

ALCHEMIST

Ref.-AL/CS/STX/2018-19/28

November 13, 2018.

The Manager (Department of Corporate Services)
Bombay Stock Exchange Limited (BSE)
P.J. Towers, 25th Floor, Dalal Street, Fort
Mumbai- 400001

Scrip Code: 526707

The Manager (Listing Department)
National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai- 400051

Scrip Code: ALCHEM

Sub: Outcome of Board Meeting

Dear Sir/Madam,

We wish to inform you that the Board of Directors in its meeting held on 13.11.2018 has considered and approved the following:

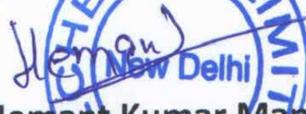
1. Unaudited Financial Results (Provisional) of the Company for the quarter / half yearly ended on 30th September, 2018.
2. Limited review Report on the Unaudited Financial Results for the quarter / half yearly ended on 30th September, 2018 obtained from Statutory Auditors has also been taken on record.
3. Any other matter with permission of the chair.

You are requested to take the above information on your record & acknowledge the same.

Thanking you

Yours Sincerely

For **ALCHEMIST LIMITED**



Hemant Kumar Mangal
(Company Secretary)

ALCHEMIST LTD.

CIN : L72200DL1988PLC192643

Independent Auditor's Review Report on Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Alchemist Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of **Alchemist Limited** ("the Company"), having registered office at Alchemist House, 23-Nehru Place, New Delhi, for the quarter and half year ended 30th September, 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is invited to note no. 3 of the accompanying statement which states that "The Company extends credit from time to time as per market practices. In respect of export receivables amounting to ₹ 46,442.79 Lakhs, credit was extended for export sales in the normal course of the business, however it apparently got stuck. Though the Company is regularly following up on the same and is hopeful of recovering such amount, considering the principal of conservatism, the Company is making a provision for expected credit loss @ 10% of the outstanding export receivables amounting to ₹ 4,644.28 Lakhs and also reversing the unrealised foreign exchange gain of ₹ 1,851.16 Lakhs on export receivable and related trade payable accounted for during the financial year 2018-19. Hence forth, the Company shall not be accounting for the unrealised foreign exchange loss on such export receivable and related trade payables and the same will only be accounted for on actual realisation/payment".

Such export receivables are outstanding for more than three years as at the quarter end date, provision @ 10% is made against such doubtful trade receivables. Since the actual realisation of such doubtful export receivable cannot be ascertained, we are unable to comment on the adequacy of the provision of excepted credit loss made by the Company. The loss to that extent is under stated, the effect however could not be quantified.

Though, the Company admits that the export receivable is doubtful of recovery and has made partial provision on such export receivable, still such export receivable and related trade payable



stand in the books, hence require recognition of unrealised foreign exchange gain/loss as per the provisions of Ind AS 21, The Effects of Changes in Foreign Exchange Rates. Accordingly, the loss is overstated by ₹ 3,933.42 Lakhs, the trade receivables are understated by ₹ 5,357.50 Lakhs and the trade payable are overstated by ₹ 1,424.08 Lakhs.

4. Based on our review conducted as above, *subject to the impact of our observation in paragraph 3 above*, nothing else has come to our attention that causes us to believe that the accompanying statement of un-audited standalone financial results prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Attention is invited to note no. 4 of the accompanying statement which states that “The accumulated losses of the Company had exceeded its net worth. The company’s operations were adversely affected in earlier financial years due to sluggish market demand, working capital getting stuck in trade receivables and loss making manufacturing activity of the pharmaceutical unit. The Company has initiated legal recourse against the defaulting customers and is regularly following up on the same and the Company during the last year has even closed down its loss making pharmaceutical manufacturing. The units of the company now continue to operate at satisfactory capacity utilization levels and are generating positive Earnings before Interest Depreciation Tax and Amortization (EBIDTA). With strong management focus on strategic initiatives for cost rationalization, optimum product mix and efficient plant operations, the management believes that accumulated losses would reasonably be paired, in due course. The standalone financial results, as such have been prepared on a going concern basis”.

Our review report is not qualified in respect of the matter as stated in the above paragraph.

for Anu and Associates

Chartered Accountants

Firm Registration No.: 019624N

Parveen

CA. Parveen Kumar

Partner

Membership No.: 531655



Date: 13th November, 2018

Place of signature: New Delhi

ALCHEMIST LIMITED

CORPORATE IDENTITY NUMBER: L72200DL1988PLC192643

Statement of Unaudited Standalone Assets & Liabilities as at 30th September, 2018

