

**\* Emphasis of Matter as per Independent Auditors' Report dated 28.05.2015**

- a. Attention is invited to note No 14.1 and 14.2 of the financial statements wherein amount of Rs. 5867.44 lacs has been shown under the head of *long term advances*, "out of which Rs. 1247.14 Lacs has been given to various parties and the matter is sub judice in various courts for acquiring properties and advances amounting to Rs. 1830.12 lacs given to various other parties but the sale deeds for properties have not so far been executed in favor of the company". These advances have been considered as good by the management of the company. It is relevant to point out that these are material advances and are pending since long, more than three years, and the management has not made any provision for the same.

Attention is also invited to note No 14.3 of the financial statements for amount shown under the head "*long term advance* Rs. 1887.92 Lacs given to various parties on account of franchisee fee and other expenses for acquiring rights of Realogy Corp'n. Inc. USA for their brand (Century 21 ) which is recoverable from its subsidiary Century 21 Properties (India) Pvt. Ltd as and when the rights will be transferred to it". It is relevant to note that the amount has been advanced since long and rights have not been transferred so far.

- b. We draw attention to note 14.4, the company has advanced as loan a sum of Rs.7.21 Cores to two parties as interest free unsecured loan, the same is in violation of sub section 7 of section 186 of the Companies Act 2013. This sub section requires the "No loans shall be given under this section at a rate lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenure of the loan.
- c. Attention is invited to note No 17 and 17.1 of the financial statements which states Trade receivables amounting to Rs. 14931.00 lacs out of Which export debtors for merchant trade transaction are 14171.29 lacs and other receivables are Rs. 742.10 which are outstanding for more than six months from the date they become due from payment. Attention is invited to point 17.1 wherein the company has extended credit from time to time as per the market practice for export debtors and regular follow up is being done to recover the same and management is confident to recover the same, in view of the same, management feels that the same are recoverable and there is no need to make the provision at this juncture. For other receivables amounting to Rs. 742.10 lacs, these are long outstanding for more than 3 years and the management has not made any provision for the same.

**31<sup>st</sup>**

**Annual Report**  
2014-2015



**ALCHEMIST REALTY LIMITED**

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# **ALCHEMIST REALTY LIMITED**

## **CORPORATE INFORMATION**

CORPORATE IDENTITY NUMBER (CIN) : L21100MH1983PLC029471

### **Board of Directors**

Mr. Vinay Kumar Mittal  
Mr. Asoke Kumar Chatterjee  
Ms. Maria Fernandes  
Mr. Pavan Kumar Verma

Managing Director  
Independent Director  
Independent Director  
Director

### **Registered office**

62-B. Mittal Towers,  
210, Nariman Point  
Mumbai-400021  
Tel.: +91-22-22844368  
Fax: +91-22-22831564

### **Corporate Office**

Alchemist House  
23, Nehru Place, New Delhi -110019

### **Statutory Auditors**

M/s K. Singh & Associates  
Chartered Accountants  
SCO 90, 1<sup>st</sup> Floor,  
Sector 44-C,  
Chandigarh-160047

### **Secretarial Auditor**

Ms. Tannu Mehta  
Practicing Company Secretary

### **Company Secretary & Compliance Officer**

Mr. Shyam Kumar

### **Chief Financial Officer**

Mr. Alok Mittal

### **Bankers**

HDFC Bank Limited

### **Registrar and Share Transfer Agent**

Sharepro Services (India) Private Limited  
Satarn Industrial Estate, Above Bank of Baroda,  
Chakal, Andheri East, Mumbai- 400099

# ALCHEMIST REALTY LIMITED

## DIRECTOR'S REPORT

### To the Shareholders,

We are pleased to present the 31<sup>st</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2015. The financial highlights for the year under review are given below:

### FINANCIAL HIGHLIGHTS

	₹ in Lacs	
	2014-2015	2013-2014
Net Sales/Income from operations	3477.18	17535.80
Other Income	883.77	253.89
Gross Profit (PBDT)	161.95	269.92
Depreciation	42.28	22.97
Provision for Taxation	54.94	86.16
Deferred Tax Asset	8.03	0.79
Net Profit/(Loss)	72.76	161.58
Add: Balance brought forward from Previous Year	301.85	258.71
Profit available for appropriation	374.61	420.29
*Proposed Dividend	(74.10)	74.10
*Tax on Dividend	(12.02)	12.02

\*The Company has reversed the dividend and the corporate dividend tax thereon as declared in the previous year as the same was not approved by the shareholders in the AGM dated 30th September, 2014.

### OPERATIONS

During the year under review, Your Company registered a turnover of Rs. 3477.18 Lacs against Rs. 17535.80 lacs in previous year and has incurred profit after tax of Rs. 72.76 Lacs against profit of Rs. 161.58 Lacs in previous year.

