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# Annual Report
# 2007-2008

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# Alchemist Realty Limited

**(Formerly Pan Packaging Industries Ltd.)**

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# ALCHEMIST REALTY LIMITED

(Formerly Pan Packaging Industries Ltd.)

**BOARD OF DIRECTORS**

| | | |
|---|---|---|
| MR. KANWAR DEEP SINGH | : | CHAIRMAN CUM MANAGING DIRECTOR |
| MR. R.P. CHHABRA | : | DIRECTOR |
| DR. VIRENDRA D. SINGH | : | DIRECTOR |
| MR. IAN F THOMAS | : | ADDITIONAL DIRECTOR |

of ALCHEMIST REALTY LIMITED
Company Secretary

**COMPANY SECRETARY**

TUSHAR B SHARMA

**CHIEF FINANCIAL OFFICER**

RAVUN MURARI

**AUDITORS**

M/S K. SINGH & ASSOCIATES
CHARTERED ACCOUTANTS
SCO 90, Ist FLOOR,
SECTOR 44-C, CHANDIGARH-160 047

**BANKERS**

HDFC BANK LIMITED

**REGISTERED OFFICE**

62-B, MITTAL TOWERS,
210, NARIMAN POINT
MUMBAI-400021

**DELHI OFFICE**

23, NEHRU PLACE,
NEW DELHI-110019

**CHANDIGARH OFFICE**

S.C.O. NO. 12-13,
SECTOR 9-D, MADHYA MARG,
CHANDIGARH -160 009



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For ALCHEMIST REALTY LIMITED
Company Secretary

# NOTICE

**NOTICE** is hereby given that the ANNUAL GENERAL MEETING of the members of the Company will be held on Friday, 26th September, 2008 at 10:00 A.M. at the Registered Office of the Company situated at 62-B, MITTAL TOWERS, 210, NARIMAN POINT, MUMBAI-400021 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2008 and the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Mr. R.P. Chhabra, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint Auditors of the Company and to fix their remuneration.

**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. Ian F. Thomas, who was appointed as an Additional Director in the meeting of the Board of Directors held on 02-04-2008 and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Ian F. Thomas as candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.

By Order of the Board
For **ALCHEMIST REALTY LIMITED**
**(*FORMERLY* PAN PACKAGING INDUSTRIES LTD.)**

**(TUSHAR B SHARMA)**
**COMPANY SECRETARY**

**Regd. Office:-**
62-B, MITTAL TOWERS,
210, NARIMAN POINT,
MUMBAI-400021
**Dated: 29/08/2008**



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**NOTES**

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business under item no. 5 is annexed hereto.

2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member. The instrument appointing proxy, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting**.

3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 19.09.2008 to Friday, 26.09.2008 (both days inclusive) for the purpose of Annual General Meeting. The dividend upon approval at this meeting will paid to those shareholders whose name appear on the Register of members as on 19th September, 2008. In case of shares held in electronic form, the dividend thereon, upon its declaration shall be paid to the beneficial owners as per detail furnished by the depositories for the purpose.

4. Members are requested to notify immediately any change of address to their depository participants (DPs) in respect of their holdings in electronic form and to the Registrar and Share Transfer Agents of the Company in respect of the physical share folio , if any.

5. A member desirous of seeking any information on the Accounts and operations of the Company is requested to write to the Company his / her query to the company at least 7 working days prior to the meeting, so as to enable the management to keep the information readily available at the meeting.

6. Members/Proxies attending the Meeting are requested to bring their Attendance Slip, duly filed in and also their copies of the Annual Report.

7. Pursuant to Listing Agreement, the Company declares that its equity shares are listed only at Bombay Stock Exchange Limited (BSE) and has paid the Annual Listing Fee for the year 2008-2009.

