

ALKALI METALS LTD., (An ISO 9001-14001 accredited company)
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31-03-2013

(Amount Rupees in Lakhs)

Particulars	For the Quarter Ended		For the Year Ended		
	3 months ended 31-03-2013	3 months ended 31-12-2012	Corresponding 3 months ended 31-03-2012	Year to Date figures for the year ended 31-03-2013	Year to Date figures for the year ended 31-03-2012
	Audited	Un Audited	Audited	Audited	Audited
1. (a) Net Sales/Income from operations (Net of Excise Duty)	1,745.10	1,225.75	1,207.16	6,192.09	5,925.42
(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00
Total Income from Operations (Net)	1,745.10	1,225.75	1,207.16	6,192.09	5,925.42
2. Expenses					
a. Cost of material consumed	981.11	540.25	822.30	3,118.58	2,773.90
b. Purchases of stock in trade			0.00	0.00	0.00
c. Change in inventories of finished goods, work in progress & stock in trade	-150.93	-148.60	27.37	-188.58	1,156.54
d. Employees benefit expense	191.87	179.34	242.34	680.21	724.30
e. Depreciation	85.81	87.42	103.63	348.09	312.65
f. Power & Fuel	277.51	232.56	213.06	988.32	933.60
g. Repairs & Maintenance	40.52	16.91	30.74	101.17	151.10
h. Manufacturing Expenses	75.72	60.99	51.31	239.14	264.33
i. R & D Expenditure	99.86	18.36	59.85	162.71	201.61
j. Administrative Expenses	41.89	24.67	17.05	101.58	97.70
k. Marketing Expenses	78.00	70.74	83.37	239.02	276.34
l. Foreign Exchange Flucuation	-67.46	21.65	11.62	0.00	13.01
m. Amortisation of Expenses	16.50	16.50	16.50	65.99	65.99
n. Other expenditure (any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	15.35	17.51	60.80	64.56	63.04
Total Expenses	1,685.74	1,138.28	1,739.92	5,920.78	7,034.10
3. Profit/(Loss) from Operations before Other income, Finance costs and Exceptional Items (1- 2)	59.36	87.46	-532.76	271.31	-1,108.68
4. Other Income	-72.09	29.01	107.14	79.35	184.44
5. Profit/(Loss) from ordinary activities before Finance costs and Exceptional Items (3+/-4)	-12.73	116.47	-425.62	350.67	-924.24
6. Finance Costs	84.73	71.18	67.40	311.55	385.50
7. Profit/(Loss) from ordinary activities after finance costs but before Exceptional Items (5+/-6)	-97.46	45.29	-493.02	39.12	-1,309.74
8. Exceptional items	0.00	0.00	0.00	0.00	0.00
9. Profit/(Loss) from ordinary activities before tax (7+/-8)	-97.46	45.29	-493.02	39.12	-1,309.74
10. tax expense - Current year	-19.87	9.06	0.00	7.45	0.00
- Earlier years	0.00	0.00	82.47	3.37	82.47
- Mat Credit entitlement	-7.45	0.00	0.00	-7.45	0.00
Deffered tax - Current year	-468.28	28.51	242.34	-439.77	242.34
11. Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	390.69	7.73	-817.83	475.52	-1,634.56

For ALKALI METALS LTD.,

M. S. Rao
 Managing Director

12. Extraordinary Items (net of tax expense Rs. _____)	0.00	0.00	0.00	0.00	0.00
13. Net Profit(+)/Loss(-) for the period (11+/-12)	390.69	7.73	-817.83	475.52	-1,634.56
14. Share of profit/(loss) of associates	0.00	0.00	0.00	0.00	0.00
15. Minority interest	0.00	0.00	0.00	0.00	0.00
16. Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13+/-14+/-15)	365.70	7.73	-817.83	475.52	-1,634.56
17. Paid-up equity share capital (Face Value of the Share Rs. 10/- each)	1,018.25	1,018.25	1,018.25	1,018.25	1,018.25
18. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				4,250.79	3,893.62
19. i) Earnings per Share (before extraordinary items) (of Rs. _____ each(not annualised))					
a) Basic	3.59	0.08	-8.03	4.67	-16.05
b) Diluted	3.59	0.08	-8.03	4.67	-16.05
19. ii) Earnings per Share (after extraordinary items) (of Rs. _____ each(not annualised))					
a) Basic	3.59	0.08	-8.03	4.67	-16.05
b) Diluted	3.59	0.08	-8.03	4.67	-16.05

