cheque in Hand		7359900	8528266
Cash in hand		46697670	28927666
<b>Total</b>		<b>1886691022</b>	<b>387644881</b>
* Including deposit of ₹ 16032.82 Lacs (Previous Year Nil) under Lien for margin against letter of credits issued by the Company and ₹ 30.69 Lacs (Previous Year ₹ 31.31 Lac) under lien for guarantee given by banks to various Government Authorities).			
<b>SHORT TERM LOANS AND ADVANCES</b>	<b>20</b>		
<b>Unsecured, Considered good</b>			
Advances Paid to Suppliers for Goods/Services		36151322	34472880
Advances Recoverable in Cash or in Kind or for value to be received		106991875	53737569
<b>Total</b>		<b>143143197</b>	<b>88210449</b>
<b>OTHER CURRENT ASSETS</b>	<b>21</b>		
<b>Unsecured, Considered good</b>			
Interest Accrued		1996671	4243046
<b>Total</b>		<b>1996671</b>	<b>4243046</b>
<b>REVENUE FROM OPERATIONS</b>	<b>22</b>		
Gross Sales		15088195378	14582339060
By Products and Scrap		5988262	7748610
Less :- Excise Duty		10667545	15711803
<b>Net Sale Total</b>		<b>15083516095</b>	<b>14574375867</b>
<b>OTHER INCOME</b>	<b>23</b>		
Dividend received		20703	25143517
Interest received		218417706	134993988
Misc Other Income		2968597	3249253
<b>Total</b>		<b>221407006</b>	<b>163386758</b>

# ALCHEMIST LIMITED

## Notes forming part of the consolidated financial statement for the year ended March 31, 2014 *contd.* (Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>DETAILS OF INVENTORY</b>			
<b>24</b>			
<b>24A Cost of Material Consumed</b>			
Opening Stock		62457660	51196855
Add : Purchases		537509093	715044891
		599966753	766241746
Less : Closing Stock		61151476	62457659
		<b>538815277</b>	<b>703784087</b>
<b>24B Purchase of Stock in Trade</b>		13683367933	12988757136
		<b>13683367933</b>	<b>12988757136</b>
<b>24C Change in Inventories of Finished Goods, Work in Progress and Store &amp; Spares</b>			
<b>Opening Stock</b>			
- Finished goods		149149933	116191288
- Work in Progress		189756721	217467924
- Store & Spares		760734	513431
		<b>339667388</b>	<b>334172643</b>
<b>Closing Stock</b>			
- Finished goods		186353850	149149933
- Work in Progress		201651664	189756721
- Store & Spares		518463	760734
		<b>388523977</b>	<b>339667388</b>
<b>(Increase) / Decrease in Inventory of Finished Goods, Work in Progress and Stores &amp; Scrap</b>		<b>(48856589)</b>	<b>(5494745)</b>
<b>EMPLOYEES BENEFIT EXPNESES</b>			
<b>25</b>			
Salaries & Wages including Bonus, Gratuity, Welfare Expenses		198945077	148585292
Employer's Contribution towards Provident & other Funds		17247856	20759010
<b>Total</b>		<b>216192933</b>	<b>169344302</b>
<b>FINANACE COST</b>			
<b>26</b>			
Interest Paid		23410883	25216307
Other Borrowing Cost		18843696	15533234
Net Loss/(Gain) on foreign currency transactions & translation		8740232	30019372
<b>Total</b>		<b>50994811</b>	<b>70768913</b>
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>			
<b>27</b>			
Depreciation on Tangible Assets		111050544	96743177
Amortization on Intangible Assets		37678462	27710475
<b>Total</b>		<b>148729006</b>	<b>124453652</b>

**ALCHEMIST LIMITED****Notes forming part of the consolidated financial statement for the year ended  
March 31, 2014 *contd.*** (Amt. in ₹)

	Note	31-Mar-14	31-Mar-13
<b>OTHER EXPENSES</b>	<b>28</b>		
Consumable, Stores & Spares		63428715	57141141
Power & Fuel Expenses		53106029	49813345
Rent		40653851	30457958
Postage, Telegram & Courier		765850	2285391
Repair & Maintenance		11814681	9199403
Travelling Expenses		12438898	8338394
Fee & Taxes		3108338	2770285
Insurance Charges		6369889	3781002
Telephone, Internet & Communication Charges		5451756	3902325
Vehicle Running & Maintenance		16267622	13807265
Director Sitting Fees		58416	85000
Misc. and General Expenses		13169689	19002089
Misc. Expenses Written off		15297245	15297240
Prior Period Items		10280964	876904
Marketing Expenses		38512650	42610087
Advertisement & Publicity		30300693	20483901
Printing and Stationery		5150781	3290428
<u>Auditor's Remuneration</u>			
- Statutory Audit Fee		2694565	2128599
- Tax Audit Fee		346573	330069
- For Others		490776	797525
<u>Cost Auditor's Remuneration</u>			
- Audit Fee		275000	275000
Legal & Professional Charges		18399828	10454465
Business Promotion / Entertainment Expenses		13498459	14020989
<b>Total</b>		<b>361881268</b>	<b>311148805</b>

