



ALCHEMIST LIMITED
Twenty Second Annual Report 2010-2011

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Alchemist Limited

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Corporate information

Board of Directors	Mr. Kanwar Deep Singh, Chairman & Managing Director Mr. R.P. Chhabra, Director Mr. Asoke K. Chatterjee, Director Mr. V.K. Bhardwaj, Additional Director
Auditors	N. Kumar Chhabra & Co. Chartered Accountants, Chandigarh.
Bankers	Punjab National Bank UCO Bank Bank of India State Bank of India HDFC Bank Ltd.
Registered & Head office	23, Nehru Place, New Delhi - 110 019
Chandigarh office	SCO 12-13, Sector 9-D, Madhya Marg, Chandigarh-160 009 Phone : 0172-4680000 Fax : 2740099 E-mail : info@alchemist.co.in
Works	Vill. : Dappar, Ambala Chandigarh Highway, Distt. Mohali, Punjab (India)-140 506 Phone : ++91-1762-248666-248668 Vill. : Chanalon, Near Kurali, Distt. Ropar, Punjab (India), Phone : +91-0160-5003184-85 Vill. : Kanogata, Rajgarh, Distt. Sirmour (H.P.) SCO 149-50, Sector 9-C, Madhya Marg, Chandigarh Electronic Complex, Chambaghat, Solan, Himachal Pradesh

Notice

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of the Company will be held on Friday, the 30th day of September, 2011 at 9.30 A.M. at Registered Office of the Company at 23, Nehru Place, New Delhi to transact the following business :-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011, the Profit & Loss Account for the year ended on that date together with the Report of the Auditors and Directors thereon.
2. To declare dividend on equity shares of the Company.
3. To appoint a Director in place of Mr. R.P. Chhabra, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 23rd Annual General Meeting.

AS SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :

RESOLVED THAT Mr. Virender Kumar Bhardwaj, who was appointed as an Additional Director by the Board with effect from 13th October, 2010 and who holds office up to the date of the forthcoming Annual General Meeting in terms of Section 260 of the Companies Act, 1956 read with Article No. 137 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation."

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

Date : 1st September, 2011
Place : New Delhi

HARISH SHARMA
COMPANY SECRETARY

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. (A blank proxy form is enclosed herewith)**
2.
 - a) Members/proxies should bring copies of the Annual Report to the meeting, since copies of the Annual Report will not be distributed at the Meeting.
 - b) Members should bring the enclosed attendance slip duly filled in, for attending the meeting.
 - c) Members who hold shares in dematerialized form, should write their client ID and DP ID numbers and those who hold shares in physical form, should write their folio number in the attendance slip.
 - d) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of their names will be entitled to vote.
 - e) Corporate Members intending to send their authorized representative to attend the meeting are requested to send duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from Monday, the 26th September, 2011 to Friday, the 30th September, 2011 (both days inclusive).
4. The dividend, if declared at the Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members as on 26th September, 2011. In case of equity shares held in electronic form, the dividend thereon, upon its declaration shall be paid to the beneficial owners as per details furnished by the depositories for this purpose.
5. As per the listing agreement, it is hereby declared that Company's shares are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited and Annual Listing Fee for the year 2011-12 has been paid to the concerned stock exchange(s).
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the company has transferred the unpaid or unclaimed dividends for the financial year 2002-2003 to the Investor Education and Protection Fund established by the Central Government.
7. Members having any queries, on the accounts of the Company are requested to intimate the Company at least 10 days in advance of the date of the meeting, to enable the company to keep the required information ready.
8. Members holding share in demat form, should send/update their email Id with their depository participant and those who hold shares in physical form should send their email Id to the Registrar directly to enable us to send the Annual Report in electronic mode, in future.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**In respect of item no. 5**

In order to broad base the Board of Directors of the Company, your Board of Directors had appointed Mr. Virender Kumar Bharadwaj as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article No. 137 of the Article of Association of the Company with effect from 13th October, 2010 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 fee from member of the company under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Virender Kumar Bharadwaj as Director of the Company.

