

**Annual Report
2010-2011**



Alchemist Realty Limited

ALCHEMIST REALTY LIMITED

BOARD OF DIRECTORS

MR. KANWAR DEEP SINGH	:	CHAIRMAN CUM MANAGING DIRECTOR
MR. R.P. CHHABRA	:	DIRECTOR
MR. GAUTAM GULATI	:	DIRECTOR
MR. VIRENDER KUMAR BHARDWAJ	:	ADDITIONAL DIRECTOR

AUDITORS

M/S 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

REGISTRAR & SHARE TRANSFER AGENT

SHAREPRO SERVICES (INDIA) PVT. LTD.
13AB, SAMHITA WAREHOUSING COMPLEX,
SECOND FLOOR, SAKINAKA TELEPHONE EXCHANGE LANE,
OFF ANDHERI KURLA ROAD,
SAKINAKA, ANDHERI (EAST), MUMBAI-400 072

NOTICE

NOTICE is hereby given that the **ANNUAL GENERAL MEETING** of the members of the Company will be held on Tuesday, 27th September, 2011 at 10:00 A.M. at **THE ORIENT CLUB, 9 CHOWPATTY SEA FACE, MUMBAI-400007** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Gautam Gulati, 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. Virender Kumar Bhardwaj, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, effective 12.10.2010 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. Virender Kumar Bhardwaj 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.

Regd. Office:-

62-B, MITTAL TOWERS,
210, NARIMAN POINT, MUMBAI-400021
Dated : 01.09.2011

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

(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 Wednesday, 21st September, 2011 to Tuesday, 27th September, 2011 (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 in the Register of members as on 21st September, 2011. 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 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 2011-2012.
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 Telephone Exchange Lane, Off Andheri Kurla Road,
Sakinaka, Andheri (East), Mumbai-400 072

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF 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 has appointed Mr. Virender Kumar Bhardwaj as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 effective from 12.10.2010 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. Virender Kumar Bhardwaj as Director of the Company.

Mr. Virender Kumar Bhardwaj, aged 62 years, is Civil Engineer and Fellow at Institute of Engineers, Institute of Valuers, 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 Chandigarh Administration for 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.

Regd. Office:-

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

Dated : 01.09.2011

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

(TUSHAR B SHARMA)
COMPANY SECRETARY

ANNEXURE-A

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

Mr. Gautam Gulati, aged 51 years, Fellow member of the Institute of Chartered Accountants of India.

He has a rich experience in multicultural Organizations with assignments across the globe in diverse geographies—USA, Middle East, South East Asia and India. In hospitality—Aman Resorts (6 yrs.), Oilfield Services—Schlumberger (16 yrs.), I.T Services Intiqua (2.5 yrs.).

He is director on Board of following Public Limited Companies namely Alchemist F & B Ltd., Alchemist Hotels & Resorts Ltd., Alchemist Touchnology Limited, Alchemist Hospitality Group Ltd. and Alchemist Media Ltd. He is the member of Audit Committee, Remuneration Committee and Shareholder's Committee.

Mr. Virender Kumar Bhardwaj, aged 62 years, is Civil Engineer and Fellow at Institute of Engineers, Institute of Valuers, Institute of Arbitrators, Mr. Bhardwaj has retired as Chief Engineer with the Union Territory of Chandigarh Administration. He has handled various prestigious projects and has been awarded Commendation Certificates by Chandigarh Administration for meritorious services rendered by him.

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

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, 2011.