**Notes forming part of the consolidated financial statement for the year ended March 31, 2014 contd.**

**29. Earning Per Shares (EPS)**

Particulars	Year	Year
	31.03.2014	31.03.2013
	(₹)	(₹)
Profit After Tax as per the Statement of Profit and Loss attributable to Equity Share Holders	14,15,18,067	27,19,30,064
Weighted Average No of Equity Shares (Basic)	1,35,59,800	1,32,28,773
Weighted Average No of Equity Shares (Diluted)	1,35,59,800	1,35,59,800
Nominal value of Equity Shares (₹)	10/-	10/-
Earnings Per Share (₹)		
- Basic EPS	10.44	20.56
- Diluted EPS	10.44	20.05

**30. Contingent Liabilities and Commitments (₹ In Lacs)**

Particulars	Year	Year
	31.03.2014	31.03.2013
	(₹)	(₹)
<b>Contingent Liabilities</b>		
- Corporate Guarantees	3597.49	3049.45
- Disputed demand under excise duty (Net of duty deposited under protest)	110.42	110.42
- Claims against the company not acknowledge as debts	13.60	12.00
<b>Commitments</b>		
Estimated amount of Contract remaining to be executed on capital account and not provide for (Net of Advances)	139.92	593.04

31. Alchemist Limited has four subsidiaries namely Alchemist Foods Limited Alchemist Infrastructures Private Limited, Alchemist Hospitality Group Limited and Alchemist Enterprises Pte Limited, Singapore.

32. Investment in Associate Companies Dooteriah & Kalej 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.

33. 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 1<sup>st</sup> November, 2010 & 2<sup>nd</sup> December, 2010 respectively. The same had been registered with the Office of Registrar of Companies at Delhi and Chandigarh dated 2<sup>nd</sup> December, 2010 & 23<sup>rd</sup> December, 2010. Hence, appointed date for the implementation of the scheme was 23<sup>rd</sup> December, 2010 with effect from 1<sup>st</sup> 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. 1<sup>st</sup> April, 2008. In consideration, thereof, Alchemist Foods Limited had issued 1,00,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 90/- per shares to Alchemist Limited and an amount of ₹ 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, 2014 contd.**

As per Scheme of arrangement, Authorized share capital of Alchemist Limited i.e. ₹ 121.25 Crores as on effective date i.e. 1<sup>st</sup> 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 ₹ 80.00 Crores consisting of 3.00 Crore equity shares of ₹ 10/- each aggregating to ₹ 30.00 Crores and 50.00 Lac redeemable preference shares of ₹ 100/- each aggregating to ₹ 50.00 Crores and authorised share capital of Alchemist Foods Limited had been increased from ₹ 10,00,00,000/- to ₹ 51,25,00,000/- consisting of 5,12,50,000 equity shares of ₹ 10/- each.

**34. Related Party Disclosures****Key Managerial Personnel**

- Maj. Gen. (Retd.) Anil Oberoi
- Mr. Pavan Kumar Verma

**Associates:**

- Alchemist Hospitals Limited
- Alchemist Airways Private Limited
- Alchemist Realty Limited
- Black Cat Protection Services Private Limited
- KDS Corporation Private Limited
- Optimum Constructors and Developers Limited
- Platinum Ventures Limited
- A1 News Network Private Limited
- Alchemist Media Limited
- Dooteriah & Kalej Valley Tea Estate Private Limited
- Alchemist Medisphere Limited
- Technology Parks Limited
- Anant Media Private Limited
- Alchemist F&B Limited



# ALCHEMIST LIMITED

Notes forming part of the consolidated financial statement for the year ended  
**March 31, 2014 contd.** (₹ In Lacs)

**Detail of Related Parties Transactions:**

Sr. No	Transaction's	Key Managerial Person & Their Relative		Associates	
		2013-14	2012-13	2013-14	2012-13
1	<b><u>Managerial Remuneration</u></b>				
	Maj. Gen. (Retd.) Anil Oberoi	36.62	-		-
	Mr. Pavan Kumar Verma	9.10	-		-
2	<b><u>Inter Corporate Loan- Received/(Repaid)</u></b>				
	KDS Corporation Private Limited	-	-	(21766.51)	(1180.00)
	Technology Parks Limited	-	-	70460.00	0.00
3	<b><u>Sale of Goods</u></b>				
	Alchemist Hospitals Limited	-	-	1.63	0.31
	Alchemist F&B Limited	-	-	19.27	15.50
4	<b><u>Purchase of Investments</u></b>				
	Optimum Constructions and Developers Private Limited	-	-	0.00	1.99
	Platinum Ventures Limited	-	-	0.00	0.25
5	<b><u>Services Received</u></b>				
	Black Cats Protections Private Limited			27.96	46.03
	Alchemist Realty Limited	-	-	19.76	59.23
	Alchemist Media Limited			10.10	16.49
	Alchemist Hospitals Limited			0.88	0.00
6	<b><u>Rent Received</u></b>				
	Alchemist Airways Private Limited	-	-	0.00	0.24
	A1 News Network Private Limited			0.46	4.55
	Black Cats Protections Private Limited			0.05	0.00
7	<b><u>Dividend Paid</u></b>				
	KDS Corporation Private Limited	-	-	45.89	47.68
	Optimum Constructions and Developers Private Limited			0.89	1.19

