

**30<sup>TH</sup>**  
**ANNUAL REPORT**  
**2018-2019**



**ALCHEMIST LIMITED**

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## CONSOLIDATED FINANCIAL STATEMENTS

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**CORPORATE INFORMATION**

|   |  |  |
|---|--|--|
| <b>Board of Directors</b>                         | Mr. Bikram Bhattacharya<br>Mr. Charandeep Singh Jolly<br>Prof. Maria Fernandes<br>Ms. Ambika Chowdhary   | Whole Time Director<br>Director (Non- Executive)<br>Director (Independent Director)<br>Director (Independent Director) |
| <b>Chief Financial Officer</b>                    | Mr. Anop Singh Negi  |  |
| <b>Company Secretary &amp; Compliance Officer</b> | Mr. Sunil Jain   |  |
| <b>Statutory Auditors</b>                         | M/s.Anu and Associates<br>Chartered Accountants, Chandigarh  |  |
| <b>Bankers</b>                                    | Punjab National Bank<br>Bank of India<br>HDFC Bank   |  |
| <b>Registrar &amp; Share Transfer Agents</b>      | Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083<br>Noble Heights, 1 <sup>st</sup> floor, Plot No NH-2, C-1 Block,<br>LSC, Near Savitri Market, Janakpuri, New Delhi - 110058           |  |
| <b>Registered &amp; Head Office</b>               | 23, Nehru Place, New Delhi- 110019<br>Phone: 011-40600800 Fax: 011-40600888<br>E-mail: <a href="mailto:investors@alchemist.co.in">investors@alchemist.co.in</a> ,<br>Website: <a href="http://www.alchemist.co.in">www.alchemist.co.in</a> |  |
| <b>Chandigarh Office</b>                          | Plot No. F-5, Rajiv Gandhi I T Park, Chandigarh - 160101<br>Phone: 0172-4266666, Fax: 0172-4266602   |  |
| <b>Works Pharma Unit</b>                          | Electronic Complex, Chambaghat, Solan, Himachal Pradesh<br>Phone: 0179-2230500-2230800   |  |
| <b>Steel Unit</b>                                 | C-29, Village Chanalon, Near Kurali, District: Mohali, Punjab<br>Phone: 0160-2641170   |  |
| <b>Floriculture Unit</b>                          | Dappar, Ambala Chandigarh Highway, District Mohali, Punjab<br>Phone: 0176-2248666-2248668,<br>Village Kanogata, Rajgarh, District Sirmour (Himachal Pradesh)   |  |

**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present the 30<sup>th</sup> 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 31<sup>st</sup> March, 2019. The financial highlights for the year under review are given below:

**1) FINANCIAL HIGHLIGHTS**

Financial Results are presented in the table below:

(₹ In Lakhs)

