

ALCHEMIST

Date: 14.09.2020

The Deputy 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, BandraKurla Complex,
Bandra (East), Mumbai- 400051

Scrip Code: ALCHEM

Sub: Outcome of Board Meeting held on 14th September, 2020

Dear Sir/Madam,

Pursuant to provision of Regulation 30 and 33 and any other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter "SEBI Listing Regulations") please note that the Board of Directors of the Company in its meeting held on Monday the 14th Day of September 2020, i.e. today, have inter— alia considered, approved and taken on record the following businesses:—

1. Un-Audited Standalone and Consolidated Financial Results of the Company for the Quarter ended on June 30, 2020. A copy of the Un-Audited Results for the Quarter ended on June 30, 2020 as per regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.
2. Limited Review Report of Un-Audited Standalone and Consolidated Financial Results of the company for the Quarter ended on June 30, 2020. A copy of the Limited Review Report for the Quarter ended on June 30, 2020, as per regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

We further wish to inform you that the Board Meeting was Commenced at 03:30 P.M. and concluded at 4:45 P.M.

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

Thanking you

Yours Sincerely

For Alchemist Limited


Divya Bajaj
Company Secretary



ALCHEMIST LTD.

CIN : L72200DL1988PLC192643

Regd. & Head Office : Alchemist House, Building No. 23, Nehru Place, New Delhi - 110019 Tel. : +91 - 40600800, Fax : +91-40600888
Chd. Office : Plot No. F5, Rajiv Gandhi IT Park, Chandigarh - 160 101 Tel. : +91-172-4266666, Fax: +91-172-4266602
E-mail : investors@alchemist.co.in Website : www.alchemist.co.in

ALCHEMIST LIMITED					
REGD.OFFICE : 23 NEHRU PLACE, NEW DELHI-110 019					
CIN NO.:L72200DL1988PLC192643. Tel No.: (91-11) 40600800. Fax: (91-11) 40600888. E-mail: info@alchemist.co.in. Website: www.alchemist.co.in					
PART I: STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2020					
S.No	Particulars	[₹ in Lacs except EPS data]			
		Quarter Ended		Year Ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.20
		(Unaudited)	(Refer Note 2)	(Unaudited)	(Audited)
1	Net Sales (Net of Excise Duty) / Incomes from Operations	84.43	128.52	585.68	1441.17
2	Other income	15.53	20.14	0.57	29.30
3	Total Revenue (1+2)	99.96	148.66	586.54	1470.47
4	Expenditure				
	a) Consumption of Raw Material & Others	32.28	81.34	188.72	459.07
	b) Purchase of stock in trade	3.78	11.90	178.05	481.28
	c) [(Increase)/decrease in stock in trade, finished goods and scrap	(19.14)	1.60	10.00	32.95
	d) Employees benefit expenses	41.52	109.87	157.61	540.78
	e) Finance costs	3.96	15.06	12.02	55.26
	f) Depreciation & Amortisation	155.15	162.56	167.42	664.67
	g) Other Expenditure				
	(i) Foreign Exchange (Gain)/Loss	-	-	-	-
	(ii) Provision for Expected Credit Loss	-	4,644.28	-	4644.28
	(iii) Other Expenditure other than (i) above	21.93	92.08	145.86	380.42
	Total Expenses	239.47	5118.69	859.68	7268.70
5	Profit before Exceptional & Extraordinary Items (3-4)	(139.52)	(4970.03)	(273.14)	(5798.23)
6	Exceptional Items	-	-	-	-
7	Profit Before Tax (5-6)	(139.52)	(4970.03)	(273.14)	(5798.23)
8	Tax Expenses				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	16.38	(992.30)	19.54	(1125.45)
9	Profit(+)/ Loss(-) for the period (7-8)	(155.89)	(3976.73)	(292.68)	(4672.78)
10	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss				
	Re-measurement of the net defined benefit plans	-	10.51	-	10.51
	Tax on above	-	(2.73)	-	(2.73)
11	Total Other comprehensive Income, net of tax	0.00	7.78	0.00	7.78
12	Total comprehensive Income, for the period	(155.89)	(3968.95)	(292.68)	(4665.00)
13	Paid up equity share capital	1355.98	1355.98	1355.98	1355.98
	(Face Value of ₹ 10/- each per share)				
14	Basic and diluted Earning Per Share (EPS) after Extra Ordinary Items				
	-Basic	(1.15)	(29.33)	(2.16)	(34.46)
	-Diluted	(1.15)	(29.33)	(2.16)	(34.46)



