



# ALKALI METALS LTD.,

An ISO 9001 & 14001, API COMPANY and EXPORT HOUSE

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## ANNUAL REPORT

### 2015-16



**BOARD OF DIRECTORS**

DR. YADAV J. S.	CHAIRMAN
SRI. PRASAD CH. S.	DIRECTOR
SRI. PATNAIK P.C.	DIRECTOR
SRI. JAYARAMAN G.	DIRECTOR
SRI. VENKATA RAO Y. S. R.	MANAGING DIRECTOR
SMT. LALITHYA POORNA Y.	DIRECTOR
SRI. PRASHANTH Y.V.	EXECUTIVE DIRECTOR
SRI. SANKARA RAO P.	CFO
SRI. KARUNAKAR REDDY M.	COMPANY SECRETARY From Jan. 2016

**BANKERS**

STATE BANK OF INDIA  
Commercial Branch,  
Bank Street, Koti,  
Hyderabad – 500 095

**AUDITORS**

M/s. C K S ASSOCIATES  
CHARTERED ACCOUNTANTS  
Nagarjuna #87, Road # 3,  
Gaganmahal Colony,  
Hyderabad – 500 029

**REGISTERED OFFICE & FACTORIES**

Plot B-5, Block III,  
Industrial Dev. Area, Uppal,  
HYDERABAD - 500 039.

Sy.No. 299 to 302,  
Dommara Pochampally Village,  
Qutubullapur Mandal, R.R. Dist.

Plot No. 36, 37 & 38  
JN Pharma City,  
Visakhapatnam

**REGISTRARS AND SHARE TRANSFER AGENTS**

M/s. CAMEO CORPORATE SERVICES LIMITED  
Subramanian Building, No.1,  
Club House Road,  
Chennai – 600 002

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 48<sup>th</sup> Annual General Meeting of M/s. Alkali Metals Limited will be held on Saturday, 30<sup>th</sup> July, 2016 at 11.00 A.M at Hotel Green Park, Ameerpet, Hyderabad-500 016, Telangana to transact the following business:

**ORDINARY BUSINESS**

- 1) To receive consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit & Loss for the year ended on that date and the reports of the Directors, Auditors thereon.
- 2) To elect a Director in place of Smt. Y. Lalithya Poorna, (DIN:00345471) who retires by rotation and being eligible offers herself for re-appointment.
- 3) To Declare Final Dividend for the financial Year 2015-16.
- 4) To ratify the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad

“RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules framed there under as modified from time to time and pursuant to the resolution passed by the members at the AGM held on 21<sup>st</sup> August 2014, the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad (Peer Review Certificate No.006803) as Statutory Auditors to hold office till the conclusion of AGM to be held in year 2019 be and is hereby ratified and the Board be and is hereby authorized to fix the remuneration for the financial year ending 31<sup>st</sup> March 2017.”

**SPECIAL BUSINESS**

- 5) To Consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Pursuant to provisions of Section 20(2) and other applicable provisions if any of the Companies Act, 2013 read with rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of members be and is hereby accorded to accept interest free advance amount of ₹ 1,000/- (Rupees One Thousand Only) from any member of the Company, by way of DD in favour of the Company, who requested the company to send notices, documents or any other papers/documents by a particular mode of delivery only and use the cost incurred from the said amount and after the exhaust of advance Company will accept the said amount of advance from the members of the Company.

RESOLVED FURTHER THAT Managing Director/Executive Director/Company Secretary is authorised to take such steps to implement this resolution.”

By order of the Board of Directors

Place: Hyderabad  
Date: 02.06.2016

Y.S.R. VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

**Notes**

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member.
- 2) The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
- 3) The Register of members and transfer books of the company will remain closed from Monday the 25<sup>th</sup> July 2016 to Saturday 30<sup>th</sup> July 2016 both days inclusive.
- 4) Members, who hold shares in electronic /Demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the company's Registrars and Transfer Agents M/s. Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai – 600 002 so as to enable the Company to incorporate the bank details on the dividend warrants.
- 5) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/her death. Nomination would help the nominees to get the shares transmitted in their favour any hassles. Members desirous of making any cancellation/variation in the said nomination can do so in SH-14.
- 6) Members seeking information or clarification on the Accounts are requested to send their queries in writing to the company one week before the date of AGM, to enable the management to prepare with replies.
- 7) Members holding shares in identical order of names in more than one folio are requested to write to the company's Registrars & Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
- 8) Shareholders who have not claimed their dividend for the years 2009-10, 2010-11, 2011-12, 2012-13 & 2015-16 (Interim Dividend) are requested to claim the same.
- 9) The brief profile and other details as required of the directors being re-appointing are furnished elsewhere in the Annual Report.