| Particulars  | Consolidated     |                  | Standalone       |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2018-19          | 2017-18          | 2018-19          | 2017-18          |
| <b>Revenue from Operations including other Income</b>      | 2765.78          | 2843.40          | 2765.78          | 2843.40          |
| <b>Less Expenses:</b>                                      |                  |                  |                  |                  |
| Cost of Material Consumed                                  | 847.60           | 509.42           | 847.60           | 509.42           |
| Purchase of Stock in Trade                                 | 1109.44          | 945.09           | 1109.44          | 945.09           |
| Change in Inventories                                      | 24.24            | 449.65           | 24.24            | 449.65           |
| Employees Benefit Expenses                                 | 738.35           | 955.74           | 738.35           | 955.74           |
| Finance Cost   | 136.91           | 171.53           | 136.91           | 171.53           |
| Depreciation & Amortization Expenses                       | 690.01           | 776.21           | 690.01           | 776.21           |
| Other Expenses   | 5279.29          | 746.74           | 5279.20          | 745.43           |
| <b>Total Expenses</b>                                      | <b>8825.84</b>   | <b>4554.37</b>   | <b>8825.75</b>   | <b>4553.07</b>   |
| <b>Profit/ (Loss) Before Exceptional Items &amp; Taxes</b> | <b>(6060.06)</b> | <b>(1710.98)</b> | <b>(6059.97)</b> | <b>(1709.67)</b> |
| Exceptional Items  | 0.00             | (71.31)          | 0.00             | (71.14)          |
| Share in loss of Associates                                | 0.50             | NA               | NA               | NA               |
| <b>Profit Before Tax</b>                                   | <b>(6060.55)</b> | <b>(1639.67)</b> | <b>(6059.97)</b> | <b>(1638.53)</b> |
| Tax Expenses   | (1096.21)        | 42.07            | (1096.21)        | 42.07            |
| <b>Profit/(Loss) after Tax</b>                             | <b>(4964.34)</b> | <b>(1681.73)</b> | <b>(4963.76)</b> | <b>(1680.60)</b> |
| Profit/(Loss) transferred to Minority                      | 0.04             | (0.20)           | NA               | NA               |
| <b>Net Profit/(Loss) for the year</b>                      | <b>(4964.30)</b> | <b>(1681.53)</b> | <b>(4963.76)</b> | <b>(1680.60)</b> |
| <b>other Comprehensive income</b>                          |                  |                  |                  |                  |
| Item that will not be reclassified to profit or loss       | (14.84)          | 49.14            | (14.84)          | 49.14            |
| Income tax relating to these items                         | 3.86             | (12.78)          | 3.86             | (12.78)          |
| <b>Total other Comprehensive income</b>                    | <b>(10.98)</b>   | <b>36.37</b>     | <b>(10.98)</b>   | <b>36.37</b>     |
| <b>Total Comprehensive income for the year</b>             | <b>(4975.33)</b> | <b>(1645.37)</b> | <b>(4974.74)</b> | <b>(1644.23)</b> |
| Paid-up Equity Share Capital (Face Value Rs. 10/- each)    | 1355.98          | 1355.98          | 1355.98          | 1355.98          |
| Earnings per Share (of Rs. 10/- each)                      |                  |                  |                  |                  |
| Basic  | (36.61)          | (12.40)          | (36.61)          | (12.39)          |
| Diluted  | (36.61)          | (12.40)          | (36.61)          | (12.39)          |

**2) OPERATIONS**

The volatility and uncertainty in the economy continued during the year. The net revenue of the Company was ₹ 2765.78 Lakhs as compared to ₹ 2843.40 Lakhs during the previous year.

The Operating Loss i.e. Loss before Interest, Depreciation & Tax during the year was ₹ 5233.05 Lakhs as compared to ₹ 761.93 Lakhs during the previous year.

The net Loss after tax was ₹ 4963.76 Lakhs during the year as compared to ₹ 1680.60 Lakhs during the previous year.

**3) PERFORMANCE REVIEW**

The company's main business segments are Agri Business comprising largely floriculture Steel and Chemicals pharma division comprising the manufacturing and trading. The company's subsidiary are in the business of Pharma however, it has not started its operations right now.

**PHARMA DIVISION**

Alchemist Pharma division has around 400 SKU's and promoted through a very strong committed field force. Pharma

division enjoys tremendous respect with the medical fraternity and covering a universe of around 2,000 Doctors and 30,000 retailers across the country. Alchemist's Molecules have been acknowledged with tremendous response at the market place. A detailed write up on the pharma divisions is contained in the section on Management Discussion and Analysis elsewhere in this report.

#### **AGRI DIVISION**

The company continued to mark its presence in business of Global Agri Trade.

#### **STEEL DIVISION**

Steel business segment is consistently making achievement and the production efforts are now supplemented by trading activity as well.

#### **4) SHARE CAPITAL**

The paid up Equity Share Capital was ₹ 1355.98 Lakhs and paid up Preference Share capital was ₹ 31.38 Lakhs as on March 31, 2019.

#### **5) CHANGE IN NATURE OF BUSINESS, IF ANY**

There is no change in the nature of business of the Company during the year.

#### **6) DIVIDEND**

Considering the continued weak operating environment in the standalone business and in view of the losses for the year, no dividend is permitted to be paid to the Members for Financial Year 2018-19, as per the Companies (Declaration and Payment of Dividend) Rules, 2014.

#### **7) DEPOSITS**

The Company has not accepted any deposits from the public during the year under review.

#### **8) DEPOSITORY SYSTEM**

There are 649938 (4.79%) shares still in physical form and 12909862 (95.21%) are in dematerialized form of the Company's total paid-up equity capital representing 1,35,59,800 shares as on March 31, 2019.