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

With a view to conserve the resources, your Directors do not recommend Dividend during the Financial Year 2014-15.

### FIXED DEPOSITS

Your Company has not accepted Deposits from the public during the year under review as per the provisions of the Companies Act, 2013 read with the Rules made thereunder.

### LISTING OF EQUITY SHARES

The Company's shares are listed on the Bombay Stock Exchange Ltd. (BSE) and are actively traded. The Listing Fees for the year 2014-15 has already been paid.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return of the Company in prescribed form MGT-9 is annexed herewith as Annexure-1.

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Five meetings of the Board of Directors were held during the financial year ended 31<sup>st</sup> March 2015 viz. on 29<sup>th</sup> May 2014, 13<sup>th</sup> August 2014, 13<sup>th</sup> November 2014, 13<sup>th</sup> February 2015 and 25<sup>th</sup> March 2015.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, your Directors confirm:-

1. That in the preparation of Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
2. That we have 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, 2015 and of the losses of the Company for the period ended 31<sup>st</sup> March, 2015;
3. That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

## ALCHEMIST REALTY LIMITED

4. That we have prepared the Annual Accounts on a going concern basis;
5. That we have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
6. That we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have furnished declarations that each of them meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

### POLICY ON DIRECTORS' APPOINTMENT/REMUNERATION OF DIRECTORS/ KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Nomination and Remuneration Committee constituted by the Company has formulated criteria for determining qualifications, positive attributes and independence of the Directors. The Committee has also recommended to the Board a Policy relating to remuneration ensuring:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate key managerial personnel of the quality required to run the company successfully;
- ii. relation of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.

### EXPLANATION OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARKS BY AUDITORS AND COMPANY SECRETARY IN PRACTICE

There is no qualification, reservation or adverse remark or disclaimer made by the Company Secretary in Practice in Secretarial Audit Report needing explanation or comments by the Board. The Report of the secretarial auditor is given as an Annexure-2 which forms part of this report.

Further your Directors wish to clarify the various points/observations reported by the Statutory Auditors, as under: -

- a) Observations in point no.(a) under the head ***"Emphasis of the matter"*** to the main report regarding advances given to certain parties for purchase of properties in the name of company. Your directors wish to clarify that these advances are considered good as the company has clean title to the properties in terms of their purchase agreements. Court matters do tend to take time to resolve, however the company is confident of winning the cases and hence there is no need of any provision for these loans in the accounts.
- b) Observations of second para in point no. (a) under the head of ***"Emphasis of the matter"*** to the main report regarding amount given to certain parties on account of franchisee fee and other expenses. Your directors wish to state that this matter is in active progress and shall be resolved /accounted for soon as the basic rights of franchisee have been established by RealogyCorprn.in our favour without any dispute. In fact the subsidiary century 21 properties (india) Pvt. Ltd. has already commenced business using these rights.
- c) Observations in point no. (b) under the head ***"Emphasis of the matter"*** to the main Report in respect of interest free unsecured loans given to two parties. Your directors wish to state that the company has given these loans in accordance with agreements which inter-alia provide that these shall be interest free in lieu of options to convert them into equity shares at valuations which will compensate the company for the interest component. Hence no interest has been provided as due from these borrowers in these annual accounts in view of our contractual terms of lending.
- d) Observations in point no.(c) under the head ***"Emphasis of the matter"*** to the main report regarding outstanding trade receivables for more than six months from the date become due for payment,these comments are self-explanatory and do not perhaps need further comment from the management.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans given, Investments made or Securities provide under section 186 of the Companies Act, 2013 have been disclosed in the financial statements.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated a Policy on Materiality of Related Party transactions and also on the dealing with related parties as required under Clause 49 of the Listing Agreement with the Stock Exchange.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

## **ALCHEMIST REALTY LIMITED**

Your Directors draw attention of the members to Note 30 to the financial statements which set out related party disclosures.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSE OF THE YEAR**

There have been no material changes and commitments, if any, 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.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Pavan Kumar Verma, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

Mr. Vinay Kumar Mittal was appointed as Additional Director cum Managing Director w.e.f. 28<sup>th</sup> May, 2015. Mr. Vinay Kumar Mittal will hold office till the date of the forthcoming Annual General Meeting (AGM) and a notice has been received from a Member proposing his candidature for being appointed as a Director of the Company.

Ms. Maria Fernandes was appointed as Additional Director of the company w.e.f. 25<sup>th</sup> March, 2015. A notice has been received from a Member proposing her candidature for being appointed as a Director of the Company.

Mr. Ram Pyara Chhabra resigned from the post of Directorship of the Company w.e.f. 05.06.2015 and Mr. Tarlochan Singh, Directors of the company has also resigned w.e.f. 15.04.2015 and Ms. Kaajal Aijaz ilmi, resigned from the post of Managing Director of the Company w.e.f. 30.10.2014.

