

## NOTICE

**NOTICE** is hereby given that the **ANNUAL GENERAL MEETING** of the members of the Company will be held on **Thursday, 30<sup>th</sup> September, 2010** at **10:30 A.M.** at **THE ORIENT CLUB, 9, CHOWPATTY SEA FACE, 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 2010 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. 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. Gautam Gulati, who was appointed as an Additional Director on 28.04.2010 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. Gautam Gulati 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.

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:  
**RESOLVED THAT** pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors (hereinafter referred to as the FIIs.) in the shares of the company upto 49 percent of the paid up equity share capital by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the holding of single FII or each SEBI approved sub-account of a FII or the concerned FII Group does not exceed 10% of the paid up equity share capital of the Company from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any Committee.

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

Regd. Office:-  
62-B, MITTAL TOWERS,  
210, NARIMAN POINT, MUMBAI-400021  
Dated : 27.08.2010

(**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 24<sup>th</sup> Sept., 2010 to 30<sup>th</sup> Sept., 2010 (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 24<sup>th</sup> Sept., 2010. 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/Proxies attending the Meeting are requested to bring their Attendance Slip, duly filed in and also their copies of the Annual Report.
5. 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.
6. 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.
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 2010-2011.
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, Sumhita 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. Gautam Gulati as a Additional Director of the Company pursuant to the provisions of Section 261 of the Companies Act, 1956 effective from 28.04.2010 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. Gautam Gulati as Director of the Company.

The Board of Directors considers that in view of his expertise and experience with multicultural Organizations with assignments across the globe in diverse geographies - USA, Middle East, South East Asia and India. In hospitality - Aman Resorts, Oilfield Services-Schlumberger, I.T Services Intiqua, 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. Gautam Gulati 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.

**In respect of Item No. 6**

The Reserve Bank of India by amending the Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulation, 2000, has raised the limit of investment by Foreign Institutional Investors (FIIs) upto the sectoral cap/statutory limit as applicable to the Indian Companies, subject to the approval of the Board of Directors and shareholders of the Company in General Meeting by way of Special Resolution.

The Board of Directors of your Company has approved subject to the approval of shareholders by way of Special Resolution in the general meeting, Foreign Institutional Investors (FIIs) investment limit upto 49 percent of the paid up equity share capital of the Company.

The increase in FII's investment in the company will result in increased weightage of Company shares in benchmarking stock market indices, therefore large number of FIIs will make investment in the equity shares of the company. Within the revised ceiling under the portfolio investment scheme of the Reserve Bank of India.

Your Board is of the opinion that the proposed resolutions are in the best interest of the company and hence recommend the above resolutions for your approval.

None of the Directors are in any way concerned or interest in the above proposed resolution

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

(TUSHAR B SHARMA)  
COMPANY SECRETARY

**Regd. Office:-**

62-B, MITTAL TOWERS,

210, NAKIMAN POINT, MUMBAI-400021

Dated : 27.08.2010

**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. R.P. Chhabra, aged 71 years, is a Law Graduate, Master in English and U.A.I.I.B. He is retired banker, who served the Punjab National Bank for about 31 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, Opiumam Constructors and Developers Limited, Alchemist Hospitality Group Ltd., Platinum Ventures Limited and Alchemist Life Sciences Limited. He is Chairman of the Audit Committee, Remuneration Committee and Shareholders Grievances Committee of Alchemist Limited and Alchemist Realty Limited.

Mr. Gautam Gulati, aged 50 years, Fellow member of the Institute of Chartered Accountants of India with Rank 36 in the all India Examination held in Nov. 1984.

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, Oilfield Services-Schlumberger, I.T Services Intiqua.

He is director on Board of following Public Limited Companies namely Alchemist F & B Services Ltd., Alchemist Hotels & Resorts Ltd., Alchemist Technology Limited and Lodha Property Company Ltd.

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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. Gautam Gulati, who was appointed as an Additional Director on 28.04.2010 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. Gautam Gulati 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.

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution  
**RESOLVED THAT** pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors (hereinafter referred to as the FIIs.) in the shares of the company upto 49 percent of the paid up equity share capital by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the holding of single FII or each SEBI approved sub-account of a FII or the concerned FII Group does not exceed 10% of the paid up equity share capital of the Company from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any Committee.

By Order of the Board  
For ALCHEMIST REALTY LIMITED

Regd. Office:-  
82-B, MITTAL TOWERS,  
210, NARIMAN POINT, MUMBAI-400021  
Dated : 27.08.2010

(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 24<sup>th</sup> Sept., 2010 to 30<sup>th</sup> Sept., 2010 (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 24<sup>th</sup> Sept., 2010. 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/Proxies attending the Meeting are requested to bring their Attendance Slip, duly filed in and also their copies of the Annual Report.
5. 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.
6. 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.
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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.

**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, 2010.

		(Rs. In Lacs)
<b>FINANCIAL RESULTS</b>	<b>2009-2010</b>	<b>2008-2009</b>
Net Sales/Income from operations	10496.38	10156.09
Other Income	—	7.20
Gross Profit (PBD1)	212.73	188.90
Depreciation	12.23	11.91
Provision for Taxation	59.89	75.22
Deferred Tax Asset	0.05	(1.42)
Net Profit (PAT)	140.60	103.20
Add: Balance brought forward from Previous Year	93.45	76.95
Profit available for appropriation	234.05	180.15
Proposed Dividend	74.10	74.10
Tax on Dividend	12.31	12.59
Balance Carried to General Reserves	10.84	
Balance Carried to Balance Sheet	136.80	101.17

**OPERATIONS**

During the year under review, Your Company has achieved a turnover of Rs.10496.38 lacs (previous year Rs.10156.09 Lacs) from the operations and earned a net profit of Rs. 140.60 lacs (Previous year 103.20 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 2009-2010 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. Gantam Gulati has been appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act 1956 effective from 28.04.2010 and he holds office of the Director up to the date of this Annual General Meeting. The Company has received notice from the shareholder proposing his candidature for the office of director, which will be subject to the approval of shareholders at the ensuing Annual General Meeting. Keeping in view, his rich experience and expertise, your directors recommend his appointment as director.

Dr. Virendra D Singh, Director has resigned from the Board with effect from 30<sup>th</sup> April 2010. Your Directors place its appreciation for the valuable services rendered by Dr Virendra Singh during his tenure of Directorship.

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 31<sup>st</sup> March, 2010 and of the profit of the Company for the period ended 31<sup>st</sup> March, 2010.
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 31<sup>st</sup> March, 2010, which is self explanatory and needs no comments.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

##### **Economy : Review and outlook**

The Indian economy, which had managed to emerge out of the global turmoil in the year 2008-09 relatively unscathed, witnessed a quick rebound in the year 2009-10. The year under review has been a year with full of challenges for the real estate sector. With sign of economy improving at a faster pace, commercial real estate market revival is expected much faster.

However, the growth also depends on the policies adopted by the government to facilitate investment mainly in the economic and industrial sector. Starting from infrastructure development to residential complex, commercial real estate of retail space development India government has placed in infrastructure development as a thrust area for all round growth of the economy.