In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories.

With effect from 01<sup>st</sup> April, 2019, the request for transfer of Equity shares of the company shall not be processed unless the securities are held in dematerialised form with a Depository as per the amended regulation 40 of SEBI (LODR) Regulations, 2015.

#### **9) LISTING FEES AND ANNUAL CUSTODIAN CHARGES**

The Shares of your Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange India Limited (NSE). The Listing fee and the annual custodian charges for the financial year 2019-20, has been paid to the Stock Exchanges and CDSL respectively. Further since the company has not received the bill from NSDL in respect of custodian Charges, hence it is yet to be paid. The same will be paid as and when the company will receive the same.

#### **10) TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year the Company has transferred the unpaid or unclaimed dividends for the financial year 2010-2011 amounting to ₹ 8,77,074/- to Investor Education & Protection Fund (IEPF). This amount was due & payable and remained unclaimed and unpaid for a period of seven years as per relevant provisions of Companies Act, 2013 and rules made thereunder.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company.

The amount of dividend for the subsequent year i.e for the financial year ended 31<sup>st</sup> March, 2012 remaining unclaimed for a period of seven years from the date of transfer to Unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims.

#### **11) SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENTS**

As on 31<sup>st</sup> March, 2019, the company has one subsidiary company namely Alchemist Healthcare Limited and one Associate i.e., Alchemist Medisphere Limited. Financial statements of the above mentioned subsidiary and associate company are consolidated as per the requirements of the Companies Act, 2013 accounting standards and accounting policies applicable to the company.

Two Subsidiary companies viz. Alchemist Infrastructures Private Limited and Alchemist Hospitality Group Limited has filed form STK-2 for Strike off and are not required to prepare financial statements.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the Directors Report in **Form AOC-1 (attached as Annexure-I)**. The Company will make available the said financial statements and related detailed information of the subsidiary company upon the request by any member of the Company or its subsidiary company. These financial statements will also be kept open for inspection by any Member at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial statements of its subsidiary and associate companies.

**Alchemist Limited's wholly owned foreign subsidiary "Alchemist Enterprise (S) PTE Ltd." has now been wound up therefore the financials of the same has not been consolidated.**

The financial statements of one Associate i.e., ROC Foods Limited (formerly known as Alchemist Foods Limited) is still under compilation process till the date of balance sheet. Accordingly, the same is not forming part of the consolidated financial statements.

## **12) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Particulars of loans/ guarantee given and investments made are given in the financial statements.

## **13) RELATED PARTY TRANSACTION**

All the related party transactions are entered on arm's length basis and are in compliance with applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

All related party transactions are presented to the Audit Committee and the Board. Approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee periodically, specifying the nature, value and terms and conditions of the transactions.

Related Party Transaction Policy as approved by the Board is uploaded on Company's Website at the web link i.e., <http://www.alchemist.co.in/investors.html>.

The details of the transactions with the Related Parties are provided in the accompanying Financial Statements. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## **14) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

All possible measures have been undertaken successfully by your Company to achieve the desired objective of energy conservation and technology absorption. Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 is annexed as **Annexure-II**.

## **15) CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year under review the Company does not fall under the criteria prescribed under Section 135 (1) of the Companies Act, 2013 and other relevant rules framed thereunder, hence the company is not required to constitute Corporate Social Responsibility Committee (CSR Committee).

## **16) MEETINGS**

During the year **6 (Six) Board Meetings,**

**4 (Four) Audit Committee Meetings,**

**4 (Four) Stakeholders Relationship Committee Meeting and**

**3 (Three) Nomination Remuneration Committee Meetings**

were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

## **17) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED/RETIRED DURING THE YEAR**

### **DIRECTORS**

- Mr. Vinay Kumar Mittal has resigned from the directorship of the Company w.e.f. 21<sup>st</sup> March, 2019.
- The Board has appointed Mr. Charandeep Singh Jolly (DIN: 05151343), as an Additional Director who will hold office till the 30<sup>th</sup> AGM and being eligible offered himself for re-appointment.