PART II: SEGMENT INFORMATION FOR THE QUARTER ENDED 30.06.2020					
(₹ in Lacs)					
S.No.	Particulars	STANDALONE			
		Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.20
1	Segment Revenue (Net)				
	a) Pharma, Chemical & Minerals	19.25	0.70	319.13	742.16
	b) Agri Business	65.17	127.82	266.54	699.01
	Sub-Total	84.43	128.52	585.68	1441.17
	Less Inter Segment Revenue	-	-	-	-
	Net Sales/incomes	84.43	128.52	585.68	1441.17
2	Segment Results				
	Profit/(Loss) before tax and interest from segments)				
	a) Pharma, Chemical & Minerals	(153.67)	(5044.37)	(174.56)	(5562.41)
	b) Agri Business	2.58	69.26	(87.43)	(209.86)
	Total	(151.09)	(4975.11)	(261.99)	(5772.27)
	Less: Financial Charges	3.96	15.06	12.02	55.26
	Add: Other incomes	15.53	20.14	0.87	29.30
	Less: Exceptional Item	-	-	-	-
	Total Profit before Tax	(139.52)	(4970.03)	(273.14)	(5798.23)
	Current and Deferred Tax	16.38	(993.30)	19.54	(1125.45)
	Total Profit after Tax	(155.89)	(3976.73)	(292.68)	(4672.78)
3	Segment Assets				
	a) Pharma, Chemical & Minerals	38785.94	38834.27	43868.13	38834.27
	b) Agri Business	927.39	929.76	965.80	929.75
	Total Assets	39713.33	39764.03	44833.94	39764.03
4	Segment Liabilities				
	a) Pharma, Chemical & Minerals	14701.29	14706.76	14871.22	14706.76
	b) Agri Business	127.58	142.49	151.44	142.49
	Total Liabilities	14828.87	14849.25	15022.66	14849.25
5	Capital Employed				
	(Segment assets-Segment Liabilities)				
	a) Pharma, Chemical & Minerals	24084.66	24127.51	28996.91	24127.51
	b) Agri Business	799.81	787.27	814.36	757.27
	Total	24884.46	24914.78	29811.28	24914.78

NOTES:

- 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 14 September, 2020. The Statutory Auditors have expressed modified opinion on these results.
- The figures for the quarter ended 31st March, 2020 are the balancing figures between audited figures for the financial year and the reviewed year to date figures upto the third quarter of the financial year.
- 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, has initiated legal recourse and is hopeful of recovering such amount, still considering the principal of conservatism, the Company has made a provision for expected credit loss @ 20% of the outstanding export receivables amounting to ₹9,288.56 Lakhs during the financial years 2018-19 and 2019-20. 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.
- The working capital limits of ₹350.00 Lakhs availed from Bank of India for the working capital requirements of the pharmaceutical division has been classified as non-performing asset (herein referred to as 'NPA') on 30th November, 2018. The outstanding as on the date of classification by the bank as NPA was ₹363.88 Lakhs. The Company has not recognised interest liability on such loan from the day it has become NPA, in line with the practice followed by the respective bank.
- 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 has recently 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 Company can even liquidate its non-core strong fixed assets cover to support the operations in times of any need. Further, the Company has the backing of the strong group because of which the Company has been able to pay off its borrowings from Punjab National Bank and support the operations of the Company even though the Company has incurred losses in the recent past. The financial statements, as such have been prepared on a going concern basis.
- As required by Ind As 19 "Employee benefits", the company has not made provision for Gratuity. The same will be provided at the end of year.
- The figures for the previous period have been regrouped/ reclassified, wherever necessary to confirm to the current period's presentation.
- The Company has not carried out the impact assessment study that COVID- 19 may have on its operations and financials.