In the real estate sector mostly players engaged in diversified projects such as commercial building, residential townships, IT Parks, hospitality, retail ventures etc.

The Company "Alchemist Realty Limited" is also engaged in all spheres of the industry including commercial constructions, hospitality projects, IT Park and infrastructure development at various centers.

##### **Opportunities and Threats**

The real estate market has been affected by depressed prices during the last year and now there could be a spill-over effect.

The improvement in the global economic and liquidity situation, the stimulus packages by the Indian government and various governments globally provide an opportunity for growth for the infrastructure sector.

The Company has put a risk management framework in place post a comprehensive review of its risk management process. This review includes understanding the existing risk management initiative as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization.

#### **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**

The Company has well established policies and procedures for internal control of operations and activities. These are continuously reviewed for effectiveness. The Board has constituted a Committee of Directors named as Audit Committee which provides necessary guidance for internal control and checking mechanism. Observations and recommendations are submitted to the Audit committee for their review and follow up action/guidance to operational people. The Committee review 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.10496.38 Lacs (previous year Rs.10156.09 Lacs) from the real estate business and earned net profit of Rs. 140.60 Lacs (Previous year Rs. 103.20 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**

The Board of express their sincere thanks for 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 of Directors wish to place on record their appreciation for the excellent contribution made by the employees towards the successful operation of the Company.

**Regd. Office:-**  
62-B, MITTAL TOWERS,  
210, NARIMAN POINT,  
MUMBAI-400021  
**Dated : 27.08.2010**

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 31<sup>st</sup> March, 2010

Name	Age (Yrs.)	Designation	Gross Remuneration (in lacs)	Qualification	Exp. (Yrs.)	Date Of Joining	Previous Employment
Brig Baljeet Singh*	64	Head-Realty Business	9.08	B.Sc., M.Sc.	11	27 Jan. 2010	ENAR MGF
Amit Tamta*	39	Vice President-Projects	1.83	BE (Mechanical), Diploma in Project Management	16	15 Mar. 2010	MHR Hospitality Pvt. Ltd
Rajinder Kumar Kohli*	58	Assistant Vice President - Engineering	4.33	A.M.I.E. Electrical, Diploma in Electrical Engineering	25	1 Oct. 2008	Bansal Construction Limited
Ravun Murad*	49	CFO - Realty	1.47	B.Sc. (Hons.) Chartered Accountant	20	7 Jan. 2008	Aaron Hotels & Resorts Ltd.

\* employed for part of the year

By Order of the Board  
For ALCHEMIST REALTY LIMITED

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Dated : 27.08.2010

(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 31<sup>st</sup> March, 2010 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 : 27.08.2010

## REPORT OF CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy to treat the Corporate Governance system not as a mere structure but as a way of corporate life. Good corporate governance practices have always been an integral part of the Company's philosophy and is committed to achieving and maintaining the highest standard of corporate governance. Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management. It also aims to align as nearly as possible the interest of individuals, corporations and society and thereby enhancing the stakeholders' value.

### BOARD OF DIRECTORS

The Company's Board of Directors consists of 3 directors, as on 31<sup>st</sup> March, 2010.

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	Promoter, Executive Director	4	Yes	5	-	2
Mr. R. P. Chhabra	Independent Non-executive Director	5	Yes	6	3	-
Dr. Virendra D. Singh*	Independent Non-executive Director	5	Yes	3	-	-
Mr. Gautam Gulati**	Independent Non-Executive Director	0	No	4	-	-

\* Resigned on 30.04.2010      \*\* Appointed as on 28.04.2010

### TOTAL NUMBER OF BOARD MEETING(S) HELD DURING THE YEAR 2009-2010

During the year ended 2009-2010, five Board Meetings were held on the following dates: 29<sup>th</sup> April, 2009, 27<sup>th</sup> July, 2009, 24<sup>th</sup> August, 2009, 31<sup>st</sup> October, 2009 and 27<sup>th</sup> January, 2010.

### 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, 2010 comprised of three members namely Mr. R. P. Chhabra as Chairman, Dr. Virender D. Singh and Mr. Kanwar Deep Singh as its members. Mr. R.P. Chhabra & Dr. Virender D. Singh are Independent Non Executive Directors.

During the year 5 meetings of the Audit Committee were held on following dates: 29.04.2009, 27.07.2009, 24.08.2009, 31.10.2009, 27.01.2010. The attendance of members on the above meetings was as follows: Mr. R. P. Chhabra - 5, Dr. Virender D. Singh - 5 and Mr. Kanwar Deep Singh - 4.

The terms of reference of the Audit Committee is 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, 2010, the Remuneration Committee consists of two members namely Mr. R. P. Chhabra as Chairman and Dr. Virender 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.





During the year ended 31<sup>st</sup> March, 2010 no meeting of the Remuneration Committee was held. During the year Rs. 20,000 is paid as sitting fees to the Directors of the company for attending the Board Meetings and other committee meetings.

**CEO/CFO Certification**

Mr. Kanwar Deep Singh, Managing Director is the Chief Executive Officer of the Company and Mr. Tushar Sharma has been appointed as CFO w.e.f. 1.06.2009 in place of Mr. Ravun Murari who has resigned from the services of the Company w.e.f. 01.06.2009. A certificate as required under clause 49(V) of the Listing Agreement, the Certificate signed by Mr. Kanwar Deep Singh, Managing Director, and Mr. Tushar Sharma, CFO of the Company was placed before the Board of Directors along with the financial statements for the year ended 31<sup>st</sup> March 2010

**SHAREHOLDER'S COMMITTEE**

The Shareholders Committee named as "Shareholders Grievance and Transfer Committee" of the Company as on 31<sup>st</sup> March, 2010 comprised of three members namely Mr. R. P. Chhabra as its Chairman and Mr. Kanwar Deep Singh & Dr. Virendra D Singh as its members.

Mr. Tushar Sharma, Company Secretary is the Compliance Officer of the Company.

The Committee meets at frequent intervals to consider and approve share transfer and for redressing investors grievance. During the year no complaint was received hence no complaint is pending.

**GENERAL BODY MEETINGS**

Year	Date and Time	Venue
2006-2007	19 <sup>th</sup> September 2007 at 11.30 A.M.	5&6, Blue Moon Estate, B/57, New Link Road, Andheri (W), Mumbai-400053
2007-2008	26 <sup>th</sup> September 2008 at 10.00 A.M.	62-B, Mittal Tower, 210 Nariman Point, Mumbai-400021
2008-2009	22 <sup>nd</sup> September 2009 at 10.00 A.M.	62-B, Mittal Tower, 210 Nariman Point, Mumbai-400021

All the resolutions, including the special resolutions, set out in the notices were passed by the Shareholders in the last three Annual General Meeting.

No Extra-ordinary General Meeting of the Company held during the year.

No resolution was passed through postal ballot during the year.

**DISCLOSURES :**

During the year under review .