8. Members who hold shares in dematerialized form are requested to write their client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

9. To facilitate trading in equity shares in dematerialized form, the Company has entered into agreement with National Security Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Members can open account with any of the depository participants registered with NSDL with CDSL. The ISIN Number of the Company allotted by CDSL and NSDL is INE 646D01024

10. All queries relating to Share Transfer and allies matters should be addressed to:

    **SHAREPRO SERVICES (INDIA) PVT. LTD.**
    Unit : Alchemist Realty Ltd.,
    Satam Estate, 3rd Floor
    Above Bank of Baroda
    Cardinal Gracious Road, Chakala
    Andheri (E), Mumbai-400099

11. Additional information, pursuant to clause no. 49 of the Listing Agreement in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is given as Annexure **'A'** to the notice.

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF COMPANIES ACT, 1956

**Item no. 5**

In order to broad base the Board of Directors of the Company, your Board of Directors had appointed Mr. Ian F. Thomas as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 effective from 02. 04. 2008 and he holds office of the Director up to the date of this Annual General Meeting.

The Company has received a notice along with requisite fee from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Ian F. Thomas 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 liable to retire by rotation and accordingly recommends the resolution as set out at item no. 5 of the notice for approval of the members.

Mr. Ian F. Thomas 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.

By Order of the Board
For **ALCHEMIST REALTY LIMITED**
**(*FORMERLY* PAN PACKAGING INDUSTRIES LTD.)**

**(TUSHAR B SHARMA)**
**COMPANY SECRETARY**

**Regd. Office:-**
62-B, MITTAL TOWERS,
210, NARIMAN POINT,
MUMBAI-400021
**Dated: 29/08/2008**

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**ANNEXURE-A**

## INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT CONCERING CORPORATE GOVERNANCE IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

**Mr. R.P. Chhabra,** aged 69 years, is a Law Graduate, Master 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, 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 Limited, Alchemist Foods Limited, Toubro Investment Limited, Toubro Finance Limited, Alchemist Steel Limited, Platinum Ventures Limited, Alchemist Life Sciences Limited and Black Cats Protections Limited. He is Chairman of the Audit Committee, Remuneration Committee and Shareholders Grievances Committee of Alchemist Limited and Alchemist Realty Limited.

**Mr. Ian F. Thomas,** aged 63 years a graduate of York University-MBA (Toronto, Canada) and a Certified Public Accountant, Mr. Thomas is Chairman of Thomas Consultants, a leading consultant firm, in retail Development and Destination Resorts of the World. His work spans all the five continents over the last 35 years. He has handled many prestigious projects namely Dubai Festival City, UAE, Mall of Emirates, Dubai, Whistler Village, Canada, Star City, Birmingham, U.K., Causeway Bay, Hong Kong, Sancturary Cove, Gold Coast, Australia. He has completed over 150 of the worlds largest projects.

Mr. Thomas is on the Board of the following Companies namely Thomas Consultants, INC, T. C. I. Enterprises, INC, Coast Wholesale Appliances Ltd. Namir Pty Ltd and he is not a member of any committee(s) of the Board of Directors.


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For ALCHEMIST REALTY LIMITED
Company Secretary

**DIRECTOR'S REPORT**

**To**

**The Members**

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of the Accounts for the Year ended March 31, 2008.

**(Rs. In Lacs)**

| FINANCIAL RESULTS | 2007-2008 | 2006-2007 |
|---|---|---|
| Net Sales/Income from operations | 7854.27 | 54.00 |
| Other Income | 41.41 | 19.30 |
| Gross Profit (PBDT) | 483.62 | 44.43 |
| Depreciation | 4.47 | 00.14 |
| Provision for Taxation | 162.24 | 15.00 |
| Net Profit (PAT) | 316.91 | 29.29 |
| Add: Balance brought forward from Previous Year | 76.95 | 47.66 |
| Profit available for appropriation | 393.86 | 76.95 |
| Proposed Dividend | 222.30 | Nil |
| Tax on Dividend | 37.78 | Nil |
| Balance Carried to Balance Sheet | — | 76.95 |
| Balance Carried to General reserves | 56.80 | Nil |

**OPERATIONS**

During the year under report, your Company has acquired lands at various locations all over the country and is in the process of launching many projects in Real Estate Development which includes housing projects, cottages, recreation clubs and other infrastructure projects. The Company has also finalized Joint Venture agreements with various foreign Companies for launch of prestigious projects.