By Order of Board

For Alchemist Limited

Bikram Bhattacharya

Bikram Bhattacharya
(Whole Time Director)

DIN 03595530

Place: New Delhi
Date: 14/09/2020

ALCHEMIST LIMITED					
REGD. OFFICE : 23 NEHRU PLACE, NEW DELHI-110 019					
CIN NO.:L72200DL1988PLC192643. Tel No.: (91-11) 40600800. Fax: (91-11) 40600888. E-mail: info@alchemist.co.in. Website: www.alchemist.co.in					
PART I: STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.03.2020					
S.No	Particulars	(₹ in Lacs except EPS data)			
		Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.20
		(Refer Note 2)	(Unaudited)	(Refer Note 2)	(Audited)
1	Net Sales (Net of Excise Duty) / Incomes from Operations	84.43	128.52	585.68	1441.17
2	Other Income	15.53	29.14	0.87	29.30
3	Total Revenue (1+2)	99.96	148.66	586.54	1470.47
4	Expenditure				
	a) Consumption of Raw Material & Others	32.28	81.34	188.72	469.07
	b) Purchase of stock in trade	3.78	11.90	178.05	481.28
	c) (Increase)/decrease in stock in trade, finished goods and scrap	(19.14)	1.60	10.00	32.95
	d) Employees benefit expenses	41.52	109.87	157.61	540.78
	e) Finance costs	3.96	15.05	12.02	55.26
	f) Depreciation & Amortisation	155.15	162.56	167.42	664.67
	g) Other Expenditure				
	(i) Foreign Exchange (Gain)/Loss	-	-	-	-
	(ii) Provision for Expected Credit Loss	-	4644.28	-	4644.28
	(iii) Other Expenditure other than (i) above	21.94	92.20	145.86	380.60
	Total Expenses	239.49	5118.81	859.68	7268.88
5	Profit before Exceptional & Extraordinary Items (3-4)	(139.53)	(4970.15)	(273.14)	(5798.41)
6	Exceptional Items	-	-	-	-
7	Share in Loss of Associate	-	-	-	-
8	Profit Before Tax (5-6-7)	(139.53)	(4970.15)	(273.14)	(5798.41)
9	Tax Expenses				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	16.38	(993.30)	19.54	(1125.45)
10	Profit(+)/ Loss(-) for the period (8-9)	(155.91)	(3976.85)	(292.68)	(4672.96)
11	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss				
	Re-measurement of the net defined benefit plans	-	10.51	-	10.51
	Tax on above	-	(2.73)	-	(2.73)
12	Total Other comprehensive Income, net of tax	0.00	7.78	0.00	7.78
13	Total comprehensive Income, for the period	(155.91)	(3969.07)	(292.68)	(4665.18)
14	Loss for the Year Attributed to				
	Owners of The Parent	(155.90)	(3976.79)	-	(4672.87)
	Non-Controlling Interests	(0.01)	(0.06)	-	(0.09)
15	Other Comprehensive Income for the Year Attributable to				
	Owners of the Parent	-	7.78	-	7.78
	Non-Controlling Interests	-	-	-	-
16	Paid up equity share capital	1355.98	1355.98	1355.98	1355.98
	(Face Value of ₹ 10/- each per share)				
17	Basic and diluted Earning Per Share (EPS) after Extra Ordinary Items				
	-Basic	(1.15)	(29.33)	(2.16)	(34.46)
	-Diluted	(1.15)	(29.33)	(2.16)	(34.46)