- i There are no transactions of material nature with the promoters, the directors, the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.
- ii No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any other Statutory Authority on any matter related to Capital Market during the last three years.

**MEANS OF COMMUNICATION**

The Quarterly, half-yearly and annual results of the Company are sent to the Stock Exchange(s) in accordance with the Listing Agreement and are published in the newspapers namely Free Press Journal & Nav Shakti and the same are not sent individually to shareholders.

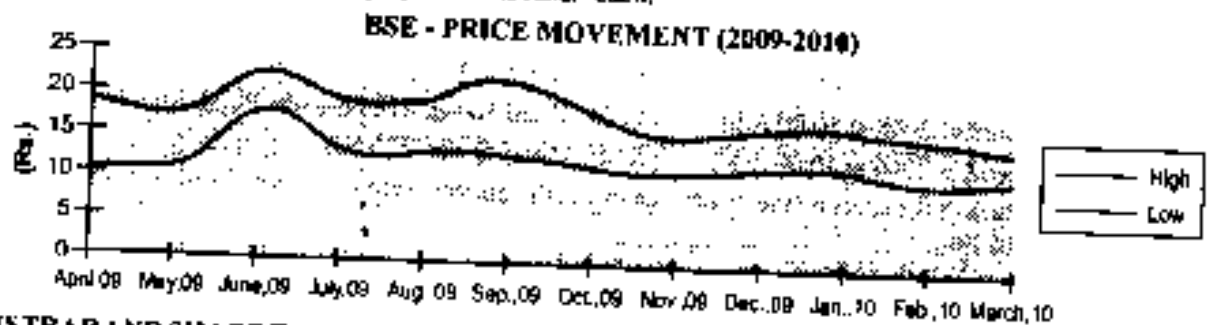
**GENERAL SHAREHOLDER'S INFORMATION**

Annual General Meeting	30th September 2010 at 10:30 A.M. at The Orient Club, 9, Chwatty Sea Face, Mumbai - 400007
Financial Year	April to March
Date of Book Closure	24.09.2010 to 30.09.10 (both days inclusive)
Dividend Payment Date	Not applicable
Listing on Stock Exchanges	Bombay Stock Exchange Limited Pbirtze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Stock Code & ISIN No.	BSE - 532114 ISIN No. in NSDL and CDSL - INF 646101024

### MARKET PRICE DATA

Month	Quotation at Bombay Stock Exchange (BSE.)	
	High (Rs.)	Low (Rs.)
April 2009	19.15	10.55
May 2009	17.43	10.84
June 2009	22.20	17.80
July 2009	18.90	14.30
August 2009	18.95	15.00
September 2009	21.80	15.05
October 2009	19.90	13.20
November 2009	16.00	13.00
December 2009	15.70	13.05
January 2010	16.40	13.00
February 2010	15.15	12.00
March 2010	14.50	12.00

Present Face Value of Equity Shares is Rs. 2/- each.



### REGISTRAR AND SHARE TRANSFER AGENTS:

**SHAREPRO SERVICES (INDIA) PVT. LTD**  
 Unit: **ALCHEMIST REALTY LIMITED.**  
 13AB, Samhita Warehousing Complex, Second Floor,  
 Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,  
 Sakinaka, Andheri (East), Mumbai - 400 072.

### SHARE TRANSFER SYSTEM:

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agent in approximately 15 to 20 days of receipt of the documents, provided documents received are in proper order. Shares under objections are returned within 10-15 days. The Share Transfer Committee meets at frequent interval.

### SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES BSE SENSEX FOR THE FINANCIAL YEAR 2009-2010

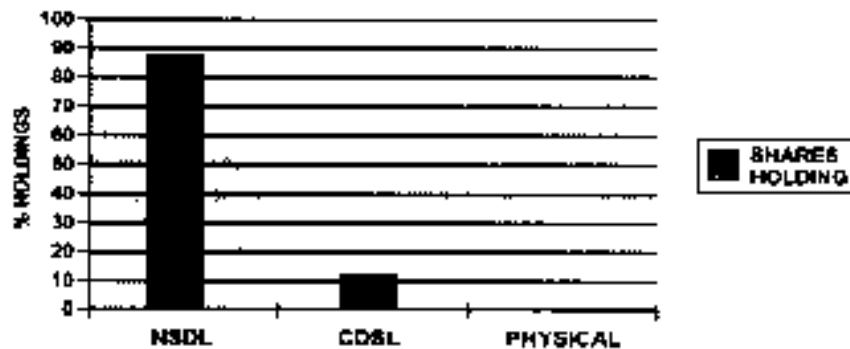
BSE Sensex	
Change in company's share price (%)	Change in BSE Sensex (%)
-21.08	79.85

### SHAREHOLDING PATTERN AS ON 31st MARCH, 2010

Category	No. of Shares	Percentage
Promoters and Associates	31343200	42.30
Foreign Institutional Investors	15979944	21.56
Private Corporate Bodies	18530206	25.01
Indian Public	8176680	11.03
NRI's/QCB's	70970	0.10
Total	74101000	100.00%

**DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

Category	Number of Shares	Percentage
NSDL	64742827	87.38
CDSL	9328073	12.58
Physical	30100	0.04
Total	741100	100

**DEMATERIALIZATION OF SHARES****OUTSTANDING GDRS/ADRS/WARRANTS**

There is no outstanding GDR/ADRs/Warrants or any convertible instruments as on 31st March, 2010.

The Company has forfeited a sum of Rs.4,44,60,000 in pursuant to 38,00,000 convertible equity warrants of face value of Rs.2/- each at a premium of Rs.115 per equity share issued to M/s KDS Corporation Private Ltd., a promoter group company on 4th July 2008 as per SEBI (DIP) Guidelines for preferential issue, against which the allottee paid Rs.11.70 per warrant being 10% of subscription amount and option to apply one equity share against each warrant on or before 18 months i.e. 30th November 2009 by paying Balance amount. The allottee did not pay the balance amount in terms of clause 13.1.2.3(c) of SEBI (DIP) guidelines 2000 as a result, the said amount of Rs.4,44,60,000 received as subscription money for aforesaid warrants stand forfeited.

**ADDRESS FOR CORRESPONDENCE****Registered office**

62-B, Mittal Towers, 210, Nariman Point,  
Mumbai-400021

**Delhi Office**

"Alchemist House" 23, Nehru Place,  
New Delhi - 110 019

By Order of the Board  
For **ALCHEMIST REALTY LTD.**

(KANWAR DEEP SINGH)  
CHAIRMAN

Dated : 27.08.2010

**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub clause (1D) of the Listing Agreement with Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliances to their respective codes of Conduct as applicable to them for the financial year ended 31<sup>st</sup> March 2010.

