

# **Annual Report 2008-2009**



**Alchemist Realty Limited**  
(Formerly Pan Packaging Industries Ltd.)

# 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

## CFO & COMPANY SECRETARY

TUSHAR B SHARMA

## AUDITORS

K. SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
SCO 90, 1st 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

CERTIFIED TO BE TRUE COPY

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 Tuesday, 22<sup>nd</sup> September, 2009 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 31<sup>st</sup> March 2009 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 Dr. Virendra Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

Regd. Office:-  
62-B, MITTAL TOWERS,  
210, NARIMAN POINT,  
MUMBAI-400021  
Dated: 24/08/2009

By Order of the Board  
For ALCHEMIST REALTY LIMITED  
(FORMERLY PAN PACKAGING INDUSTRIES LTD.)  
(TUSHAR B SHARMA)  
COMPANY SECRETARY

### NOTES

1. 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. Proxy form, duly completed, stamped and signed, must be received at the registered office of the Company not later than 48 hours before the Commencement of the meeting. A blank form is enclosed.
2. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 18.09.2009 to Tuesday, 22.09.2009 (both days inclusive) for the purpose of Annual General Meeting.
3. The dividend upon approval at this meeting will be paid to those shareholders whose name appear on the Register of members as on 18th September, 2009. 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 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 2009-2010.
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. All queries relating to Share Transfer and allied matters should be addressed to:

SHAREPRO SERVICES (INDIA) PVT. LTD.  
Unit : Alchemist Realty Ltd.,  
13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka,  
Andheri (East), Mumbai-400 072

10. Additional information, pursuant to clause no. 49 of the Listing Agreement in respect of Directors seeking re-appointment at the Annual General Meeting is given as under :

**Dr. Virendra Singh**, aged 57 years, is Ph.d in Economics and has more than 27 years of rich experience in the field of management and administration. He is widely traveled person and has attended large number of conferences.

He is on the Board of Alchemist Media Limited, Alchemist Capital Limited and Alchemist Retail Limited. He is member of Audit Committee, Shareholders Grievance, Transfer Committee and Remuneration Committee.

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(TUSHAR B SHARMA),  
COMPANY SECRETARY

## DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the Year ended March 31, 2009.

	(Rs. In Lacs)	
FINANCIAL RESULTS	2008-2009	2007-2008
Net Sales/Income from operations	10156.09	7854.27
Other Income	7.20	41.41
Gross Profit (PBDT)	188.90	483.09
Depreciation	11.90	4.48
Provision for Taxation	75.22	162.25
Deferred Tax Asset	(1.42)	(0.52)
Net Profit (PAT)	103.20	316.88
Add: Balance brought forward from Previous Year	76.95	76.95
Profit available for appropriation	180.15	393.83
Proposed Dividend	74.10	222.30
Tax on Dividend	12.59	37.78
Balance Carried to General Reserves	—	56.80
Balance Carried to Balance Sheet	93.46	76.95

## OPERATIONS

During the year under review, Your Company has achieved a turnover of Rs.10156.09 Lacs (previous year Rs.7854.27 Lacs) from the real estate business and earned a net profit of Rs.103.20 Lacs (Previous year Rs.316.88 Lacs)

The prospective vision of the Company with the evaluation of the business and operations of the Company are provided in the Report on Management Discussion and Analysis forming part of the Annual Report.

## DIVIDEND

Your Directors recommend a dividend of Re.0.10 per equity share of Rs.2/- each (5%) for the year 2008-2009 on the equity share capital, subject to approval of the shareholders at the Annual General Meeting.

## 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

Mr. Ian F Thomas, Director has resigned from the Board with effect from 13th February 2009. Your Directors place their appreciation for the valuable services rendered by Mr. Ian F Thomas during his tenure of Directorship.

Dr. Virendra D Singh, 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 31<sup>st</sup> March, 2009 and of the profit or loss of the Company for the period ended 31<sup>st</sup> March, 2009.
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 offer themselves for reappointment. Your Directors recommend their reappointment.