- 10) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
- 11) Members may also note that the notice of the 48<sup>th</sup> Annual General Meeting and Annual Report for 2016 will be available on the Company's website [www.alkalimetals.com](http://www.alkalimetals.com).
- 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents of Company.
- 13) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 48<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period commences on Wednesday 27<sup>th</sup> July 2016 (10:00 am) and ends on Friday 29<sup>th</sup> July, 2016 (5:00 pm). During this period shareholders' of the Company, holding shares as on cut-off date of 23<sup>rd</sup> July 2016 either in physical form or in dematerialized form, may cast their vote electronically. The e-voting portal shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. A member who has cast his/her vote by electronic means are entitled to attend the AGM but not entitled to vote again at the AGM.

CS B. Venkatesh Babu, Company Secretary in Practice (F6708) has been appointed as the scrutinizer to scrutinize the remote e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting, and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and he will submit his report within the period not exceeding three working days from the conclusion of e-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website and also forward the same to the stock exchanges where the shares has been listed.

- 14) Explanatory statement pursuant to section 102 is enclosed.

**15) The instructions for members for voting electronically are as under:-**

- (i) The voting period begins on Wednesday, 27<sup>th</sup> July, 2016 (10:00 A.M) and ends on Friday 29<sup>th</sup> July, 2016 (5:00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID  
 a. For CDSL: 16 digits beneficiary ID,  
 b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
 c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
For Members holding shares in Demat Form and Physical Form	

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of



any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Alkali Metals Limited> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT:**

**Item No.5**

**Company had received a notice from one of the members to send all the notices, annual reports and other documents in a particular mode of Speed Post. In view of the provisions of Proviso to Section 20(2) of the Companies Act, 2013, if any member requested to deliver the documents in a specific mode of delivery, he has to pay such fees as determined by the Company in its Annual General Meeting. Your Directors recommended the above resolution set out in the notice to be passed as an Ordinary Resolution for your approval.**

**None of the Directors, Managers, Key Managerial Persons or their relatives are in any way concerned or interested, financial or otherwise, in the above resolution.**

By order of the Board of Directors

Place: Hyderabad  
Date: 02.06.2016

Y.S.R. VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524





**Director’s Report**

To,  
The Members,  
Alkali Metals Limited

Your Directors have pleasure in presenting the 48<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2016.

**1. Financial summary or highlights/Performance of the Company**

The performance of the company for the financial year ended 31<sup>st</sup> March, 2016 is summarized as below:

	(All figures in ₹)	
	2015-16	2014-15
Net Turnover	732,815,895	684,394,228
Profit/(Loss) before finance charges, depreciation and taxation	101,757,550	101,512,407
Less : Finance Charges	34,364,210	45,002,861
Depreciation and Amortization expense	37,529,881	42,730,767
Profit/(Loss) before exceptional items and tax	29,863,459	13,778,779
Less: Exceptional items	--	7,330,352
Extraordinary Items	--	3,407,658
Profit/(Loss) before tax	29,863,459	3,040,769
Less : Current Year's tax (MAT)	6,238,171	579,419
MAT Credit Entitlement	(6,238,171)	(579,419)
Previous Years	7,311,139	201,884
Deferred tax (AS22)	--	--
Profit/(Loss) After tax	22,552,320	2,838,885
Add: Balance Brought forward	54,048,648	68,628,281
Less: Interim Dividend paid	8,146,005	--
Tax on Interim Dividend	1,658,335	--
Proposed Dividend	4,073,002	--
Tax on Proposed Dividend	829,168	--
Transfer to General Reserve	--	--
Adjusted for Depreciation as per new regulations	--	17,418,518
Balance surplus carried to Balance Sheet	61,894,458	54,048,648

**2. Dividend**

Final dividend of ₹ 0.40 per equity share of ₹ 10/- each has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2016 subject to the approval of the shareholders at the ensuing Annual General Meeting, in addition to the interim dividend at the rate of ₹ 0.80 per equity share of ₹ 10/- each was declared on 23.01.2016 and paid accordingly. Final Dividend if approved, will be paid within 30 days of the Annual General Meeting.