Particulars	₹ in Lakhs	
	As at 30 th September, 2018	As at 31 st March, 2018
Assets		
Non - Current Assets		
Property, Plant and Equipment	14,005.73	14,239.02
Capital Work-in-progress		
Other Intangible Assets	1,006.61	1,125.17
Financial Assets		
Investments	16,865.58	16,865.58
Loans	404.30	405.33
Others	207.03	206.27
Other Non-current Assets	770.34	781.59
Total Non - Current Assets	<u>33,259.60</u>	<u>33,622.95</u>
Current Assets		
Inventories	130.18	185.83
Financial Assets		
Trade Receivables	42,615.87	47,154.54
Cash and Cash Equivalents	226.19	248.15
Bank Balances	21.22	21.14
Loans	313.56	338.47
Others	38.30	18.29
Current Tax Assets (Net)	0.06	0.62
Other Current Assets	656.62	642.78
Total Current Assets	<u>44,001.99</u>	<u>48,609.82</u>
Total Assets	<u><u>77,261.59</u></u>	<u><u>82,232.76</u></u>
Equity and Liabilities		
Equity		
Equity Share Capital	1,355.98	1,355.98
Other Equity	(16,742.64)	(11,319.56)
Total Equity	<u>(15,386.66)</u>	<u>(9,963.58)</u>
Liabilities		
Non - Current Liabilities		
Financial Liabilities		
Borrowings	74,904.73	74,498.74
Other Financial Liabilities	373.01	368.22
Provisions	67.08	52.20
Deferred Tax Liabilities (Net)	736.87	688.00
Total Non - Current Liabilities	<u>76,081.69</u>	<u>75,607.16</u>
Current Liabilities		
Financial Liabilities		
Borrowings	395.15	365.78
Trade payables	13,370.36	13,332.35
Other financial liabilities	2,450.33	2,550.98
Other current liabilities	345.31	336.47
Provisions	5.42	3.60
Total Current Liabilities	<u>16,566.56</u>	<u>16,589.18</u>
Total Equity and Liabilities	<u><u>77,261.59</u></u>	<u><u>82,232.76</u></u>

Date: 13th November, 2018
Place: New Delhi

By Order of Board
For Alchemist Limited
New Delhi
Bisram Bhattacharya
(Whole Time Director)



PART I: STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30.09.2018

Sr. No	Particulars	STANDALONE					(₹ in Lakhs except EPS data)
		Quarter Ended			Half Year Ended		Year Ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.17	31.03.18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Net Sales (Net of Excise Duty) / Incomes from Operations	599.15	865.80	670.78	1,464.95	1,266.13	2,660.01
2	Other Income	0.83	0.64	377.76	1.46	354.39	75.65
3	Total Revenue (1+2)	599.98	866.44	1,048.54	1,466.42	1,620.52	2,735.67
4	Expenditure						
	a) Consumption of Raw Material & Others	164.81	272.18	91.73	436.99	175.40	509.42
	b) Purchase of stock in trade	228.05	310.88	344.67	538.93	302.60	945.09
	c) (Increase)/decrease in stock in trade, finished goods and work in progress	8.95	13.08	102.25	22.03	423.40	449.64
	d) Employees benefit expenses	193.50	204.81	212.19	398.31	508.00	955.73
	e) Finance costs	49.79	34.27	45.92	84.06	95.99	171.53
	f) Depreciation & Amortisation	176.11	175.71	198.01	351.82	394.47	776.21
	g) Other Expenditure						
	(i) Foreign Exchange (Gain)/Loss	1,851.16	(1,851.16)	-	-	-	(107.73)
	(ii) Provision for expected credit loss	4,644.28	-	-	4,644.28	-	-
	(iii) Other Expenditure other than (i) above	190.03	152.63	128.91	342.67	327.25	751.91
	Total Expenses	7,506.68	(687.60)	1,123.68	6,819.07	2,227.11	4,451.80
5	Profit before Exceptional & Extraordinary Items (3-4)	(6,906.70)	1,554.04	(75.14)	(5,352.66)	(606.59)	(1,716.13)
6	Exceptional Items	-	-	-	-	-	(71.14)
7	Share in loss of Associate	-	-	-	-	-	-
8	Profit Before Tax (5-6-7)	(6,906.70)	1,554.04	(75.14)	(5,352.66)	(606.59)	(1,644.99)
9	Tax Expenses						
	a) Current Tax						
	b) Deferred Tax	71.20	(18.12)	(78.12)	53.09	(42.03)	42.07
10	Profit(+)/ Loss(-) for the period (8-9)	(6,977.90)	1,572.16	2.98	(5,405.75)	(564.56)	(1,687.06)
11	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss						
	Re-measurement of the net defined benefit plans	4.33	(20.52)	(33.48)	(16.19)	(5.67)	49.14
	Tax on above	(1.13)	5.34	10.05	4.21	1.46	(12.78)
12	Total Other comprehensive income, net of tax	3.20	(15.19)	(23.43)	(11.98)	(4.21)	36.37
13	Total comprehensive income, for the period	(6,974.70)	1,556.97	(20.46)	(5,417.73)	(568.78)	(1,650.69)
14	Loss for the Year Attributed to						
	Owners of The Parent						
	Non-Controlling Interests						
15	Other Comprehensive Income for the Year Attributable to						
	Owners of the Parent						
	Non-Controlling Interests						
14	Paid up equity share capital	1,355.98	1,355.98	1,355.98	1,355.98	1,355.98	1,355.98
	(Face Value of ₹ 10/- each per share)						
15	Basic and diluted Earning Per Share (EPS) after Extra Ordinary Items						
	Basic	(51.46)	11.59	0.02	(39.87)	(4.16)	(12.44)
	Diluted	(51.46)	11.59	0.02	(39.87)	(4.16)	(12.44)