### **KEY MANAGERIAL PERSONNEL**

- The Board has appointed Mr. Sunil Jain as Company Secretary & Compliance Officer of the Company with effect from 15<sup>th</sup> March, 2019, in place of Mr. Hemant Kumar Mangal, who has resigned with effect from 15<sup>th</sup> March, 2019.

- The Board has appointed Mr. Anop Singh Negi as a Chief Financial Officer (CFO) of the Company with effect from August 11, 2019 in place of Mr. Dinesh Kumar, who has resigned with effect from 02<sup>nd</sup> July, 2019.

**18) COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION**

The Company has in place a Nomination & Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015. The details relating to the same are given in Report on Corporate Governance forming part of this Report.

The Committee has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and Senior Management, board diversity, composition and the criteria for determining qualifications, positive attributes and independence of a Director.

**19) DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and relevant regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. All independent directors shall hold office for a term up to five consecutive years on the Board of a Company and shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The details of program for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at <http://www.alchemist.co.in/investors.html>. All the independent directors of the Company are made aware of their role, responsibilities & liabilities at the time of their appointment /re-appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

**20) SEPARATE MEETING OF INDEPENDENT DIRECTORS**

In terms of requirements under Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on March 15, 2019.

The Independent Directors at the meeting, inter alia, reviewed the following:-

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**21) MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES**

Details of Managerial remuneration required pursuant to Section 134 (3) (q) and section 197(12) and Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-III**.

**22) PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of Unpublished Price Sensitive Information (UPPSI) in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

**23) BOARD EVALUATION**

An annual performance evaluation of the performances of the individual directors Board its Committees (Viz. Audit, Stakeholders Relationship and Nomination & Remuneration) was undertaken during the year under review on the basis of criteria such as the composition, structure, functioning, effectiveness of the board, the Committees meetings, the contribution and preparedness of individual directors to the board and committees etc after seeking inputs from all the directors. In a separate meeting of independent directors the performance of Non independent directors, the chairman and the Board as a whole was evaluated.

**24) VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent

manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a Vigil Mechanism Policy/ Whistle Blower policy.

## **25) BUSINESS RISK MANAGEMENT**

No such Exercise have taken place during the year under review.

## **26) INTERNAL CONTROL SYSTEM**

Details of internal control system and its adequacy are included in the Management Discussion and Analysis Report, which forms part of this Report.

## **27) OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2018-2019, no complaints were received by the Company related to sexual harassment.

## **28) STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and relevant rules framed thereunder, M/s. Annu & Associates, chartered Accountants (firm Registration No.019624N) were appointed as Statutory Auditors of the Company for a term of five consecutive years, at 28<sup>th</sup> Annual General Meeting held in the year 2017 subject to Annual ratification by members at every Annual General Meeting, on such remuneration as may be recommended by the Audit Committee of the Board and decided by the Board of Directors of the Company. However, the requirement of ratification of appointment of Auditors has been relinquished by the Ministry of Corporate Affairs.

### **EXPLANATION TO AUDITOR'S REMARKS**

The Board has taken note of the Observations made by the Auditors in their Report.

Reply to Auditors qualifications/observations-

- **Regarding outstanding export receivable-** The Company extends credit from time to time as per market practices. In respect of export receivables' amounting to ₹ 46,442.79 Lakhs, credit was extended for export sales in the normal course of the business, however it apparently got stuck. Though the Company is regularly following up on the same, has initiated legal recourse and is hopeful of getting a favourable judgement from court, still considering the principal of conservatism, the Company had made a provision for expected credit loss allowance @ 10% of the outstanding export receivables amounting to ₹ 4,644.28 Lakhs and has not recognized unrealised foreign exchange gain/loss on such export receivable and related trade payable during the financial year 2018-19.

Hence forth, the Company shall not be accounting for the unrealised foreign exchange gain/loss on such export receivable and related trade payables and the same will only be accounted for on actual realisation/payment.

- **Regarding Working Capital Limits-** The working capital limits of ₹ 350.00 Lakhs availed from Bank of India for the working capital requirements of the pharmaceutical division has been classified as Non-Performing Asset (herein referred to as 'NPA') on 30<sup>th</sup> November, 2018. The outstanding as on the date of classification by the bank as NPA was ₹ 363.88 Lakhs. The company has not recognised interest liability on such loan from the day it has become NPA.