For **ALCHEMIST REALTY LTD.**

(KANWAR DEEP SINGH)  
MANAGING DIRECTOR

Dated : 27.08.2010

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Member of  
Alchemist Realty Limited  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by ALCHEMIST REALTY LIMITED for the year ended 31<sup>st</sup> March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company, with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. Singh & Associates  
Chartered Accountants  
Firm No. : 012458N

(Kuldar Singh)  
M. No. 091673  
Dated : 27.08.2010

**AUDITORS' REPORT**

To The Members of  
Alchemist Realty Limited

1. We have audited the Balance Sheet of ALCHEMIST REALTY LIMITED as at 31<sup>st</sup> March, 2010 and the related Profit and Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 as amended by the companies (Auditors Report) amendment order, 2004 (together the "order") issued by the Central Government of India in terms of Sec. 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to information and explanation given to us, we set out in annexure Statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred in paragraph 3 above we report that :-
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion the Balance Sheet, Profit & Loss Account & Cash Flow comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) The accounts of the company have been prepared on a going concern basis.
  - f) On the basis of written representation received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of Clause (g) of the sub-section (1) of section 274 of the Companies Act, 1956.
  - g) In our opinion and to the best of our information and according to the explanation's given to us, the said accounts together with the notes thereon and attached thereto given in the prescribed manner the information as required by the Companies Act, 1956 give a true and fair view in the manner so required and are in conformity with the accounting principles generally accepted in India.
    - a) In the case of Balance Sheet, of the state of affairs of the Company's as at 31<sup>st</sup> March, 2010;
    - b) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
    - c) In case of the Cash flow Statement of the cash flow for the year ended on that date.

For K. SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm No. : 012458N

KULTAR SINGH  
(Partner)  
Membership No. 091673

Place : New Delhi  
Date : 27.08.2010

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our Report of even date on the accounts for the year ended on 31<sup>st</sup> March, 2010 of Alchemist Realty Limited.

1.
  - a) The Company has generally maintained proper records showing full particulars including quantitative detail and situation of fixed assets.
  - b) The Company has verified all its fixed assets during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its business. The company has disposed off some part of unusable fixed assets during the year and going concern status of the company is not affected.
2.
  - a) As explained to us, the physical verification of the inventory has been conducted by the management at reasonable intervals during the year.
  - b) In our opinion and according to the information given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book of records.
3. According to information and explanation given to us, the company has not granted/taken any loans secured or unsecured to/from the companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5.
  - (a) According to information and explanation given to us, we are of the opinion that the transactions that need to be entered has been so entered into the register maintained U/s 301 of the Companies Act, 1956
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year of Rs.500,000/- or more in respect of each party have been made at prices which in our opinion, are reasonable having regard to prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposit accordingly provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Rules framed there under, and the directives issued by the Reserve Bank of India are complied with.
7. In our opinion and according to the information and explanations given to us, the Company has in general adequate internal audit system commensurate with the size and the nature of the business of the Company.
8. We have been informed that the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9.
  - a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with appropriate authorities applicable to it.

- b) In our opinion and accordingly to the information and explanations given to us, there are no disputed and outstanding amount payable in respect of Income tax, Wealth Tax, Fringe Benefit Tax, Sales Tax, Service tax, Customs Duty and Excise Duty as on 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year under report and immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of dues to banks and financial institution.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. All other investments are held by the Company in its own name.
15. In our opinion and according to explanation given to us, the company has not given any guarantees in respect of any loan taken by it from bank/financial institution.
16. The Company has not raised any new term loan during the period. The total amount outstanding of Previous loan from HDFC and Tata Capital Limited at the year end is Rs. 19.92 lacs.
17. In our opinion and according to the information and explanations given to us as well as on the basis of our over all examination of the Cash flow statement and the Balance Sheet, we report that no funds raised for short term basis have been used for long term investment and no long term funds have been used to finance short term assets.
18. Based on the examination of records and the information provided to us by management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued debentures during the accounting year ended on 31<sup>st</sup> March, 2010.
20. As per the information and explanations given to us, the company has not raised any money by public issue during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

For K. SINGH & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm No. 012458N

KULTAR SINGH  
 Partner  
 Membership No. 091673

Place : New Delhi  
 Date : 27.08.2010

## BALANCE SHEET

(Amount in Rupees)

PARTICULARS AS AT 31 <sup>ST</sup> MARCH 2010	SCHEDULE	31.03.2010	31.03.2009
<b>A) SOURCE OF FUNDS</b>			
1. SHAREHOLDERS' FUNDS			
SHARE CAPITAL	<b>A</b>	148,202,000	148,202,000
APPLICATION MONEY FOR SHARE WARRANTS/SHARES	<b>B</b>		44,460,000
RESERVE & SURPLUS	<b>C</b>	139,644,844	<u>1,40,280,965</u>
		287,846,844	132,942,965
2. LOAN FUNDS			
SECURED LOANS	<b>D</b>	1,992,165	2,601,717
UNSECURED LOANS	<b>E</b>		1,049,700,000
		<u>1,992,165</u>	<u>1,052,301,717</u>
<b>TOTAL "A"</b>		<b>2,89,839,009</b>	<b>1,385,244,682</b>
<b>(B) APPLICATION OF FUNDS</b>			
3. FIXED ASSETS	<b>F</b>		
GROSS BLOCK		8,922,982	82,835,174
LESS : DEPRECIATION		<u>2,843,755</u>	<u>6,619,519</u>
NET BLOCK		<b>6,079,227</b>	<b>76,215,655</b>
CAPITAL WORK IN PROGRESS		87,080,057	69,659,988
		<u>93,159,284</u>	<u>145,875,643</u>
4. INVESTMENTS	<b>G</b>	22,842,000	24,843,000
5. DEFERRED TAX ASSETS		188,569	193,407
6. CURRENT ASSETS, LOANS & ADVANCES	<b>H</b>		
INVENTORIES		482,652,130	443,329,198
SUNDRY DEBTORS		65,456,215	45,591,127
CASH & BANK BALANCES		11,222,762	10,307,819
LOAN, ADVANCES & DEPOSITS		1,779,132,172	804,170,485
		<u>2,338,463,279</u>	<u>1,303,398,629</u>
7. LESS : CURRENT LIABILITIES & PROVISIONS	<b>I</b>	2,166,679,271	91,209,314
8. TOTAL NET CURRENT ASSETS		171,774,008	1,212,189,515
9. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	<b>J</b>	1,875,148	2,143,027
<b>TOTAL "B"</b>		<b>289,839,009</b>	<b>1,385,244,682</b>
<b>NOTES ON ACCOUNTS</b>	<b>K</b>		

The annexed schedules referred to above form an integral part of the Financial Statements  
As per our report of even date attached.