During the year under review, Your Company has achieved a turnover of Rs.7854.27 lacs (previous year Rs.54.00 lacs) from the real estate business and earned net profit of Rs.316.91 lacs (Previous year Rs.29.29 lacs)

**DIVIDEND**

Your Directors recommend a dividend of 15% i.e. Rs. 0.30 per equity share of Rs.2/- each for the year 2007-2008 on the capital of Rs.14,82,02000 (Rs.14,08,02000 as on 31/3/08) subject to approval of the shareholders at the Annual General Meeting.

**SHARE CAPITAL**

**Bonus Issue**

During the year under Report, Your Company has issued 7040100 equity shares of the face value of Rs.10/- each as bonus shares to the shareholders in the ratio of 1 : 1 i.e. One bonus share for every one share held by the shareholders as on record date i.e. 7th February, 2008. The above has been approved by the shareholders in their meeting held on 10th January, 2008. The said bonus shares rank pari passu with the existing equity shares in all respects including dividend. The above bonus shares has been listed by the Bombay Stock Exchange vide their circular no. 20080228-2 dated 28th February, 2008.

With the issue of Bonus Shares, the paid up capital of the Company stands increased from Rs.7,04,01,000 to Rs,14,08,02,000. For the above purpose authorized share capital was also increased from Rs.7.50 Crores to Rs.15.00 Crore.

Further, the Company has kept 3,70,000 equity shares of face value of Rs.10/- each to be issued as Bonus Shares in abeyance pending conversion of convertible warrants into equity shares.

**Sub Division of Equity Shares**

The equity shares of your Company with face value of Rs.10/- each have been sub divided into five equity shares of Rs.2/- each as on 5th May, 2008 being the record date as approved in the Extra Ordinary General Meeting of the Company held on 17th April, 2008, Accordingly, the authorized share capital and paid up share capital has been altered accordingly.

**Increase in authorized share capital**

The authorized share capital of the Company has been increased from Rs.15.00 crores to Rs.16.00 crores by the shareholders of the Company in their meeting held on 17th April, 2008.

**Conversion of Warrants into Equity Shares**

Your Company has allotted 18,50,000 euqity shares of Rs.2/- each at a premium of Rs.19.80 per equity shares on 23rd May, 2008 upon conversion of 370000 share warrants of face value of Rs.10/- into equity shares as approved by the shareholders in the Extra Ordinary General Meeting held on 15th January, 2007. With the issue of equity shares, paid up capital of the Company stands increased from Rs.14,08,02,000 to Rs,14,45,02,000. The above equity shares has been listed by the Bombay Stock Exchange vide their circular no. 20080623-18 dated 23.06.2008.



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**Issue of Convertible Warrants**

Your Company has allotted 38,00,000 convertible equity warrants of the face value of Rs. 2/- each at a premium of Rs. 115/- per equity shares to M/s KDS Corporation Private Limited – Promoter Group Company on 4th July, 2008 as per SEBI (DIP) Guidelines for prefernetial Issue. The approval of the shareholders for the same was obtained on 23rd June, 2008. The Bombay Stock Exchange has accorded its in principle approval for the same vide their letter no. DCS/PREF/PGS/PRE/768/08-09 dt. 2nd July 2008.

**Issue of Bonus Shares**

Consequent upon conversion of equity warrants into equity shares by M/s KDS Corporation Limited, the Company has allotted 18,50,000 bonus equity shares of face value of Rs.2/- each earlier kept in abeyance as per shareholders approval dated 10th January, 2008. With the issue of further bonus shares, the paid up capital of the Company stands increased to Rs.14,82,02,000. The Company has applied for listing of these shares and listing approval is awaited.