The Statutory Auditors of the Company have submitted Auditors Report on the accounts of the Company for the financial year ended 31<sup>st</sup> March, 2009, which is self explanatory and needs no comments.

## MANAGEMENT DISCUSSION AND ANALYSIS:

### Industry Structure and Development

The year under review has been a year with full of challenges for the real estate sector. A global slowdown in the sector was evident but the deterioration was far more rapid and widespread than what was expected. So the Company has recalibrated its strategy and execution plans to align them with the needs of the transformed business environment.

**Alchemist Realty Limited** believes that its low cost land bank, strong design and development capabilities with competent management team will provide it with a competitive advantage. With this philosophy intact the Company has continued to develop its land bank. In 2008-2009, the Company has made a significant addition in its land parcels.

**Alchemist Realty Limited** has extensive land reserves, which are geographically well spread. The Company's Land reserves consist of legally and valid land over which the Company has sole development rights.

**Alchemist Realty Limited** keeps primary focus on its real assets "its employees". The Company believes that it has good working relationship with its employees. The Company's management team has extensive knowledge and understanding of the property market in India. This enables the Company to understand market trends and the preferences of its target clientele.

### Opportunities and Threats

With the continuous trend of urbanization and increase in the size of Population in the Country, the demand of both residential and commercial properties is still having an upward trend.

The company is looking forward in the real estate business and launching the prestigious projects in different geographically areas of the Country. The Company intends to concentrate its future constructions and development activities.

In the present scenario the Company is exposed to different types of risks comprising credit risk, market risk and other RBI policies including liquidity risk, interest rate risk and foreign exchange risk. In addition to these risks operational risks and legal risk also are integral part of this sector. The Company aims to understand, measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonable and practically possible, to the policies and procedures established by it to mitigate these risks.

### Segment wise performance

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

### Outlook

The overall outlook of the Real Estate Industry is going through a challenging phase. A global slowdown in this sector has adversely effected it more rapidly than expected. But increasing demand for housing sector and demand for integrated township projects are the positive signs for this sector.



### **Internal Control system and their adequacy**

Alchemist Realty Limited has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and to ensure that all transactions are duly authorized, recorded and reported correctly and adequately.

The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documents policies, guidelines and procedures. The Board has constituted a Committee of Directors named as Audit Committee which provides necessary guidance for internal control and checking mechanism. The Committee reviews the quarterly and annual accounts of the company before the same are submitted to the Board of Directors for their approval. Being a continuous process, it is reviewed periodically.

### **Financial and Operational performance**

During the year under review, Your company has achieved a turnover of Rs.10156.09 lacs (previous year Rs.7854.27 lacs from the real estate business and earned net profit of Rs.103.20 lacs (Previous year Rs.316.88 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.

### **PARTICULARS 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 ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Your Company is in the real estate business and it does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not given. 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.

There is no foreign exchange earning and expenditure in foreign exchange is Rs.72.54 lacs during the year under report.

### **ACKNOWLEDGEMENT**

The Directors acknowledge with gratitude the co-operation and assistance provided to the Company by its Banks, Government as well as non-Government agencies. Their grateful thanks are due to the shareholders of the Company for continued patronage by them. The Board wishes to place on record its appreciation to the valuable contribution made by the employees at all the levels during the year under report.

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 Dated: 24/08/2009

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

(KANWAR DEEP SINGH)  
 CHAIRMAN

## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, forming part of the Director's Report for the year ended 31<sup>st</sup> March, 2009.

Name	Age (Yrs.)	Designation	Gross Remuneration (in lacs)	Qualification	Exp. (Yrs.)	Date Of Joining	Previous Employment
Mr. Pran Khanna*	46	Chief Executive Officer	31.50	BBA, MBA	18	15 <sup>th</sup> Oct 2007	Bansal Corporation Ltd.
Mr. Rajinder Kumar Kohli*	57	Vice-President-Engineering	12.00	Graduate in Electrical Engineering	25	01st Oct. 2008	Bansal Corporation Ltd.
Mr. Ravun Murari**	47	Chief Financial Officer	25.55	B.Sc., CA	22	07 <sup>th</sup> Jan 2008	Ascot Hotels & Resorts Ltd.