PART II: SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31.03.2020				
(₹ in Lacs)				
S.No.	Particulars	CONSOLIDATED		
		Quarter Ended		Year Ended
		30.06.2020	31.03.2020	31.03.20
1	Segment Revenue (Net)			
	a) Pharma, Chemical & Minerals	19.25	0.70	319.13
	b) Agri Business	65.17	127.82	266.54
	Sub-Total	84.43	128.52	585.68
	Less Inter Segment Revenue	-	-	-
	Net Sales/Incomes	84.43	128.52	585.68
2	Segment Results			
	Profit/(Loss) before tax and interest from segments			
	a) Pharma, Chemical & Minerals	(153.67)	(5044.37)	(174.56)
	b) Agri Business	2.58	69.25	(87.43)
	Total	(151.09)	(4975.11)	(261.99)
	Less: Financial Charges	3.96	15.06	12.02
	Add: Other Incomes	15.53	20.14	0.87
	Less: Exceptional Item	-	-	-
	Less: Unallocated expense of Subsidiary	0.02	0.12	-
	Less: Share of loss in Associate	-	-	-
	Total Profit before Tax	(139.53)	(4970.15)	(273.14)
	Current and Deferred Tax	16.38	(993.30)	19.54
	Total Profit after Tax	(155.91)	(3976.85)	(292.68)
3	Segment Assets			
	a) Pharma, Chemical & Minerals	38785.94	38834.27	43868.13
	b) Agri Business	927.39	929.75	965.80
	Total Assets	39713.33	39764.03	44833.94
4	Segment Liabilities			
	a) Pharma, Chemical & Minerals	14701.29	14706.76	14871.22
	b) Agri Business	127.58	142.49	151.44
	Total Liabilities	14828.87	14849.25	15022.66
5	Capital Employed			
	(Segment assets-Segment Liabilities)			
	a) Pharma, Chemical & Minerals	24084.66	24127.51	28996.91
	b) Agri Business	799.81	787.27	814.36
	Total	24884.46	24914.78	29811.28

NOTES:

- The above consolidated financial results, as reviewed by Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on 14 September, 2020. The Statutory Auditors have expressed modified opinion on these results.
- The figures for the quarter ended 31st March, 2020 are the balancing figures between audited figures for the financial year and the reviewed year to date figures upto the third quarter of the financial year.
- The figures for the previous period have been regrouped/reclassified, wherever necessary to conform to the current period's presentation.
- The Group extends credit from time to time as per market practices. In respect of export receivables amounting to ₹45,442.79 Lakhs, credit was extended for export sales in the normal course of the business, however it apparently got stuck. Though the Group is regularly following up on the same, has initiated legal recourse and is hopeful of recovering such amount, still considering the principal of conservatism, the Group has made a provision for expected credit loss @ 20% of the outstanding export receivables amounting to ₹9,288.56 Lakhs during the financial years 2018-19 and 2019-20. Hence forth, the Group 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.
- In respect of the parent, the working capital limits of ₹350.00 Lakhs availed from Bank of India for the working capital requirements of the pharmaceutical division has been classified as non-performing asset (herein referred to as 'NPA') on 30th November, 2018. The outstanding as on the date of classification by the bank as NPA was ₹363.88 Lakhs. The Parent has not recognised interest liability on such loan from the day it has become NPA, in line with the practice followed by the respective bank.
- The accumulated losses of the group had exceeded its net worth. The Parent'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 Parent has initiated legal recourse against the defaulting customers and is regularly following up on the same and the Parent during the last year has even closed down its loss making pharmaceutical manufacturing. The units of the Parent 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 Group can even liquidate its non-core strong fixed assets cover to support the operations in times of any need. Further, the Group has the backing of the strong conglomerate because of which the Group has been able to pay off its borrowings from Punjab National Bank and support the operations of the Group even though the Group has incurred losses in the recent past. The financial statements, as such have been prepared on a going concern basis.
- As required by Ind As 19 "Employee benefits", the Parent has not made provision for Gratuity. The same will be provided at the end of year.
- The Group has not carried out the impact assessment study that COVID- 19 may have on its operations and financials.