PART II

(Amount Rupees in Lakhs)

Particulars	For the Period ended				
	3 months ended 31-03-2013	3 months ended 31-12-2012	Corresponding 3 months ended 31-03-2012	Year to Date figures for the year ended 31-03-2012	Year to Date figures for the year ended 31-03-2012
	Audited	Un Audited	Audited	Audited	Audited
A. PARTICULARS OF SHARE HOLDING					
1. Public Share Holding					
No. of Shares (Nos.)	3,081,664	3,081,664	3,081,664	3,081,664	3,081,664
Percentage of shareholding (%)	30.26%	30.26%	30.26%	30.26%	30.26%
2. Promoters and promoter group Shareholdings					
a. Pledge/Encumbered					
Number of Shares	0.00	0.00	0.00	0.00	0.00
Percentage of shares (as a % of total share holding of promoter and promoter group)	0.00	0.00	0.00	0.00	0.00
Percentage of shares (as a % of total share capital of the company)					
b. Non-Encumbered					
Number of Shares	7100842	7100842	7100842	7100842	7100842
Percentage of shares (as a % of total share holding of promoter and promoter group)	100%	100%	100%	100%	100%
Percentage of shares (as a % of total share capital of the company)	69.74%	69.74%	69.74%	69.74%	69.74%

For ALKALI METALS LTD.,

(Signature)

Managing Director

Summary of Assets and Liabilities as on 31/03/2013

(All figures in Rs)

	As At (current year end) 31.03.2013	As At (current year end) 31.03.2012
I EQUITY AND LIABILITIES		
1. SHAREHOLDERS' FUNDS		
a. Share Capital	101,825,060	101,825,060
b. Reserves and Surplus	425,079,706	389,362,103
Sub-total – Shareholders' funds	526,904,766	491,187,163
2. NON-CURRENT LIABILITIES		
a. Long Term Borrowings	130,979,010	163,189,291
b. Deferred Tax Liabilities (Net)	12,100,481	56,077,709
c. Long Term Provisions	1,129,053	861,998
Sub-total – Non-current liabilities	144,208,544	220,128,998
3. CURRENT LIABILITIES		
a. Short Term Borrowings	188,758,546	164,337,590
b. Trade Payables	122,909,814	103,778,318
c. Other Current Liabilities	14,901,971	39,810,103
d. Short Term Provisions	12,713,852	11,971,174
Sub-total – Current liabilities	339,284,183	319,897,185
TOTAL – EQUITY AND LIABILITIES	1,010,397,493	1,031,213,346
II. ASSETS		
1. NON-CURRENT ASSETS		
a. Fixed Assets		
i. Tangible Assets	570,035,974	604,725,236
ii. Capital Work-in-progress	29,068,435	7,821,769
iii. Intangible Assets Under Development	5,800,317	4,697,317
b. Long Term Loans and Advances	26,195,382	35,657,078
c. Other Non-Current Assets	51,597	6,673,907
Sub-total – Non-current assets	631,151,705	659,575,307
2. CURRENT ASSETS		
a. Inventories	145,063,252	125,115,318
b. Trade Receivables	137,231,812	113,530,088
c. Cash and Cash Equivalents	12,176,676	10,112,784
d. Short Term Loans and Advances	72,500,711	55,085,127
e. Other Current Assets	12,273,337	67,794,722
Sub-total – current assets	379,245,788	371,638,039
TOTAL-ASSETS	1,010,397,493	1,031,213,346

For ALKALI METALS LTD.,

Signature

Managing Director

Notes:-

1. The above audited financial results as reviewed by the Audit Committee have been approved by the Board of Directors at their meeting held on 8th April, 2013.
2. Previous year and previous quarter figures have been re-grouped or re-classified wherever necessary.
3. EPS for the quarter and year-to-date was calculated as per AS 20.