**3. Reserves**

During the year under review, company had not transferred any amount to General Reserves.

**4. Brief description of the Company’s performance during the year**

Your Directors are happy to announce that a Turnover of ₹ 733 Million, which is the highest ever recorded in the company history. The turnover is increased by 7% as Compare to last year and the profit after tax is increased by 695% as compared to last year and stood at ₹23 Million.



Company had taken appropriate measures to control the cost including financial measures and was able to sell the value added products to achieve the profit during the year.

Your Directors are confident that the measures taken by them will continue to give good results in the coming years.

### **SIGNIFICANT ACHIEVEMENT**

Company is a regular foreign exchange earner; the following are the details of the Net foreign exchange earnings for the last 3 years.

(All figures in ₹)

<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>92.5 Million</b>	<b>175.3 Million</b>	<b>226.8 Million</b>

### **5. Future outlook**

Your Company is planning to expand by increasing the capacities and/or range of products both regular as well as APIs either at the Unit-III located at Vishakhapatnam or the proposed Pharmacity at Mucharla in the state of Telangana. This will increase the company top/bottom line.

Your Directors are confident to increase the volumes and margins as well as net foreign exchange earnings in the coming years.

### **6. Research & Development**

The company has spent ₹ 7.2 Million towards Research and Development during the financial year and is putting continuous efforts in R&D to develop the new products and process for optimum material consumptions by effective yield.

During the year, the company has commercialized 4 new products which have good potential in the years to go.

The revenues generated by the R&D products for the last 3 years are

(All figures in ₹)

<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>4.5 Million</b>	<b>52.5 Million</b>	<b>69.1 Million</b>

### **7. Change in the nature of business, if any**

Company had not changed its nature of business during the year under review.

### **8. Material changes and commitments after the closure of financial year**

Company had not faced any Material changes subsequent to the closure of the financial year, which will affect the financial position or operations of the Company.

### **9. Significant and Material Orders**

There are no significant and material orders passed by the regulators or court or tribunals impacting the going concern status and Company operations in future.

**10. Internal Financial Controls**

Your company had adequate internal controls and such procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including safeguarding of all its assets and prevention/detection of frauds and errors, accuracy and completeness of accounting records.

Auditors have verified the internal financial controls and tested the adequacy and the procedures adopted by the company and confirm that the controls are adequate to the size of the transactions. The management reviews and monitors the controls and process on a regular basis.

**11. Risk Management**

The Management of the Company will take adequate steps in identifying, assessing, controlling and mitigating the risks associated with different areas of its business operations.

**12. Details of Subsidiary/Joint Ventures/Associate Companies**

Your company had no subsidiaries, Joint Ventures and associate companies during the financial year under review.

**13. Deposits**

Your company has not accepted any deposits covered under chapter V of the Companies Act, 2013 during the year under review and also no outstanding at the beginning of the financial year.

**14. Auditors****Statutory Auditors**

M/s. C K S Associates, Statutory Auditors were appointed as auditors of the Company at the Annual General Meeting held on 21<sup>st</sup> August 2014 for a period of 5 years i.e., upto year 2019. As per the provisions of the Companies Act, 2013, the appointment of statutory auditors has to be ratified every year. Accordingly, it is proposed to ratify the appointment at the ensuing Annual General Meeting.

**Internal Auditors**

The Board of directors of the company have appointed M/s. Ramakrishna & Associates Chartered Accountants as Internal Auditors to conduct the Internal Audit of the company for the financial year ended 31<sup>st</sup> March, 2016

**Secretarial Auditors**

The Board of directors of the company have appointed CS B. Venkatesh Babu, Practicing Company Secretary as Secretarial Auditor to conduct Secretarial Audit of the company for the financial year ended 31<sup>st</sup> March, 2016.

**15. Share Capital**

Your Company had not issued and raised any share capital including sweat equity, employee stock options during the financial year under review. Your company has also not provided any money for purchase of its own shares by employees or for the benefit of employees.

**16. Extract of the annual return**

The extract of the annual return in Form MGT – 9 is enclosed as Annexure -1 and shall form part of the Board's report.

**17. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo have been provided in Annexure -2 and shall form part of this report.