FOR K SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm No. 012458N

For and on behalf of the Board

KULJAR SINGH  
PARTNER  
MEMBERSHIP NO. 091673

KANWAR DEEP SINGH  
Managing Director

R.P CHHABRA  
Director

TUSHAR SHARMA  
CFO Cum Company Secretary

PLACE : NEW DELHI  
DATED : 27.08.2010



## PROFIT &amp; LOSS ACCOUNT

(Amount in Rupees)

PARTICULARS AS AT 31ST MARCH, 2010	SCHEDULE	31.03.2010	31.03.2009
<b>1. INCOME</b>			
SALES/INCOME FROM OPERATION	<b>S</b>	1,049,638,247	1,015,609,318
OTHER INCOME	<b>T</b>	-	720,159
<b>TOTAL</b>		<b>1,049,638,247</b>	<b>1,016,329,477</b>
<b>2. EXPENDITURE</b>			
DIRECT COST	<b>S</b>	1,007,484,612	984,845,609
PERSONAL OVERHEADS	<b>S</b>	11,450,009	5,003,791
ADMINISTRATIVE OVERHEADS	<b>S</b>	8,229,231	6,633,012
SELLING OVERHEADS	<b>P</b>	676,588	440,291
<b>TOTAL</b>		<b>1,027,840,440</b>	<b>996,922,903</b>
<b>3. PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES (PRIDT)</b>		<b>21,797,807</b>	<b>19,406,574</b>
FINANCIAL EXPENSES	<b>Q</b>	252,072	247,978
<b>4. PROFIT BEFORE DEPRECIATION AND TAXES (PBDT)</b>		<b>21,545,735</b>	<b>19,158,596</b>
DEPRECIATION	<b>F</b>	1,223,703	1,190,362
MISCELLANEOUS EXPENSES WRITTEN OFF	<b>F</b>	267,879	267,879
<b>5. PROFIT BEFORE TAX (PBT)</b>		<b>20,054,153</b>	<b>17,700,354</b>
LESS: PROVISION FOR TAXES		5,989,290	6,960,209
PROVISION FOR FINANCIAL BENEFIT TAX		-	561,951
DEFERRED TAX LIABILITIES		(4,928)	141,718
<b>6. PROFIT AFTER TAX (PAT)</b>		<b>14,059,936</b>	<b>10,319,912</b>
PREVIOUS YEAR ADJUSTMENT		-	-
<b>7. NET PROFIT DURING THE YEAR</b>		<b>14,059,936</b>	<b>10,319,912</b>
<b>8. APPROPRIATION</b>			
PROPOSED DIVIDEND		7,410,100	7,410,100
TAX ON DIVIDEND		1,230,725	1,250,146
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>5,419,111</b>	<b>1,659,666</b>
<b>EARNINGS PER EQUITY SHARE (In Rs.)</b>			
BASIC EPS		0.19	0.14
DILUTED EPS		0.19	0.13
FACE VALUE OF RS.2/- PER EQUITY SHARE (PREVIOUS YEAR, RS.2/- PER EQUITY SHARE)	<b>Q</b>		
<b>NOTES FORMING PARTS OF ACCOUNTS</b>			

The annexed schedules referred to above forms an integral part of the Financial Statements  
As per our report of even date attached.

For and on behalf of the Board

FOR K SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm No. 012458N

KULTAR SINGH  
PARTNER  
MEMBERSHIP NO. 091673

KANWAR DEEP SINGH  
Managing Director

R.P. CHHABRA  
Director

TUSHAM SHARMA  
CFO cum Company Secretary

PLACE : NEW DELHI  
DATED : 27.08.2010

## SCHEDULES TO THE BALANCE SHEET

(Amount in Rupees)

PARTICULARS AS AT 31ST MARCH 2020	2019-2020	2018-2019
<b>SCHEDULE A: SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
400,00,000 EQUITY SHARES OF RS.20 EACH (Prev. Yr. 400,00,000 Equity shares of Rs.20 each)	160,000,000	160,000,000
	<b>160,000,000</b>	<b>160,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
2,48,202,000 EQUITY SHARES OF RS.20 EACH FULLY PAID	148,202,000	148,202,000
(Previous Year: 2,41,51,000 Equity Shares of Rs.20 Each Fully Paid)	<b>148,202,000</b>	<b>148,202,000</b>
<b>SCHEDULE B: APPLICATION MONEY FOR SHARE WARRANTS/EQUITY SHARES</b>		
Share Warrant Nil		44,460,000
(Previous Year: 38,00,000 Share Warrants of Rs.20 each (a premium of Rs.115/- Rs.11.50 Paid)		<b>44,460,000</b>
<b>SCHEDULE C: RESERVE &amp; SURPLUS</b>		
REVALUATION RESERVE	857,186	857,186
PROFIT & LOSS ACCOUNT	9,345,542	7,695,076
ADD: ADDITION DURING THE YEAR	5,419,311	1,650,468
	14,764,053	9,345,542
LESS: TRANSFERRED TO GENERAL RESERVE	1,093,822	
	13,670,231	9,345,542
GENERAL RESERVE ACCOUNT	5,680,237	5,680,237
ADD: TRANSFERRED FROM PROFIT & LOSS	1,053,422	
ADD: PREMIUM RECEIVED ON SHARE WARRANTS	44,460,000	
LESS: LOSS ON SALES OF ASSETS	50,515,232	
	708,827	5,680,237
SHARE PREMIUM	124,398,000	91,468,000
ADD: ADDITION DURING THE YEAR		36,630,000
LESS: TRANSFERRED TO BONUS ISSUE		1,700,000
BALANCE	124,398,000	124,398,000
	<b>139,644,844</b>	<b>140,260,765</b>
<b>SCHEDULE D: SECURED LOANS</b>		
TERM LOAN-VEHICLES FROM HDFC BANK	1,600,252	2,105,535
TERM LOAN VEHICLES FROM TATA CAPITAL (SECURED AGAINST HYPOTHICATION OF VEHICLES)	391,913	496,182
	<b>1,992,165</b>	<b>2,601,717</b>
<b>SCHEDULE E: UNSECURED LOANS</b>		
INTER-CORPORATE DEPOSITS		1,049,700,000
		<b>1,049,700,000</b>
<b>SCHEDULE G: INVESTMENTS</b>		
INVESTMENT UNQUOTED (AT COST)		
NIL (PREV. YEAR 100 SHARES OF RS.10/- EACH OF PC BANK)		1,000
NIL (PREV. YEAR 200,000 SHARES OF RS.10/- EACH OF HARBOR NETWORK LTD.)		2,000,000
22,84,200 EQUITY SHARES (PREV. YEAR 22,84,200 SHARES) OF RS.10/- EACH OF DGIS REALTORS PVT. LTD.	22,842,000	22,842,000
	<b>22,842,000</b>	<b>24,843,000</b>

## SCHEDULES TO THE BALANCE SHEET

## SCHEDULE F: FIXED ASSETS SCHEDULE FOR THE YEAR END/D 31ST MARCH 2010

(Amount in Rupees)