PART II: SEGMENT INFORMATION FOR THE QUARTER ENDED 30.09.2018

Sr. No	Particulars	STANDALONE					(₹ in Lakhs)
		Quarter Ended			Half Year Ended		Year Ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.17	31.03.18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Segment Revenue (Net)						
	a) Pharma, Chemical & Minerals	337.27	524.60	543.41	861.87	1,013.52	1,902.73
	b) Agri Business	261.88	341.21	127.37	603.08	252.61	757.38
	Sub-Total	599.15	865.80	670.78	1,464.95	1,266.12	2,660.01
	Less Inter Segment Revenue						
	Net Sales/Incomes	599.15	865.80	670.78	1,464.95	1,266.12	2,660.01
2	Segment Results						
	Profit/(Loss) before tax and interest from segments)						
	a) Pharma, Chemical & Minerals	(6,750.65)	1,685.05	(320.15)	(5,065.61)	(697.75)	(1,459.29)
	b) Agri Business	(107.08)	(97.37)	(86.82)	(204.45)	(167.23)	(160.97)
	Total	(6,857.74)	1,587.68	(406.97)	(5,270.06)	(864.99)	(1,620.26)
	Less: Financial Charges	49.79	34.27	45.93	84.06	99.99	171.53
	Add: Other Incomes	0.83	0.64	377.76	1.46	354.39	75.65
	Less: Exceptional Item						
	Total Profit before Tax	(6,906.70)	1,554.04	(75.15)	(5,352.66)	(606.59)	(1,644.99)
	Current and Deferred Tax	71.20	(18.12)	(78.12)	53.09	(42.03)	42.07
	Total Profit after Tax	(6,977.90)	1,572.16	2.98	(5,405.75)	(564.56)	(1,687.06)
3	Segment Assets						
	a) Pharma, Chemical & Minerals	43,853.31	51,327.17	49,099.83	43,853.31	49,099.83	48,516.32
	b) Agri Business	941.10	991.33	859.37	941.10	859.37	964.98
	Total Assets	44,794.41	52,318.50	49,959.20	44,794.41	49,959.20	49,481.30
4	Segment Liabilities						
	a) Pharma, Chemical & Minerals	13,878.81	14,738.56	13,918.05	13,878.81	13,918.05	13,773.78
	b) Agri Business	103.56	165.93	57.46	103.56	57.46	152.62
	Total Liabilities	13,982.37	14,904.49	13,975.51	13,982.37	13,975.51	13,926.40
5	Capital Employed						
	(Segment assets- Segment Liabilities)						
	a) Pharma, Chemical & Minerals	29,974.50	36,588.61	35,181.78	29,974.50	35,181.78	34,742.55
	b) Agri Business	837.54	825.39	801.91	837.55	801.91	812.37
	Total	30,812.04	37,414.00	35,983.69	30,812.05	35,983.69	35,554.92



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NOTES:

- 1) The above standalone financial results, as reviewed by Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on 13th November, 2018. The Statutory Auditors have expressed modified opinion on these results.
- 2) The figures for the previous period have been regrouped/reclassified, wherever necessary to confirm to the current period's presentation.
- 3) The company extends credit from time to time as per market practices. In respect of export receivables amounting to ₹ 46,442.79 Lakhs, credit was extended for export sales in the normal course of the business, however it apparently got stuck. Though the Company is regularly following up on the same and is hopeful of recovering such amount, considering the principal of conservatism, the Company is making a provision for expected credit loss @ 10% of the outstanding export receivables amounting to ₹ 4,644.28 Lakhs and also reversing the unrealised foreign exchange gain of ₹ 1,851.16 Lakhs on export receivable and related trade payable accounted for during the financial year 2018-19. Hence forth, the Company shall not be accounting for the unrealised foreign exchange loss on such export receivable and related trade payables and the same will only be accounted for on actual realisation/payment.
- 4) The accumulated losses of the Company had exceeded its net worth. The company's operations were adversely affected in earlier financial years due to sluggish market demand, working capital getting stuck in trade receivables and loss making manufacturing activity of the pharmaceutical unit. The Company has initiated legal recourse against the defaulting customers and is regularly following up on the same and the Company during the last year has even closed down its loss making pharmaceutical manufacturing. The units of the company now continue to operate at satisfactory capacity utilization levels and are generating positive Earnings before Interest Depreciation Tax and Amortization (EBIDTA). With strong management focus on strategic initiatives for cost rationalization, optimum product mix and efficient plant operations, the management believes that accumulated losses would reasonably be paired, in due course. The standalone financial statements, as such have been prepared on a going concern basis.

Date: 13th November, 2018
Place: New Delhi