**18. Corporate Social Responsibility (CSR)**

Your company is not covered under the provisions of Corporate Social Responsibility. But the company realizes its Social Responsibility and, therefore, is providing the free medical help to the poor people and financial assistance to the poor students through a Charitable Trust run by the promoters.

**19. Directors**

Since the last annual general meeting there is no change in the Board of Directors of the Company.

Smt. Y. Lalithya Poorna, Director will retire by rotation at the ensuing annual general meeting and, being eligible, offers herself for reappointment.

Details of no. of Board meetings are covered under the Corporate Governance section.

**Declaration by an Independent Director**

Company had received the declaration by an Independent Director(s) that he/they meet the criteria of independence as per the provisions of Section 149 of the Companies Act, 2013

**Formal Annual Evaluation**

Pursuant to the provisions of the Companies Act, 2013 the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual Directors. Accordingly, the Chairman of the Nomination and Remuneration Committee obtained from all the board members duly filled in evaluation templates for evaluation of the Board as a whole, evaluation of the committees and peer evaluation. The summary of the evaluation reports were presented to the respective Committees and the Board for their consideration.

**20. Key Managerial Persons**

During the year the Company had Appointed Mr. M. Karunakar Reddy as the Company Secretary of the Company in the casual vacancy caused by resignation of Mr. Deepak Tibrewal, in compliance with the provisions of the Companies Act, 2013.

**21. Director's Responsibility Statement**

As per the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**22. Committees**

Your company has Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and the details are provided in the Corporate Governance section.

**23. Vigil mechanism for directors and employees**

The company believes in the standard of conduct which all employees are expected to observe in their business endeavors. The Code (Vigil Mechanism) reflects the Company's commitment to principles of integrity, transparency and fairness. The copy of the Code of Vigil Mechanism is available on the Company website [www.alkalimetals.com](http://www.alkalimetals.com) under Investor tab.

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee.

**The Executive Director Sri. Y.V. PRASHANTH is designated as ombudsperson to deal with all the complaints registered under the policy.**

**24. Policy on Sexual Harassment**

Company had adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year there were no female employees working for the Company.

**25. Particulars of loans, guarantees or investments**

The Company had not given any loans, guarantees or made investments as per the provisions of section 186 of the Companies Act, 2013 during the financial year under review and also there are no outstanding amounts of loans given, guarantees provided and/or investments made at the beginning of the year.

**26. Particulars of contracts or arrangements with related parties**

The Company had not entered into any contract or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions which can be accessed at the Company website [www.alkalimetals.com](http://www.alkalimetals.com) under Investor tab.

**27. Managerial Remuneration/Employee Details**

The Details required to be provided pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure -3 and the same form part of the Directors Report.

There are no employees in the company in receipt of amounts covered in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**28. Secretarial Audit Report**

A Secretarial Audit Report given by CS B. Venkatesh Babu, Company Secretary in practice is enclosed as Annexure -4 and the same form part of this report.

**29. Corporate Governance/Management Discussion and Analysis**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditor's of the Company and also the Management Discussion and Analysis report is annexed to this Annual Report and forms integral part of this Report.

**30. Insurance**

All the properties and insurable interests of the Company including building, plant and machinery and stocks have been adequately insured.

**31. Listing on Stock Exchanges**

The securities of the company are continued to be listed on BSE and NSE. The listing fees for these stock exchanges is paid for the current year.

**32. Cost Audit**

Pursuant to provisions of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 cost audit is not applicable for the financial year 2015-16 for the Company.

**33. Acknowledgements**

Your Directors express their gratitude to all stakeholders, bankers, regulatory authorities, government, customers, suppliers, business associates, from India and abroad, staff and workers for their continued support at all times and look forward to have the same in our future endeavours. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

Your Directors look forward to the long term future with confidence

For and on behalf of Board of Directors

Place: Hyderabad  
Date: 02.05.2016

Y.S.R. VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136



**ANNEXURE -1  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31/03/2016  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