Further Mr. Shyam Kumar has been appointed as Company Secretary of the Company w.e.f. 06.07.2015 on recommendation of Nomination and Remuneration Committee and Mr. Vaibhav Sharma, Company Secretary of the company has resigned w.e.f. 12.06.2015.

### **RISK MANAGEMENT POLICY**

The Board of Directors formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

### **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

### **ANNUAL EVALUATION OF BOARD**

The Board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Clause 49 of the Listing Agreements.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### **AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s K. Singh & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the 30<sup>th</sup> Annual General Meeting (AGM) of the Company held on September 30, 2014 till the conclusion of the 33<sup>rd</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

# ALCHEMIST REALTY LIMITED

## SUBSIDIARY COMPANIES

As on 31<sup>st</sup> March 2015, the Company has one wholly owned subsidiary i.e. Alchemist Hill Resorts Private Limited and one Subsidiary i.e. Century 21 Properties India Private Limited.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. Alchemist Hill Resorts Pvt. Ltd. did not do any commercial activity during the financial year.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the Financial Statement of the Company's subsidiaries in Form AOC-1 is attached as Annexure - 3.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has complied with the applicable provisions of Corporate Governance under clause 49 of the Listing Agreement with the Stock Exchanges.

A Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report are attached hereto.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

## CORPORATE SOCIAL RESPONSIBILITY

Since the Company does not fall under the criteria as prescribed under section 135 (1) of the Companies Act, 2013, hence the Company is not required to constitute Corporate Social Responsibility Committee.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion & Analysis of financial condition and results of operation of the Company for the year under review are given as a separate statement in this Annual Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

a.) In compliances of requirements of disclosure pertaining to conservation of energy, research & development and technology absorption, as prescribed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, there are no particulars to be disclosed relating to conservation of energy as your Company is in the real estate business and it does not have own manufacturing facility. Further the Company is making all possible efforts to conserve the energy by adopting best practices.

b.) The company has not imported any technology during the year.

c.) **Foreign Exchange Earnings and Outgo:**

(In terms of actual outflow)

Total Foreign Exchange Earnings : Nil

Total Foreign Exchange Outgo : Rs. 6650.06 Lacs

## DISCLOSURE REGARDING REMUNERATION U/S 197 (12) OF THE COMPANIES ACT, 2013

Disclosure regarding remuneration as required under section 197(12) of the Companies Act, 2013 are annexed as Annexures- 4.

## 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.

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

**Dated: 13.08.2015**  
**Place: New Delhi**

**(Vinay Kumar Mittal)**  
**Managing Director**



**ALCHEMIST REALTY LIMITED****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****ANNEXURE-1****As on financial year ended on 31.03.2015****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS**

CIN	L21100MH1983PLC029471
Registration Date	03/03/1983
Name of the Company	Alchemist Realty Limited
Category/Sub)category of the Company	Company limited by shares/ Indian Non-Government Company
Address of the Registered office & contact details	62-B, Mittal Towers, 210, Nariman Point, Mumbai, Maharashtra-400021 Ph. No. 022-22844368
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Sharepro Services (I) Private Limited 13 AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off. Andheri- Kurla Road, Sakinaka, Andheri (E), Mumbai- 400072 Phone- 022-67720300/ 67720400 Fax: 022-28591568 E-mail: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a> Website: <a href="http://www.shareproservices.com">www.shareproservices.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Real Estate Activities	68100	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary of the Company	% of Shares held	Applicable Section
1.	Century 21 Properties India Private Limited	U70109CH2013PTC034612	Subsidiary	99	2(87)
2.	Alchemist Hill Resorts Private Limited	U55101CH2010PTC032443	Wholly Owned Subsidiary	100	2(87)

# ALCHEMIST REALTY LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	33677535	0	33677535	45.45	33677535	0	33677535	45.45	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) (1)</b>	<b>33677535</b>	<b>0</b>	<b>33677535</b>	<b>45.45</b>	<b>33677535</b>	<b>0</b>	<b>33677535</b>	<b>45.45</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI Individuals/ HUF	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp. (Ushin Ltd, Japan, Foreign Collaborator)	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>33677535</b>	<b>0</b>	<b>33677535</b>	<b>45.45</b>	<b>33677535</b>	<b>0</b>	<b>33677535</b>	<b>45.45</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	15866713	0	15866713	21.41	15866713	0	15866713	21.41	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>15866713</b>	<b>0</b>	<b>15866713</b>	<b>21.41</b>	<b>15866713</b>	<b>0</b>	<b>15866713</b>	<b>21.41</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	15715895	0	15715895	21.21	15617920	0	15617920	21.08	-0.13