**SHIFTING OF REGISTERED OFFICE**

The Company has shifted its registered office from 5 & 6, Blue Moon Estate, B/57, New Link Road, Andheri (W), Mumbai 400053 to 62-B, Mittal Towers, 210, Nariman Point, Mumbai-400 021 w.e.f. 5th May 2008.

**FIXED DEPOSITS**

Your Company has not accepted Deposits from the public during the year under report as per the provisions of the Companies Act 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

**DIRECTORS**

Lt. General P.N. Hoon (Retd.) has resigned from the Board with effect from 23rd April, 2008. Your Directors places its appreciation for the valuable services rendered by Lt. General P.N. Hoon (Retd.) during his tenure of Directorship.

Mr. Ian F. Thomas has been appointed as additional director effective from 2nd April 2008 to hold office up to the date of ensuing Annual General meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director.

Mr. R.P. Chhabra, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

Pursuant to the provisions of section 217 (2AA) of the Companies Act 1956, your Directors confirm :-

1. That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. 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, 2008 and of the profit or loss of the Company for the period ended 31st March, 2008.
3. 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 frauds and other irregularities.
4. That the Directors had prepared the Annual Accounts on a going concern basis.

**AUDITORS AND AUDITORS REPORT**

M/s K. Singh & Associates, Chartered Accountants, the Statutory Auditors of the Company hold the office till the conclusion of ensuing Annual General Meeting and being eligible offers themselves for reappointment. Your Directors recommended their reappointment.

The Statutory Auditors of the Company have submitted Auditors Report on the accounts of the Company for the financial year ended 31st March, 2008, which is self explanatory and needs no comments.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

**INDUSTRY STRUCTURE AND DEVELOPMENT**

**Alchemist Realty Limited** is a real estate company, for which land is a key asset. The Company believes in acquiring lower cost land in suburban area and transforming them into modern and utilize land. With this philosophy intact, the Company has continued to develop its land bank. In 2007-08, the Company acquired newer land parcels in various parts of North India.

**Alchemist Realty Limited** is focussed on developing itself as a premium brand that enjoys a strong sense of trust amongst its stakeholders. There has been a constant endeavor to focus on creating a brand that embodies all the Company's strategic goals and corporate values. In the real estate space, the Alchemist Realty Limited stands for :

a) Ability to identify and procure land in strategic locations.


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b) Experience in executing large projects
c) Superior design, construction and development.

**Alchemist Realty Limited** has always been a professional organization with a strong emphasis on individual employees and their personal development. The Company realizes that while land is clearly one of the most important physical assets for a real estate company but to sustain and build on its strong growth record, employees must be the primary focus.

**Opportunities and Threats**

The company is exploring various opportunities in the real estate business and has also finalized Joint Venture agreements with various other players in the Real Estate for launch of prestigious projects. With the continuous trend of shifting population from rural areas to urban areas, increase in the size of population, the demand of both residential and commercial properties is showing an upward trend.

Certain factors like Government Policies, continuous rise in the inflation rate, increase in Bank rate of interest, decline in the prices of land/Properties, increase in the prices of raw material like cement, steel and other construction material, unhealthy competition etc are the cause of concern/threat for the organization. Your Company has taken adequate steps to deal with the situation.

**Segment wise performance**

The Company operates in one segment of real estate with development and construction, hence segment reporting for the year under review was not given.

**Outlook**

The overall outlook of the Real Estate Industry looks positive in view of the increase in GDP in 2007-2008, liberalized economic policies, continued migration of people to urban areas and thus increasing demand for housing has created demand for integrated township projects.

**Internal Control system and their adequacy**

Your Company has provided proper checks and controls for internal systems and are reviewed periodically. Whenever, any deficency is seen in the system, proper remedial steps are taken to correct the same. Being a continuous process, it is reviewed periodically.