(i) CIN :	L27109TG1968PLC001196
(ii)Registration Date :	17/04/1968
(iii) Name of the Company:	Alkali Metals Limited
(iv)Category / Sub-Category of the Company:	Limited Company/Indian Non Govt Company
(v) Address of the Registered office and contact details:	B-5, IDA, Uppal, Hyderabad - 500039 <a href="mailto:cs.alkalimetals@gmail.com">cs.alkalimetals@gmail.com</a> 040 - 27562932
(vi) Whether listed company :	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road, Chennai – 600 002 Sri. Murali PH NO: 044-28460390 Email ID: <a href="mailto:cameosys@cameoindia.com">cameosys@cameoindia.com</a> CIN: U67120TN1998PLC041613

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sodium Derivatives	20119	59.75
2	Pyridine Derivatives	20119	20.20
3	Fine Chemicals	20119	16.58

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

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NIL				



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

**i) Category-wise Share Holding: Equity**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	6904715	0	6904715	67.810	6904715	0	6904715	67.810	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	633	0	633	0.006	633	0	633	0.006	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other.... Directors and relatives	195494	0	195494	1.920	195494	0	195494	1.920	0
<b>Sub-Total (A) (1)</b>	<b>7100842</b>	<b>0</b>	<b>7100842</b>	<b>69.736</b>	<b>7100842</b>	<b>0</b>	<b>7100842</b>	<b>69.736</b>	<b>Nil</b>
<b>(2) Foreign</b>									
(a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter</b>	<b>7100842</b>	<b>0</b>	<b>7100842</b>	<b>69.736</b>	<b>7100842</b>	<b>0</b>	<b>7100842</b>	<b>69.736</b>	<b>Nil</b>
<b>(A) = (A) (1) + (A) (2)</b>									
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt (s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian	272989	0	272989	2.681	302526	0	302526	2.971	0.290
ii. Overseas									
<b>(b) Individuals</b>									
i. Individual shareholders holding nominal share capital up to ₹0.1 million	2362853	1083	2363936	23.215	2273332	1083	2274415	22.337	(0.879)





ii. Individual shareholders holding nominal share capital in excess of ₹ 0.1 million	232794	0	232794	2.286	324305	0	324305	3.184	0.899
<b>(C) Others (Specify)</b>									
NRI	89154	0	89154	0.875	67710	0	67710	0.664	(0.210)
HUF	112732	0	112732	1.107	110418	0	110418	1.084	(0.023)
Clearing members	10059	0	10059	0.099	2290	0	2290	0.022	(0.077)
<b>Sub-Total (B)(2)</b>	3080581	1083	3081664	30.264	3080581	1083	3081664	30.264	0
<b>Total Shareholding of Promoter = (B) (1) + (B) (2)</b>	3080581	1083	3081664	30.264	3080581	1083	3081664	30.264	0
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	10181423	1083	10182506	100.000	10181423	1083	10182506	100.000	0

**(ii) Shareholding of Promoters:**

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Y.S.R.Venkata Rao	6904715	67.810	20.920	6904715	67.810	20.920	0
2	Y. Lalithya Poorna	110000	1.080	0	110000	1.080	0	0
3	Y.S.R. Krishna Rao	56500	0.555	0	56500	0.555	0	0
4	Y. Krishna Veni	28994	0.285	0	28994	0.285	0	0
5	CDC Industrial Infra Ltd	633	0.006	0	633	0.006	0	0
<b>Total</b>		<b>7100842</b>	<b>69.736</b>	<b>20.920</b>	<b>7100842</b>	<b>69.736</b>	<b>20.920</b>	

**(iii) Change in Promoters' Shareholding (please specify, if there is no change): no changes**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	NIL				