By Order of Board

For Alchemist Limited

Bilram Bhattacharya

Bilram Bhattacharya
(Whole Time Director)

DIN 03595530

Place: New Delhi
Date: 14/09/2020



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

To
The Board of Directors
Alchemist Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the statement") of **Alchemist Limited** ("the Company") for the quarter ended 30th June, 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including relevant circulars issued by the Securities and Exchange Board of India ("SEBI") from time to time.
2. The statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 , Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters and might be identified in an Audit. Accordingly, we do not express an audit opinion.
4. Attention is invited to note no. 3 of the accompanying standalone financial results 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, has initiated legal recourse and is

hopeful of recovering such amount, still considering the principal of conservatism, the Company has made a provision for expected credit loss @ 20% of the outstanding export receivables amounting to ₹ 9,288.56 Lakhs during the financial years 2018-19 and 2019-20. 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 @ 20% 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 ₹ 73.97 Lakhs for the quarter ended 30th June, 2020 and accordingly the trade receivables and trade payable are understated by ₹ 100.75 Lakhs and ₹ 26.78 Lakhs respectively, as at the quarter ended 30th June, 2020.

5. Attention is invited to note no. 4 to the accompanying standalone financial results which states that "The working capital limits of ₹ 350.00 Lakhs availed from Bank of India for the working capital requirements of the pharmaceutical division has been classified as non-performing asset (herein referred to as 'NPA') on 30th November, 2018. The outstanding as on the date of classification by the bank as NPA was ₹ 363.88 Lakhs. The Company has not recognised interest liability on such loan from the day it has become NPA, in line with the practice followed by the respective bank".

The Company has not made provision of interest due on the borrowings from Bank of India, post the date the account was classified as non-performing assets by the bank.

In the absence of the information on record, the consequential impact, if any, on the standalone financial results is not ascertainable.

6. Attention is invited to note no. 6 of the accompanying standalone financial results which states that "As required by Ind AS 19 "Employee benefits", the Company has not made provision for Gratuity. The same will be provided at the end of year." *Consequently, loss is understated to that extent, in the absence of any information the effect is presently not ascertainable*
7. *The financial impact arising out of the COVID – 19 outbreak are not accounted or reported or disclosed as per the prescribed Accounting Standards, in the standalone financial results.*

In the absence of the information on record, the consequential impact, if any, on the standalone financial results is not ascertainable

8. Based on our review conducted and procedures performed as stated in paragraph 3 above, *subject to the impact of our observation in paragraphs 4 and 7 above*, nothing else has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
9. Attention is invited to note no. 5 of the accompanying standalone financial results 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 has recently 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 Company can even liquidate its non-core strong fixed assets cover to support the operations in times of any need. Further, the Company has the backing of the strong group because of which

the Company has been able to pay off its borrowings from Punjab National Bank and support the operations of the Company even though the Company has incurred losses in the recent past. The financial statements, 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

ICAI Firm registration Number 019624N

PARVEEN
KUMAR

Digitally signed by
PARVEEN KUMAR
Date: 2020.09.14 16:25:41
+05'30'

CA. Parveen Kumar

FCA. Partner

Membership Number 531655

UDIN: 20531655AAAADP7749

Place: New Delhi

Date: 14th September, 2020

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Alchemist Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