PARTICULARS	2009				2010				REVALUATION		NET	
	ASSETS	LIABILITIES	NET	ASSETS	LIABILITIES	NET	NET	NET	ASSETS	LIABILITIES		
487 2010000	1,00,000	1,00,000	-	1,00,000	1,00,000	-	1,00,000	1,00,000	1,00,000	-	1,00,000	
<b>A. FIXED ASSETS AT YEAR ENDING/ENDING PLANT</b>												
LAND	1,992,000	-	1,992,000	1,992,000	-	1,992,000	1,992,000	1,992,000	-	-	1,992,000	
FACTORY BUILDING	10,300,000	-	10,300,000	10,300,000	-	10,300,000	10,300,000	10,300,000	-	-	10,300,000	
PLANT MACHINERY	2,127,000	-	2,127,000	2,127,000	-	2,127,000	2,127,000	2,127,000	-	-	2,127,000	
POWER MALL PLANT	90,581,000	-	90,581,000	90,581,000	-	90,581,000	90,581,000	90,581,000	-	-	90,581,000	
EFFLUENT TREATMENT PLANT	4,588,000	-	4,588,000	4,588,000	-	4,588,000	4,588,000	4,588,000	-	-	4,588,000	
ELECTRIC INSTALLATION	148,000	-	148,000	148,000	-	148,000	148,000	148,000	-	-	148,000	
VEHICLES	41,000	-	41,000	41,000	-	41,000	41,000	41,000	-	-	41,000	
LABORATORY EQUIPMENT	7,000	-	7,000	7,000	-	7,000	7,000	7,000	-	-	7,000	
FIRE EXTINGUISHER	15,000	-	15,000	15,000	-	15,000	15,000	15,000	-	-	15,000	
INSTRUMENTS	545,000	-	545,000	545,000	-	545,000	545,000	545,000	-	-	545,000	
<b>TOTAL (A)</b>	<b>11,700,000</b>	<b>-</b>	<b>11,700,000</b>	<b>11,700,000</b>	<b>-</b>	<b>11,700,000</b>	<b>11,700,000</b>	<b>11,700,000</b>	<b>-</b>	<b>-</b>	<b>11,700,000</b>	
<b>B. FIXED ASSETS OTHER</b>												
OFFICE FURNITURE & FIXTURE	60,000	-	60,000	60,000	-	60,000	60,000	60,000	-	-	60,000	
OFFICE EQUIPMENT	60,000	-	60,000	60,000	-	60,000	60,000	60,000	-	-	60,000	
COMPUTER	14,000	-	14,000	14,000	-	14,000	14,000	14,000	-	-	14,000	
TOBBE	80,000	-	80,000	80,000	-	80,000	80,000	80,000	-	-	80,000	
<b>TOTAL (B)</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	
<b>TOTAL (A+B)</b>	<b>11,900,000</b>	<b>-</b>	<b>11,900,000</b>	<b>11,900,000</b>	<b>-</b>	<b>11,900,000</b>	<b>11,900,000</b>	<b>11,900,000</b>	<b>-</b>	<b>-</b>	<b>11,900,000</b>	
<b>C. CAPITAL WORK IN PROGRESS (LEASE HOLD IMPROVEMENT)</b>	<b>10,000,000</b>	<b>1,000,000</b>	<b>9,000,000</b>	<b>10,000,000</b>	<b>1,000,000</b>	<b>9,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>1,000,000</b>	<b>9,000,000</b>	<b>10,000,000</b>	

(Amount in Rupees)

PARTICULARS AS AT 31ST MARCH 2010	31.03.2010	31.03.2009
<b>SCHEDULE H: CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. INVENTORIES</b>		
PROPERTIES UNDER DEVELOPMENT (LAND)	482,652,130	443,329,198
<b>TOTAL (A)</b>	<b>482,652,130</b>	<b>443,329,198</b>
<b>B. SUNDRY DEBTORS (UNSECURED &amp; CONSIDERED GOOD)</b>		
OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS	65,456,215	45,591,127
OUTSTANDING FOR A PERIOD MORE THAN SIX MONTHS	-	-
<b>TOTAL (B)</b>	<b>65,456,215</b>	<b>45,591,127</b>
<b>C. CASH &amp; BANK BALANCES</b>		
CASH IN HAND	1,016,971	871,214
FIXED DEPOSIT WITH BANKS	5,144,360	8,300,533
BALANCE WITH SCHEDULED BANKS IN CURRENT ACCOUNT	5,191,401	936,072
<b>TOTAL (C)</b>	<b>11,322,762</b>	<b>10,307,819</b>
<b>D. LOANS &amp; ADVANCES</b>		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECOVERED (INCLUDING ADVANCES FOR PURCHASE OF LAND PENDING CAPITALISATION)	1,776,270,158	799,273,654
(OTHER ADVANCES)	-	-
SECURITY DEPOSITS	1,827,450	515,050
ADVANCE TAX	84,942	81,781
TDS	235,523	800,000
ADVANCE FBT	6,700,000	3,500,000
ADVANCE TAX	-	-
(Loan and advances includes loan given to KMP Relative amounting to Rs 0.40 lac and maximum amount outstanding during the year is Rs.0.40 lacs)	-	-
<b>TOTAL (D)</b>	<b>1,779,122,172</b>	<b>804,170,485</b>
<b>TOTAL (A+B+C+D)</b>	<b>2,338,453,279</b>	<b>1,303,398,629</b>



## SCHEDULES TO PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

PARTICULARS AS AT 31st MARCH 2019	2018-19	2017-18
<b>SCHEDULE M: DIRECT COST</b>		
OPENING STOCK OF LAND & BUILDING	443,329,198	338,765,806
ADD: PURCHASES DURING THE YEAR	39,322,932	104,563,392
LAND	1,007,484,612	984,845,809
FLAT PLOTS	1,046,807,544	1,089,409,201
	482,652,130	443,329,198
LESS: CLOSING STOCK	1,007,484,612	984,845,809
<b>NET PURCHASES</b>		
<b>SCHEDULE N: PERSONNEL OVERHEADS</b>		
SALARY	8,386,045	3,776,259
REIMBURSEMENT OF EXPENSES	1,966,296	1,166,862
OTHER AMENITIES	689,903	
BONUS/IN-GRATIA	214,347	33,898
GRATUITY	197,418	26,772
<b>TOTAL</b>	<b>11,450,009</b>	<b>5,003,791</b>
<b>SCHEDULE O: ADMINISTRATIVE OVERHEADS</b>		
AUDIT FEES	137,875	119,309
POSTAGE, TELEGRAM & TELEPHONE	233,256	46,587
BOOKS & PERIODICALS	14,062	9,855
CONVEYANCE	145,095	40,841
CERTIFICATION CHARGES		6,000
DONATION	200,000	5,000
ELECTRICITY & WATER	890,935	
INSURANCE CHARGES	83,820	55,334
LEGAL & PROFESSIONAL CHARGES	1,298,391	1,750,877
BANK CHARGES	8,060	—
DIRECTOR SITTING FEES	21,000	40,000
MISCELLANEOUS EXPENSES	2,792,959	2,616,944
OFFICE EXPENSES	421,100	24,253
OTHER EXPENSES	246,549	292,849
PRINTING & STATIONARY	218,761	148,762
REPAIR & MAINTENANCE CHARGES	353,072	72,207
RENT	326,750	910,627
RATES & TAXES	120,877	21,445
SECURITY CHARGES	—	7,500
TRAVELLING EXPENSES	717,659	472,031
<b>TOTAL</b>	<b>8,229,231</b>	<b>6,633,012</b>
<b>SCHEDULE P: SELLING OVERHEADS</b>		
BUSINESS PROMOTION	676,588	440,291
<b>TOTAL</b>	<b>676,588</b>	<b>440,291</b>
<b>SCHEDULE Q: FINANCIAL EXPENSES</b>		
INTEREST PAID		167,232
INTEREST ON VEHICLES LOAN	252,072	80,746
<b>TOTAL</b>	<b>252,072</b>	<b>247,978</b>