The Board has constituted a Committee of Directors named Audit Committee which provides necessary guidance for internal control and checking mechanism. The Committee review the quarterly and annual accounts of the Company before the same are submitted to the Board of Directors for their approval.

**Financial and Operational performance**

During the year under review, Your company has achieved a turnover of Rs.7854.27 lacs (previous year Rs.54.00 lacs from the real estate business and earned net profit of Rs.316.91 lacs (Previous year Rs. 29.29 lacs).

**CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement, a detailed report on Corporate Governance along with a certificate from the Auditors regarding its compliance is annexed and forms part of the Annual Report.

**PARTICULAR OF EMPLOYEES**

A statement giving necessary information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given as an Annexure to this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABOSRPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Though the main activity of the Company is real estate business, which is not power intensive. The Company is making all possible efforts to conserve the energy by adopting best practices. The Company has not imported any technology during the year. The foreign exchange earning during the year is NIL and outgo is Rs.35.22 Lacs under report.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation for the assistance, co-operation and support extended by Central and State Government(s), Banks and Shareholders. The Directors expresses their gratitude for the support and co-operation of employees at all levels.

By Order of the Board
For **ALCHEMIST REALTY LIMITED**
**(*FORMERLY* PAN PACKAGING INDUSTRIES LTD.)**

**(KANWAR DEEP SINGH)**
**CHAIRMAN**

**Regd. Office:-**
62-B, MITTAL TOWERS,
210, NARIMAN POINT,
MUMBAI-400021
**Dated: 29/08/2008**

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## ANNEXURE TO THE DIRECTOR'S REPORT

**Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, forming part of the Director's Report for the year ended 31st March, 2008.**

| Name | Age (Yrs.) | Designation | Gross Remune-ration (in lacs) | Qualification | Exp. (Yrs.) | Date Of Joining | Previous Employment |
|---|---|---|---|---|---|---|---|
| Mr. Ravun Murari* | 47 | Chief Financial Officer | 5.97 | Chartered Accountant | 20 | 07th Jan 2008 | Ascot Hotels & Resorts Ltd. |
| Mr. Krushagra Nagrath* | 34 | Chief Operating Officer | 11.10 | Dip. in Hotel Management, Post Graduate in International Tourism & Hotel Management | 13 | 15th Oct 2007 | Mahima Hospitaity |
| Mr. Pran Khanna* | 46 | CEO | 16.06 | MBA, BBA | 27 | 15th Oct 2007 | Bansal Corporation Ltd. |
| Mr. Tapan Sinha* | 40 | COO | 5.80 | B.A. (Eco.), Dip. in Hotel Management | 40 | 2nd Nov 2007 | Pine Cask Beverages |

* employed for part of the year

By Order of the Board
For **ALCHEMIST REALTY LIMITED**
**(*FORMERLY* PAN PACKAGING INDUSTRIES LTD.)**

**(KANWAR DEEP SINGH)**
**CHAIRMAN**

**Regd. Office:-**
62-B, MITTAL TOWERS,
210, NARIMAN POINT,
MUMBAI-400021
**Dated : 29/08/2008**

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

We, Kanwar Deep Singh, Chief Executive Officer and Ravun Murari, Chief Financial Officer, of Alchemist Realty Limited, do hereby certify, to the best of our knowledge and belief :-

1. That, We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2008 and all its schedules and notes on accounts as well as the Cash Flow Statements and the Directors' Report;
2. that, these statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
3. that these statements together present a true and fair view of the Company affairs and are in compliance with the existing accounting standards and/or applicable laws/regulations.
4. that We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and we have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
5. that we have disclosed to the auditors and as well as the Audit Committee, instances of significant fruad, if any, that involves management or employees having a significant role in company's internal control systems and
6. that we have indicated to the auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and/or of accounting policies during the year.

**Kanwar Deep Singh**
**Managing Director**

**Ravun Murari**
**Chief Financial Officer**

Date : 29/08/2008



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