To

The Board of Directors

Alchemist Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the statement") of **Alchemist Limited** ("the Parent"), its subsidiary and associate (the Parent, its subsidiary and associate together referred to as "the Group") (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the quarter ended 30th June, 2020, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by Stock and Exchange Board of India (SEBI) from time to time.
2. The statement, which is the responsibility of the Parent's Management and been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of Companies Act, 2013, ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters and might be identified in any Audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29th March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. *It has been explained to us that the financial results of one associate, ROC Foods Limited is still under compilation and one subsidiary viz. Alchemist Hospitality Group Limited is under strike off. Accordingly, the same are not forming part of the consolidated financial results.*
5. Attention is invited to note no. 4 of the accompanying consolidated financial results which states that "The Group 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 Group is regularly following up on the same, has initiated legal recourse and is hopeful of recovering such amount, still considering the principal of conservatism, the Group has made a provision for expected credit loss @ 20% of the outstanding export receivables amounting to ₹ 9,288.56 Lakhs during the financial years 2018-19 and 2019-20. Hence forth, the Group 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 @ 20% 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 Group.

In the absence of the information on record, the consequential impact, if any, on the consolidated financial results is not ascertainable.

Though, the Group 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 ₹ 73.97 Lakhs for the quarter ended 30th June, 2020 and accordingly the trade receivables and trade payable are understated by ₹ 100.75 Lakhs and ₹ 26.78 Lakhs respectively, as at the quarter ended 30th June, 2020.

6. Attention is invited to note no. 5 to the accompanying consolidated financial results which states that "In respect of the parent, the working capital limits of ₹ 350.00 Lakhs availed from Bank of India for the working capital requirements of the pharmaceutical division has been classified as non-performing asset (herein referred to as 'NPA') on 30th November, 2018. The outstanding as on the date of classification by the bank as NPA was ₹ 363.88 Lakhs. The Parent has not recognised interest liability on such loan from the day it has become NPA, in line with the practice followed by the respective bank."

The Group has not made provision of interest due on the borrowings from Bank of India, post the date the account was classified as non-performing assets by the bank.

In the absence of the information on record, the consequential impact, if any, on the consolidated financial results is not ascertainable.

7. Attention is invited to note no. 7 of the accompanying consolidated financial results which states that "As required by Ind AS 19 "Employee benefits", the Parent has not made provision for Gratuity. The same will be provided at the end of year." ***Consequently, loss is understated to that extent, in the absence of any information the effect is presently not ascertainable.***
8. ***The financial impact arising out of the COVID – 19 outbreak are not accounted or reported or disclosed as per the prescribed Accounting Standards, in the consolidated financial results.***

In the absence of the information on record, the consequential impact, if any, on the consolidated financial results is not ascertainable

9. Based on our review conducted and procedures performed as stated in paragraph 3 above, ***subject to the impact of our observation in paragraphs 4 to 8 above***, nothing else has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
10. Attention is invited to note no. 6 of the accompanying consolidated financial results which states that "The accumulated losses of the group had exceeded its net worth. The Parent'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 Parent has initiated legal recourse against the defaulting customers and is regularly following up on the same and the Parent during the last year has even closed down its loss making pharmaceutical manufacturing. The units of the Parent 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 Group can even liquidate its non-core strong fixed assets cover to support the operations in times of any need. Further, the Group has the backing of the strong conglomerate because of which the Group has been able to pay off its borrowings from Punjab National Bank and support the operations of the Group even though the Group has incurred losses in the recent past. The financial statements, 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.

11. We did not review the Interim financial results of Alchemist Healthcare Limited and Alchemist Medisphere Limited included in the consolidated financial results for the quarter ended 30th June, 2020. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the management, and our opinion on the financial results for the quarter ending 30th June, 2020, to the extent they have been derived from such financial results is based solely on the reports of such other auditors.

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

for Anu and Associates

Chartered Accountants

ICAI Firm registration Number 019624N

PARVEEN Digitally signed by
PARVEEN KUMAR
KUMAR Date: 2020.09.14
16:31:52 +05'30'

CA. Parveen Kumar

FCA. Partner

Membership Number 531655

UDIN: 20531655AAAADQ9186

Place: New Delhi

Date: 14th September, 2020