## Note forming part of Accounts

### SCHEDULE 10

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT 31<sup>st</sup> MARCH 2010

- A. **Significant Accounting Policies**
- 1 **Accounting Convention**  
The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956.
  - 2 **Revenue Recognition**  
All revenues and expenses are accounted for on accrual basis.
  - 3 **Fixed Assets**  
Fixed Assets are stated at cost of acquisition less accumulated depreciation, less impairment losses, if any. Cost is inclusive of all identifiable expenditure incurred to bring the assets to their working condition for intended use. Where an asset is scrapped or otherwise disposed off, the cost and related depreciation is written back and the resultant profit or loss, if any, is reflected in the Profit and Loss Account.  
Direct costs as well as related incidental expenses incurred on acquisition of fixed assets leased-owned that are not yet ready for their intended use or not put to use as on the Balance Sheet date are presented as Lease Hold Improvements (Work-in Progress).
  - 4 **Depreciation**  
The depreciation on the fixed assets has been provided on written down value method in accordance with Companies Act, 1956 on pro-rata basis.
  - 5 **Impairment of Assets**  
The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment of Company's assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.
  - 6 **Investments**  
Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.
  - 7 **Provision for Gratuity/Bonus and Provident Fund to Employees**
    - a. Provision for Gratuity and Leave Encashment benefit is made based on accrual basis at the Balance Sheet date. Bonus has been provided in the books at the rate prescribed under the Payment of Bonus Act.
    - b. Contribution to Provident Fund Scheme accruing during the year are as per the rate as prescribed by the statute and are charged to Profit & Loss Account.
  - 8 **Inventories**  
Inventories consist of Land and Plots, valued at cost and other acquisition expenses incurred to bring them in their actual position/status for sale.
  - 9 **Use of Estimates**  
The preparation of Financial Statements in conformity with the generally accepted accounting principles require management to make estimates and assumption in respect of certain items that effect the reported amount of assets and liabilities as at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual result/outcome could differ from estimates. Any revision in accounting estimates is recognised prospectively in the period in which such results are materialised.
  - 10 **Provision for Taxes**
    - a) **Current Tax:**  
Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.
    - b) **Deferred Tax Provision:**  
Deferred tax charge or credit is recognized, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted by the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future. At each balance sheet date, recognized and unrecognized Deferred Tax Assets are reviewed.
  - 11 **Miscellaneous Expenditure**  
1.40% of the miscellaneous expenditure had been written off during the year and the balance will be adjusted proportionately over the subsequent years.

12 **Foreign Currency Transaction**

Transactions denominated in Foreign Currency are normally recorded at the exchange rate prevailing at the time of the transaction.

13 **Sundry Debtors & Advances**

Whenever the management finds any debt/advances as doubtful or bad and irrecoverable, necessary adjustments are being made in Profit and Loss account in the year in which such question arises.

14 **Provision, Contingent Liabilities & Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognised when is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

15 **Prior Period Items etc:**

Material Items if any, relating to the prior period, non-recurring and extraordinary items etc., are disclosed separately.

16 **Other Accounting Policies**

These are consistent with the generally accepted accounting standards as issued from time to time.

**B. NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :**

1. **Fixed Asset and Depreciation**

Fixed assets relating to Plant at Vapi which were unusable has been disposed off during the year hence no depreciation has been charged on the same. The Sale has not affected the going concern status of the company.

2. During the year 1/10<sup>th</sup> of the preliminary expenses amounting to Rs.2,67,879/- has been charged to Profit & Loss Account.

3. **Earning Per Share**

In determining earnings per share, the Company considers the net profit after tax for the year attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per shares comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

4. **Forfeiture of Convertible Warrants**

The company has allotted 38,00,000 convertible equity warrants of 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 preferential Issue, against which the allottee paid Rs.11.70 per warrant being 10% of the subscription amount and option to apply one equity share against each warrant on or before expiry of 18 month i.e. 30th November, 2009 by paying the balance amount. The allottee did not paid the balance amount in terms of clause 13.1.2.3(c) of the SEBI (disclosure and investor protection) guidelines 2000, as a result of which the entire amount of 10% amounting to Rs.4.44,60,000/- received at the time allotment of aforesaid warrants stands forfeited.

5. **Dividend**

The Company has recommend a dividend of 5% i.e. Rs 0.10 per equity shares of Rs.2/- each for the financial year ended March 31, 2010, amounting to Rs.0.74 Crore on the Capital of Rs.14,82,02,000/-.

6. **Contingent Liabilities not provided for in respect of:**

Particulars	Amount (In Lacs)
a) Bill Discounted with bank since not realized	Rs. Nil
b) Letter of Credit un-expired.	Rs. Nil
c) Estimated amount of contract remaining to be executed	Rs. 48.98
d) Bank Guarantees/Counter Guarantee issued	Rs. Nil

The Sales Tax & Income Tax Assessments are pending for earlier years. The liabilities in this behalf remained unascertained.

7. **Auditor's Remuneration :-**

Particulars	Current year	Previous year
Audit Fees	Rs.1,10,300/-	Rs.82,725/-
Tax Audit Fees	Rs.27,575/-	Rs.27,575/-

8. In the opinion of the Board of Directors and to the best of knowledge and belief, all the current assets, loans and advances are valued at realizable value or at an amount equal to the amount at which they are stated in the Balance Sheet.

9. Previous year's figures have been regrouped and rearranged wherever necessary.

10. Loan and Advances includes advances given to various parties amounting to Rs 1224.37 Lacs (Previous year 1210.00 Lacs) in respect of property to be purchased in due course of time. The matter relating to these is sub-judice.

11. **Segment Reporting**

The management information system of the company recognises and monitors "Real Estate Business Only" as the only business segment.

12. Since the company is engaged in construction/real estate business activities, the provisions of Para 3 of Part II of Schedule VI of the Companies Act, 1956 regarding quantitative detail is not applicable to the company.