		(` In Lacs)
FINANCIAL RESULTS	2010-2011	2009-2010
Net Sales/Income from operations	12090.75	10496.38
Other Income	1.69	—
Gross Profit (PBDT)	295.67	212.73
Depreciation	18.19	12.23
Provision for Taxation	96.75	59.89
Deferred Tax Asset	1.55	0.05
Net Profit (PAT)	180.73	140.60
Add: Balance brought forward from Previous Year	136.80	93.45
Profit available for appropriation	317.53	234.05
Proposed Dividend	74.10	74.10
Tax on Dividend	12.02	12.31
Balance Carried to General Reserves	18.92	10.84
Balance Carried to Balance Sheet	212.49	136.80

OPERATIONS

During the year under review, Your Company has achieved a turnover of ` 12090.95 (previous year ` 10496.38 Lacs) from operations and earned a net profit of ` 180.73 (Previous year ` 140.60 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 have recommended a dividend of ` 0.10 per equity share (5%) having face value of ` 2/- each for the year 2010-2011 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. Gautam Gulati, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Your Board also recommends his re-appointment to the Annual General Meeting.

Mr. Virender Kumar Bhardwaj has been appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act 1956 effective from 12.10.2010 and he holds office of the Director up to the date of this 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.

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, 2011 and of the profit or loss of the Company for the period ended 31st March, 2011.
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 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 31st March, 2011, which is self explanatory and needs no comments.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Economy : Review and outlook

The Indian economy has recovered during the Financial Year 2009-2010 after facing slowdown during the year 2008-09. The momentum of recovery has continued during the year 2010-2011. The data provided by Central Statistical Organization with regard to Real Estate GDP growth is as follows :

- | | |
|--|------|
| 1. During First Quarter of year 2010-11 | 8.9% |
| 2. During Second Quarter of year 2010-11 | 8.9% |
| 3. During Third Quarter of year 2010-11 | 8.3% |
| 4. During fourth Quarter of year 2010-11 | 7.8% |

With regard to the construction industry growth during the financial year 2010-11 has increased to 8.1% than 7.0% during financial year 2009-2010.

Opportunities and Threats

The Company is exposed to different types of risk such as market risk liquidity risk, interest rate risk, operational risks and legal risks. The Company monitors all risks through senior management personnel and external advisers. The management of the Company practices an analytically driven approach to assessing, measuring and managing risks. 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 reasonably 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 recovering from slowdown. It is expected that this type of sustained growth will result in increase in the income levels and consequent growth in demand for real estate. Also for the economy to maintain these levels of growth over a period of time it will need to invest substantially in developing pre-requisite physical infrastructure. Hence one expects several opportunities in the real estate sector in the near future.

Internal Control system and their adequacy

The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors.

Human Resources

Human resource continues to be the backbone of Alchemist Realty Limited's business. The Company lays strong emphasis on attracting and retaining the best talent. Personal development initiatives including training, both technical and managerial are regularly conducted to enhance human potential. Employee strength grew significantly during the year 2010-2011. The basic policy of the Company regarding Human resource is to treat human resources as business partner with primary goal to contribute to the organization's growth and to multifarious development of its employees.

Financial and Operational performance

During the year under review, Your company has achieved a turnover of ` 12090.73 (previous year ` 10496.60 Lacs) from operations and earned net profit of ` 180.73 (Previous year ` 140.60 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 applicable. 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 during the year under report.

ACKNOWLEDGEMENT

Your Directors are highly grateful for help and support provided by Banks, Government and Non-Government Agencies. The Directors thanks all shareholders and associates for their faith, trust and confidence reposed in Company.

Your Directors wish to place on record their sincere appreciation for the unstinting efforts and dedicated contributions put in by the employees of the Company at all levels.

Regd. Office:-

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

Dated : 01.09.2011

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

(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 31st March, 2011

Name	Age (Yrs.)	Designation	Gross Remuneration (In lacs)	Qualification	Exp. (Yrs.)	Date Of Joining	Previous Employment
S. S. Jarry*	62	COO	28.91	Electrical Engg. Engg. College, Kota	40	4-11-2010	Sweta Estates Pvt. Ltd.

* employed for part of the year

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Dated : 01.09.2011

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

(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 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, 2011 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 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.

KANWAR DEEP SINGH
Managing Director

Tushar Sharma
CFO

Dated : 01.09.2011