Mr. V.K. Bhardwaj, aged 62 years is a Civil Engineer and Fellow of the Institute of Engineers, Institute of Valuers and Institute of Arbitrators.

Mr. Bhardwaj has retired as Chief Engineer with the Union Territory of Chandigarh Administration and has handled various prestigious projects. He has been awarded Commendation Certificates by the Chandigarh Administration for the meritorious services rendered by him.

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. 5 of the notice for approval of the members.

Mr. Virender Kumar Bharadwaj is considered interested or concerned in the proposed resolution as set out in the notice.

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

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

Date : 1st September, 2011
Place : New Delhi

HARISH SHARMA
COMPANY SECRETARY

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANCE TO CLAUSE NO. 49 OF THE LISTING AGREEMENT

Mr. R.P. CHHABRA

Mr. R.P. Chhabra is the the Director liable to retire by rotation and being eligible offer himself for reappointment at this Annual General Meeting.

Mr. R.P. Chhabra, aged 72 years is a Law Graduate, Masters in English and C.A.L.L.B, He is a retired banker, who served the Punjab National Bank for about 30 years at various senior positions, the last one being that of General Manager. He is having rich experience in finance and administration. He is widely traveled person.

He is director on the board of following Public Limited Companies namely Alchemist Realty Limited, Alchemist Foods Limited, Alchemist Medisphere Limited, Platinum Ventures Limited, Optimum constructors and Developers Limited, Alchemist Life Sciences Limited, Alchemist Media Limited, Alchemist Developers Limited & Alchemist Enterprise (S) Pte Ltd.

He is Chairman of Audit Committee, Shareholders Grievance Committee of Alchemist Limited and Alchemist Realty Limited.

Mr. V.K. BHARDWAJ

Mr. V.K. Bhardwaj, aged 62 years is a Civil Engineer and Fellow of the Institute of Engineers, Institute of Valuers and Institute of Arbitrators.

Mr. Bhardwaj has retired as Chief Engineer with the Union Territory of Chandigarh Administration and has handled various prestigious projects. He has been awarded Commendation Certificates by the Chandigarh Administration for the meritorious services rendered by him.

He is on the Board of Directors of Alchemist Realty Limited and is not a member of any committee.

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

HARISH SHARMA
COMPANY SECRETARY

Date : 1st September, 2011
Place : New Delhi

Directors' report

To the Members ,
Alchemist Limited,

Your Directors have pleasure in presenting the 22nd Annual Report together with Audited Accounts of your Company for the financial year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

	(Rs. In lacs)	
	2010-2011	2009-2010
Sales & Other Income	41105	39865
Operating Profit (PBITD)	1732	3463
Finance Charges	247	679
Profit before Depreciation & Tax (PBDT)	1485	2784
Depreciation	294	835
Profit before Tax (PBT)	1191	1949
Taxation	309	442
Add : Prior period items/Provisions written back	(73)	68
Net Profit	809	1575
Appropriations		
Proposed Dividend	245	245
Tax on Dividend	—	41
Transferred to General Reserves	60	157
Transferred to Profit & loss A/c	504	1132

During the year ended 31st March, 2011, your Company has achieved turnover of Rs. 41105 lacs as against Rs.39865 lacs achieved in the previous year. The Company has earned net profit of Rs. 809 lacs during the year against Rs.1575 lacs during the previous year.

DIVIDEND

Your Directors recommend a dividend of 20% i.e. Rs. 2 per equity share of Rs. 10/- each for the year 2010-2011 subject to approval of shareholders at the ensuing Annual General Meeting.