**Notes forming part of the consolidated financial statement for the year ended March 31, 2014 contd.**
**Detail of related party balances outstanding at year end:**
**(₹ In Lacs)**

Sr. No	Balance Outstanding	Subsidiary		Associates/ Joint Venturer	
		31-03-14	31-03-13	31-03-14	31-03-13
1	<b>Inter Corporate Loan- Received</b> KDS Corporation Private Limited Technology Parks Limited	- -	- -	4971.17 70460.00	26737.68 0.00
2	<b>Investments</b> Alchemist Medisphere Limited Dooteriah & Kalej Valley Tea Estate Private Limited	- -	- -	2.25 181.80	2.25 181.80
3	<b>Trade Receivables</b> Alchemist Hospitals Limited Alchemist F&B Limited	- -	- -	0.36 13.46	0.26 8.02
4	<b>Trade Payable</b> Anant Media Private Limited Alchemist Hospitals Ltd	- -	- -	1.10 0.88	0.00 0.55
5	<b>Advance to Suppliers</b> Black Cats Protections Private Limited	-	-	13.47	1.66
6	<b>Amount Recoverable</b> Alchemist Realty Limited	-	-	426.85	0.00
7	<b>Advance from Joint Venturer</b> Alchemist Township India Limited	-	-	1229.49	0.00

**35. 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 in India, hence, no distinction on the basis of geographical segment have been made.

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. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets/liabilities pertaining to two or more segment is 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 consolidated financial statement for the year ended March 31, 2014 contd.**

 e) Primary Segment information (Business Segments) for the year ended 31<sup>st</sup> March, 2014. (₹ In Lacs)

Sr. No.	Particulars	Agri Business	Pharma & Chemicals	Unallocated	Total
a)	<b>Segment Revenue :</b>				
	Revenue from Sales	9421.91	141353.37	-	150775.28
	<b>Total Revenue</b>	<b>9421.91</b>	<b>141353.37</b>	-	<b>150775.28</b>
b)	<b>Segment Results :</b>				
	Operating Profit(Loss)	427.69	927.93		1355.62
	Add :- Unallocated Incomes			2182.39	2182.39
	<b>Profit Before Tax</b>	<b>427.69</b>	<b>927.93</b>	<b>2182.39</b>	<b>3538.01</b>
	Provision for Taxes			1526.25	1526.25
	Previous year Taxes			12.97	12.97
	Exceptional Item	756.20			756.20
<b>Profit After Tax</b>	<b>(328.51)</b>	<b>927.93</b>	<b>643.17</b>	<b>1242.59</b>	
c)	<b>Other Information :</b>				
	Segment Assets				
	Investments	-	-	206.29	206.29
	Other Segment Assets	8021.20	59831.45	-	67852.65
		<b>8021.20</b>	<b>59831.45</b>	<b>206.29</b>	<b>68058.94</b>
	<b>Segment Liabilities</b>				
	Share Capital				
	Other Segment Liabilities	22275.88	92191.83	-	114467.71
		<b>22275.88</b>	<b>92191.83</b>	<b>1400.98</b>	<b>115868.69</b>
	<b>Fixed Assets</b> (Incl. Capital Work in Progress)	44626.78	3182.97	-	47809.75
<b>Depreciation</b>					
Non Cash Exp. Other than Deprecation	66.32	2.76	83.89	152.97	

36. 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.

37. **Employees benefits:**

**Defined Contribution plans:**

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

Particulars	Year 31.03.2014	Year 31.03.2013
Company's Contribution to Provident Fund	231.27	212.02
Company's Contribution to Employee State Insurance	55.57	54.23

**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

## ALCHEMIST LIMITED

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

Phone No. 011-40600800, Fax No. 011-40600888

CIN : L72200DL1988PLC192643

Email Id: investors@alchemist.co.in, website : www.alchemist.co.in

### ATTENDANCE SLIP

Annual General Meeting

Regd. Folio No. \_\_\_\_\_

DP ID No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

I hereby record my presence at 25<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September 2014, at 10.00 A.M. at The Legend Inn, E-4, East of Kailash, New Delhi.

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 -----

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### PROXY FORM

Regd. Folio No. \_\_\_\_\_

DP ID No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

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, 26<sup>th</sup> September 2014, at 10.00 A.M. at The Legend Inn, East of Kailash, New Delhi, and at any adjournments thereof.

Signature this \_\_\_\_\_ day of \_\_\_\_\_ 2014

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.
3. Those who hold shares in demat form must quote their Client I.D. No. and Depository Participant (DP) ID No.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting Rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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