\*employed for part of the year 2008-09

\*\*employed for whole of the year 2008-09

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(KANWAR DEEP SINGH)  
CHAIRMAN

### 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 Tushar Sharma, CFO & Company Secretary, 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 31<sup>st</sup> March, 2009 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 fraud, if any, that involve 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.

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Date : 24/08/2009

**KANWAR DEEP SINGH**  
Managing Director

**Tushar B Sharma**  
CFO & Company Secretary



## REPORT OF CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance having a primary objective to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency with accountability for efficient and ethical conduct of business. The Company is committed to achieve the good standards of Corporate Governance on continuous basis.

### BOARD OF DIRECTORS

The Company's Board of Directors consists of 3 directors, as on 31<sup>st</sup> March, 2009, one of whom is Managing Director and two are independent directors.

The break up of the total composition of the Board of Directors, their category, attendance at Board meeting & last Annual General Meeting and other directorship held is as follows :

Name of Director	Category	Attendance at Board Meeting(s)	Attendance at Last A.G.M.	No. of Directorship in other Companies (excluding Pvt. Companies)	No. of Position held in other Committees	
					Chairman	Member
Mr. Kanwar Deep Singh	Chairman & Managing Director -Promoter	9	Yes	9	-	2
Mr. R. P. Chhabra	Independent Non-executive Director	10	Yes	6	3	-
Dr. Virendra D. Singh	Independent Non-executive Director	10	Yes	3	-	0
Mr. Ian Thomas	Independent Non-Executive Director*	0	No	-	-	-

\* Appointed as Director w.e.f. 02.04.2008 resigned on 12.03.2009

### TOTAL NUMBER OF BOARD MEETING(S) HELD DURING THE YEAR 2008-2009

During the year ended 31<sup>st</sup> March, 2009, 10 Board Meetings were held on the following dates: 17.04.2008, 23.04.2008, 05.05.2008, 23.05.2008, 26.05.2008, 04.07.2008, 31.07.2008, 29.08.2009, 30.10.2008, 29.01.2009.

### CODE OF CONDUCT

The Board has laid down Code of Conduct for all the Board Members and senior management of the Company. All Board Members and senior management personnel have affirmed the compliance with the code on an annual basis. The declaration by Managing Director to that effect forms part of this report.

### AUDIT COMMITTEE

The Audit Committee of the Company as on 31<sup>st</sup> March, 2009 comprised of three members namely Mr. R. P. Chhabra as Chairman, Dr. Varinder D Singh and Mr. Kanwar Deep Singh as its members. Mr. R.P. Chhabra & Dr. Varinder D Singh are Independent Non Executive Directors.

During the year 5 meetings of the Audit Committee were held on following dates : 30.04.2008, 31.07.2008, 29.08.2008, 30.10.2008, 29.01.2009. The attendance of members on the above meetings was as follows : Mr. R. P. Chhabra -5, Dr. Varinder D Singh -5 and Mr. Kanwar Deep Singh -4.

The terms of reference of the Audit Committee are in accordance with the requirements of Clause 49 of Listing Agreement and section 292A of the Companies Act 1956. Mr. R.P. Chhabra, Chairman of the Committee attended the last Annual General Meeting.

### REMUNERATION COMMITTEE

As on 31<sup>st</sup> March, 2009, the Remuneration Committee consists of two members namely Mr. R. P. Chhabra as Chairman and Dr. Varinder D Singh. Both members of the Remuneration Committee are Independent Non-executive Directors.

The Remuneration Policy of the Company is based on the provisions of the Companies Act, 1956 governing managerial remuneration.