13. **Expenditure in Foreign Currency**

Particulars	Current year	Previous year
Consultancy Charges	Nil	72.52 Lac

14. **Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures**

A) **List of related parties with whom transactions are carried out during the year :**

i) **Particulars of Subsidiary/Associates Company**

S.No.	Name of Party	Address	Status
1)	Alchemist Limited	23, Netaji Place, New Delhi	Associates Company
2)	KDS Corporation Pvt. Ltd.	12-13, Sector 9-D, Chandigarh	Do
3)	Alchemist Airways Pvt. Ltd.	12-13, Sector 9-D, Chandigarh	—Do

ii) **Key Management Personnel/Relatives**

S.No.	Name of Party	Status
1)	Kamraj Deep Singh	Managing Director
2)	Karun Deep Singh	Relative to KMP
3)	Kamran Deep Singh	-Do-



**B) Particulars of Transaction with Related Parties / Associate Companies and KMP**

	(Amount in Lacs)	
	Associate Companies	KMP
Expenditure Incurred on Services Rendered	108.87	1.22

**15. Deferred Tax**

a) Deferred Tax Assets and Liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws

b) Break-up of deferred tax assets/liabilities and reconciliation of current year deferred tax changes is as follows:

Particulars		Credited/(Charged) to Profit & Loss A/c	Balance as on 31.03.2010
<b>Deferred Tax Liabilities</b>			
Depreciation as per Companies Act	12,23,703		
Depreciation as per Income Tax Act	12,38,703		
Difference	14,998	-	
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return		4,928	1,88,569

**16. Disclosure as required by Accounting Standard (AS) 20- Earning per Share**

Sl. No.	Particulars	Year ended 31.03.2010	Year ended 31.03.2009
a)	Net Profit After tax	1,40,59,936	1,03,19,912
b)	Weighted Average number of equity shares for Basic EPS (Nos)	7,41,01,000	7,32,24,151
c)	Face Value Per share	Rs 2/-	Rs 2/-
d)	Basic EPS (Rs.)	0.19	0.14
e)	Diluted EPS (Rs.)	0.19	0.13

**17. Director Remuneration and Benefits**

Sl. No.	Particulars	31.03.2010 (in Rs.)	31.03.2009 (in Rs.)
a)	Sitting Fees	20,000.00	20,000.00

**18. Additional information required under Part-II of Schedule VI to the Companies Act, 1956.**

During the year there was no operations in Paper Mill unit. Accordingly the additional information as required Under Part II of Schedules VI of the Companies Act, 1956 relating to quantitative details pertaining to opening & closing stocks, purchases, sales, consumption of raw material etc. is not applicable.

For and on behalf of board

For K. Singh & Associates  
Chartered Accountants  
Firm No. 012458N

**KULJAR SINGH**  
Partner  
Membership No. 091673

**KANWAR DEEP SINGH**  
Managing Director

**R.P. CHHABRA**  
Director

**TUSHAR SHARMA**  
CEO cum Company Secretary

Place : New Delhi  
Date : 27.08.2010

# Balance Sheet Abstract

ADDITIONAL INFORMATION REQUIRED VIDE NOTIFICATION GSR 388(E) DATED 15.05.1985

## BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

### I. Registration Details

Registration No.     2 9 4 7 1 State Code   1 1

Balance Sheet Date   3 1 0 3   2 0 1 0

### II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue

N I L

Bonus Shares

N I L

Rights Issue

N I L

Private Placement

N I L

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

2 8 9 8 3 9

SOURCES OF FUNDS

Paid-up Capital

1 4 8 2 0 2

Reserves & Surplus

1 3 9 6 4 5

Unsecured Loans

N I L

APPLICATION OF FUNDS

Net Fixed Assets

9 3 1 5 9

Net Current Assets

1 7 1 7 7 4

Accumulated Losses

N I L

Total Assets

2 8 9 8 3 9

Application Money

N I L

Secured Loans

1 9 9 2

Investments

2 2 8 4 2

Misc. Expenditure

1 8 7 5

Deferred Tax

1 8 9

### IV. Performance of Company (Amount in Rs. Thousands)

Turnover

1 0 4 9 6 3 8

Profit / Loss before Tax

2 0 0 5 4

Earning Per Share in Rs.

0 1 9

Total Expenditure

1 0 2 9 5 8 4

Profit / Loss after Tax

1 4 0 6 0

Dividend Rate (%)

5

### V. Generic Names of Five Principal products/services of Company (As per monetary terms)

Descriptions - The Company is engaged in Real Estate Business

On behalf of the Board

Place : NEW DELHI

Date : 27.08.2010

KANWAR DEEP SINGH  
Managing Director

R.P. CHHABRA  
Director

TUSHAR SHARMA  
CFO cum Company Secretary

**Cash Flow Statement**

AS AT 31st MARCH	2010-11	2009-10
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after Tax and Extra Ordinary Item	5,419	1,650
<b>Add :</b>		
Proposed Dividend	7,110	7,410
Tax on Dividend	1,231	1,259
Provision for Taxes	5,989	7,522
Depreciation	1,724	1,760
Miscellaneous Expenses Written Off	268	268
Financial Expenses	352	248
	<b>16,374</b>	<b>17,898</b>
<b>Less:</b>		
Deferred Tax Asset	(51)	(42)
Long Term Capital Gain		451
Rent received	5,989	7,522
Provision for Tax	7,110	7,410
Provision for Dividend	1,231	1,259
Tax on Dividend	624	251
Interest Received	15,249	17,083
	<b>6,544</b>	<b>2,513</b>
<b>OPERATING PROFIT FOR WORKING CAPITAL CHANGES</b>		
(Increase)/Decrease in Inventory	(30,723)	1104,863
(Increase)/Decrease in Sundry Debtors	(19,865)	91,135
(Increase)/Decrease in Loans & Advances	1967,928	(206,124)
Increase/(Decrease) in Trade Payables & Others	2,75,190	(10,057)
<b>Cash generated from/(used in) operating activities</b>	<b>1,054,898</b>	<b>1327,364</b>
Direct Taxes paid/deducted at source	(1,024)	(4,382)
<b>Net Cash Generated from/(used in) operating activities</b>	<b>(A)</b>	<b>(31,740)</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets	22,692	
Interest Received	54	251
Rent Received		(51)
Sale of Investment	2,001	
Purchase of fixed assets and Lease hold improvement	(21,715)	(57,853)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(B)</b>	<b>(36,012)</b>
<b>3. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Proceeds from Share Premium		56,297
Proceeds from Application Money for Warrants		44,460
Proceeds from Secured Loans	1610	43
Proceeds from Unsecured Loans	(1,049,700)	50,005
Interest Paid	(752)	(248)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(C)</b>	<b>183,627</b>
<b>4. NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A+B+C)</b>	<b>(15,252)</b>
<b>5. CASH &amp; CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	<b>10,308</b>	<b>25,560</b>
<b>6. CASH &amp; CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>11,222</b>	<b>10,308</b>

For and on behalf of the board

**KANWAR DEEP SINGH**  
Managing Director

**R.P.CHADRA**  
Director

**HISHAR SHARMA**  
CFO & Company Secretary

**Auditor's Certificate**

We have examined the attached Cash flow statement of Alchemist Realty Limited for the year ended 31<sup>st</sup> March, 2010. The Statement has been prepared by the company in accordance with the requirement of the listing agreement Clause 32 with Stock Exchange and is based on and derived from the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

For K Singh & Associates  
(Chartered Accountants)  
(Firm No. 0124585)

Kulvir Singh  
(Partner)  
(Membership No. 091673)

PLACE : NEW DELHI  
DATE : 27.08.2010