SEGMENT REPORTING

As the Company is predominantly engaged in the manufacture and sale of chemicals where the risks and returns associated with the products are uniform, the Company has identified Geographical Segments based on location of customers as reportable segments in accordance with AS - 17 issued by ICAI.

Geographic Location	3 months ended 31-03-2013	3 months ended 31-12-2012	corresponding 3 months ended 31-03-2012	Year to date figures for the year ended 31-03-2013	Year to date figures for the year ended 31-03-2012
Revenue					
Domestic	818.59	694.20	558.73	3,053.48	4,018.30
External	926.51	560.55	648.43	3,138.61	1,907.13
Total	1,745.10	1,254.75	1,207.16	6,192.09	5,925.42
Trade Receivables					
Domestic	562.83	1,025.23	497.23	562.83	498.71
External	809.49	417.97	638.07	809.49	636.59
Total	1,372.32	1,443.19	1,135.30	1,372.32	1,135.30
Other Disclosures:					
Carrying amount of Segment assets					
India	9,294.48	9,807.08	10,312.13	10,103.97	10,312.13
Additions to Fixed Assets					
India	218.84	40.20	692.45	218.84	2,153.52

The Company has no assets outside India other than the Trade Receivables.

5. Status of Investor Complaints for the quarter ended 31st March, 2013

Complaints Pending at the beginning of the quarter	Nil
Complaints Received during the quarter	4
Complaints disposed off during the quarter	2
Complaints unresolved at the end of the quarter	2

For ALKALI METALS LTD.,

Y.S.R. Venkata Rao
Y.S.R. Venkata Rao
Managing Director

Date: 08-04-2013
Place: Hyderabad

INDEPENDENT AUDITOR'S REPORT

To the Members of **ALKALI METALS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **ALKALI METALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;



- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

HYDERABAD
April 08, 2013

For CKS ASSOCIATES
Chartered Accountants
(Firm Regn.No. 007390S)




P. GANAPATI RAO
Partner
M.No. 24113

ANNEXURE TO THE AUDITORS' REPORT:

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date)

- 1.1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- 1.3. During the year, the company has not disposed off a substantial part of fixed assets during the year.
- 2.1. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 2.2. In our opinion and according to the information and explanations 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.
- 2.3. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.
- 3.1. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, the sub-clauses (a), (b), (c), (d) of clause (iii) are not applicable to the company.
- 3.2. The Company has taken unsecured loans amounting from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹ 121,290,000 and the balance outstanding at the end of the year is ₹ 82,000,000. As per the information and explanations given to us, the rate of interest and other terms and conditions of loans taken by the Company are not prejudicial to the interests of the Company. *As no repayment terms are specified, we are unable to comment on whether the repayment of principal and interest are regular.*
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls



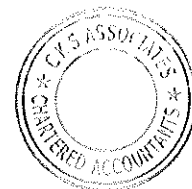
- 5.1. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2. In our opinion and according to the information and explanations 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 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58 AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The company has maintained Cost Records prescribed under section 209 (1)(d) of the Companies Act, 1956.
- 9.1. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess, service tax and other material statutory dues applicable to it.
- 9.2. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, and cess were in arrears, as at March 31, 2013, for a period of more than six months from the date they became payable, except the following:

As per the records of the company, the dues of income tax which have not been deposited on account of disputes are as below:

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where appeal is preferred.
Income tax Act	Income tax & Interest	3,905,446	A.Y. 2003-04	ITAT, Hyd. Partial Relief given by ITAT. Consequential Order to be received
Income tax Act	Penalty u/s 271 (1) (c)	950,000	A.Y 1999-2000	Commissioner (Appeals)-II, Hyd
Income tax Act	Income tax & Interest	20,087,370	AY 2010-11	Commissioner (Appeals)-II, Hyd





10. The Company has no accumulated losses as at the end of the year. While the company has not incurred any cash losses during the year, it has incurred a cash loss of ₹ 125,591,578 during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances, on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The long term loans taken during the year were spent for the purpose for which the loans are obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act, during the year covered under report.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue during the year.



21. 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.

HYDERABAD
April 08, 2013

For C K S ASSOCIATES
Chartered Accountants
(Firm Regn.No. 007390S)


P. GANAPATI RAO
Partner
M.No. 24113