FIXED DEPOSITS

During the year under review, your company has accepted deposits within the limits prescribed under the Companies Act, 1956. As on 31st March, 2011, Your Company had fixed deposits of Rs. 1452.53 There were no outstanding deposits as on 31st March, 2011 except deposits which were not claimed by the depositors on maturity.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company have entered into a Scheme of Arrangement pursuant to the provisions of section 391-394 of the Companies Act, 1956, with Alchemist Foods Limited, a wholly owned subsidiary Company for hiving off the Food Division with Alchemist Foods Limited. The above Scheme of Arrangement has

been approved by the Board of Directors of respective Companies. Thereafter, on the directions of Hon'ble High Court at Delhi, a meeting(s) of Equity & Preference Shareholders, Secured & Unsecured Creditors and Fixed Deposit Holders were held under the Chairmanship of Court appointed Chairman, which have duly approved the scheme of arrangement. Thereafter, in the second motion petition filed before the Hon'ble High Court at Delhi, the Scheme of arrangement has been duly approved by its order dated 1st November, 2010 as a result, Food Division of the Company has been hived off with Alchemist Foods Limited.

The copy of the order of Hon'ble High Court of Delhi has been filed with the Office of Registrar of Companies, New Delhi on 29th November, 2010 and the same has been registered.

SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENT

As on 31st March, 2011, the Company has two wholly owned subsidiary Companies namely Alchemist Foods Limited and Alchemist Enterprise (S) Pte Ltd.

A statement pursuant to Section 212 of the Companies Act, 1956 relating to the 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 form part of the Annual Accounts.

In accordance with General Circular No. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Accounts and other documents of subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts 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.

DIRECTORS

Mr. R.P. Chhabra, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible expressed his willingness to be reappointed as Director at the Annual General Meeting. Your Board also recommend his reappointment to the Annual General Meeting.

Mr. V.K. Bhardwaj, was appointed as an Additional Director on the Board of the Company effective from 13th October, 2010 and he hold office of Director up to the date of ensuing Annual General Meeting. The Company has received notice from member under section 257 of the Companies Act, 1956, expressing his intention of proposing his appointment as Director of the Company.

Mr. Ravinder Singh, Director has resigned from the directorship of the Company effective from 8th January, 2011 due to personal reasons. The Board records its appreciation for the valuable services made by him during his tenure with the Company.

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

AUDITORS AND AUDITORS' REPORT

M/s N. Kumar Chhabra & Co., Chartered Accountants, Statutory Auditors retires at the conclusion of 22nd Annual General Meeting and being eligible have offered themselves for reappointment to hold office from the conclusion of the 22nd Annual General Meeting until the conclusion of the next Annual General Meeting.

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

The Audit Committee of the Board of Directors and the Board recommend their reappointment by members.

The Statutory Auditors of the Company have submitted auditors report on the accounts of the Company for the accounting year ended 31st March, 2011 which is self-explanatory and needs no comments.

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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 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, 2011 on a going concern basis.

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 the report.

CORPORATE GOVERNANCE

As per clause No. 49 of the Listing Agreement with the Stock Exchange(s), a separate section on Corporate Governance is annexed and forms part of the Directors report.

PARTICULARS OF EMPLOYEES

A Statement giving necessary information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 2002 as amended to date and forming part of the Director's Report for the year ended 31st March, 2011, is given as an Annexure to this Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

During the year 2010-2011, being a period of global recession, Indian economy grew at 8.6%, next only to China. It is certainly a remarkable achievement. With the world economy coming out of recession, the Indian economy has successfully re-positioned itself on a faster growth.

Alchemist Limited is operating mainly in the food processing and pharma business.

The Food Division of the Company has been hived off with Alchemist Foods Limited, a wholly owned subsidiary company as per scheme of Arrangement under Section 391-394 of the Companies Act, 1956, which has been duly approved by Hon'ble High Court(s) of Delhi and Punjab and Haryana at Chandigarh. The copy of the order of Hon'ble High Court of Delhi has been filed with the office of Registrar of Companies, New Delhi on 29th November, 2010 and the same has been registered.