The company has not recognised interest liability on such loan from the day it has become NPA, in line with the practice followed by the respective bank.

The Bank of India has filed a case through its Authorised officer and the company has given a reply by raising an objection to declare the matter null & void.

- **Regarding Capital Advances-** Capital advances of ₹ 769.70 lakhs is considered as good and recoverable and also states that out of the same, the Company is pursuing legal action in Honorable Kolkata High Court against Medisphere Marketing Limited for recovery of the amount of ₹ 459.80 Lakhs outstanding in its books. A new suit have been assigned & our legal representative is taking steps to get the matter posted for hearing at an early date.

- **Regarding consolidation of the financial statement of the Subsidiary & Associate Companies-** Two Subsidiary companies' viz. Alchemist Infrastructures Private Limited and Alchemist Hospitality Group Limited has filed form STK-2 for Strike off and are not required to prepare financial statements. The financial statements of one Associate i.e., ROC Foods Limited (formerly known as Alchemist Foods Limited) is still under compilation process till the date of balance sheet as informed by company's statutory auditors. Alchemist Limited's wholly owned foreign subsidiary "Alchemist Enterprise (S) PTE Ltd." has now been wound up.

Therefore the financials of the above mentioned subsidiary/associate companies have not been consolidated.



**29) COST AUDITORS**

M/s. SDM & Associates, Cost Accountants, Chandigarh, is being appointed as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19.

The Board of Directors at its meeting held on 27<sup>th</sup> May, 2019, has approved the appointment of M/s. SDM & Associates, Cost Accountants as the Cost Auditors of the Company, for conducting audit of cost records for the financial year ending 31<sup>st</sup> March, 2020. A proposal for ratification of remuneration of the Cost Auditors for Financial Year 2019-20 is placed before the shareholders.

**30) SECRETARIAL AUDITORS**

The Board has appointed M/s APR & Associates, Practicing Company Secretaries to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is annexed herewith marked as **Annexure- IV** to this Report.

**31) INTERNAL AUDITORS**

The Company has appointed Mr. Amardeep Singh, as internal auditor to undertake the audit exercise. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. This includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**32) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSURE OF THE YEAR:-**

There are no such material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

**33) DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

During the financial year, no order has been passed by the authorities which impacts the going concern status and company's operations in future except as stated below:-

The income tax department has through its order dated 7th February, 2019 has demanded an amount of ₹ 29,129.34 Lakhs in lieu of the assessment carried out by the income tax departments for the assessments years 2009-10 to 2015-16. The Company has not provided for such liability in its books as it shall appeal such demand raised by the income tax department. Since the order was served on the Company on 3rd May, 2019, the Company has still time to appeal against such order.

**34) HUMAN RESOURCES**

Your Company treats its "Human Resources" as one of its most important assets. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, quality and accountability at functional levels.

**35) INDUSTRIAL RELATIONS**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

**36) 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.

**37) 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. 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 Management of the Company interacts with the employees with regular thoughts and mails.

**38) RESEARCH AND DEVELOPMENT**

The Company has not spent any amount on Research and Development activities during the year under review

**39) EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE-V**.

**40) MANAGEMENT DISCUSSION & ANALYSIS**

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report and marked as **Annexure-VI**.

**41) CORPORATE GOVERNANCE REPORT**

As required by regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report of Corporate Governance as well as Corporate Governance Compliance Certificate is included in the Annual Report and marked as **Annexure-VII**.

**42) DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- the annual accounts have been prepared on a going concern basis; and;
- Internal financial controls followed by the company and those internal financial controls are adequate and were operating effectively.
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**43) ACKNOWLEDGEMENT**

Your Directors hereby express their appreciation for the cooperation and assistance received from stakeholders, banks, valued clients and business associates. Your Directors also wish to place on record their deep sense of appreciation for the diligent support and efforts of the employees at all levels towards the operations and growth of the Company.

**For and on behalf of the Board of Directors  
Alchemist Limited**

**Date : 30-08-2019  
Place : New Delhi**

**Sd/-  
Bikram Bhattacharya  
(Whole-Time Director)  
DIN: 03595530**