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	BABALBHAI MANILAL PATEL				
	At the beginning of the year 01-Apr-2015	36699	0.3604	36699	0.3604
	Purchase 17-Apr-2015	501	0.0049	37200	0.3653
	Purchase 24-Apr-2015	3000	0.0294	40200	0.3947
	Purchase 01-May-2015	1400	0.0137	41600	0.4085
	Purchase 29-May-2015	32	0.0003	41632	0.4088
	Sale 19-Jun-2015	-33	0.0003	41599	0.4085
	Purchase 26-Jun-2015	521	0.0051	42120	0.4136
	Purchase 03-Jul-2015	1000	0.0098	43120	0.4234
	Purchase 10-Jul-2015	1000	0.0098	44120	0.4332
	Sale 24-Jul-2015	-2000	0.0196	42120	0.4136
	Sale 31-Jul-2015	-2000	0.0196	40120	0.3940
	Sale 07-Aug-2015	-1500	0.0147	38620	0.3792
	Sale 14-Aug-2015	-500	0.0049	38120	0.3743
	Purchase 28-Aug-2015	1000	0.0098	39120	0.3841
	Purchase 04-Sep-2015	1000	0.0098	40120	0.3940
	Sale 20-Nov-2015	-800	0.0078	39320	0.3861
	Sale 04-Dec-2015	-2000	0.0196	37320	0.3665
	Purchase 11-Dec-2015	662	0.0065	37982	0.3730
	Purchase 18-Dec-2015	338	0.0033	38320	0.3763
	Purchase 25-Dec-2015	3000	0.0294	41320	0.4057
	Purchase 31-Dec-2015	1000	0.0098	42320	0.4156
	Purchase 01-Jan-2016	1000	0.0098	43320	0.4254
	Purchase 08-Jan-2016	2406	0.0236	45726	0.4490
	Purchase 15-Jan-2016	1594	0.0156	47320	0.4647
	Purchase 22-Jan-2016	17544	0.1722	64864	0.6370
	Purchase 29-Jan-2016	456	0.0044	65320	0.6414
	At the end of the Year 31-Mar-2016	65320	0.6414	65320	0.6414
2	G. SHANTHA				
	At the beginning of the year 01-Apr-2015	30500	0.2995	30500	0.2995
	Purchase 30-Sep-2015	14500	0.1424	45000	0.4419
	At the end of the Year 31-Mar-2016	45000	0.4419	45000	0.4419
	HAVING SAME PAN				
	SHANTHA GOPALAKRISHNAN				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 18-Mar-2016	12589	0.1236	12589	0.1236
	Purchase 25-Mar-2016	40	0.0003	12629	0.1240
	At the end of the Year 31-Mar-2016	12629	0.1240	12629	0.1240
	HAVING SAME PAN				
	SHANTHA. G.				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 24-Apr-2015	1000	0.0098	1000	0.0098
	Sale 08-May-2015	-600	0.0058	400	0.0039



	Purchase 19-Jun-2015	887	0.0087	1287	0.0126
	Sale 20-Nov-2015	-1287	0.0126	0	0.0000
	Purchase 29-Jan-2016	500	0.0049	500	0.0049
	Purchase 26-Feb-2016	1000	0.0098	1500	0.0147
	At the end of the Year 31-Mar-2016	1500	0.0147	1500	0.0147
3	<b>SHANTI KUMAR SARAOGI</b>				
	At the beginning of the year 01-Apr-2015	29509	0.2898	29509	0.2898
	Sale 17-Apr-2015	-1100	0.0108	28409	0.2789
	Sale 15-May-2015	-24571	0.2413	3838	0.0376
	Sale 22-May-2015	-3517	0.0345	321	0.0031
	Sale 29-May-2015	-259	0.0025	62	0.0006
	Sale 07-Aug-2015	-62	0.0006	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
4	<b>BANSURI POLY PACK PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2015	20000	0.1964	20000	0.1964
	At the end of the Year 31-Mar-2016	20000	0.1964	20000	0.1964
5	<b>NAGAVENU TRINADHABABU YALAMARTI</b>				
	At the beginning of the year 01-Apr-2015	19528	0.1917	19528	0.1917
	Sale 08-May-2015	-476	0.0046	19052	0.1871
	Sale 15-May-2015	-3000	0.0294	16052	0.1576
	Sale 22-May-2015	-2890	0.0283	13162	0.1292
	Sale 29-May-2015	-1000	0.0098	12162	0.1194
	Sale 17-Jul-2015	-1000	0.0098	11162	0.1096
	Sale 24-Jul-2015	-1000	0.0098	10162	0.0997
	Purchase 22-Jan-2016	1000	0.0098	11162	0.1096
	Sale 29-Jan-2016	-1000	0.0098	10162	0.0997
	Sale 18-Mar-2016	-1000	0.0098	9162	0.0899
	At the end of the Year 31-Mar-2016	9162	0.0899	9162	0.0899
	<b>HAVING SAME PAN</b>				
	<b>Y N V T BABU</b>				
	At the beginning of the year 01-Apr-2015	124	0.0012	124	0.0012
	At the end of the Year 31-Mar-2016	124	0.0012	124	0.0012
6	<b>KAILASHBEN ASHOKKUMAR PATEL</b>				
	At the beginning of the year 01-Apr-2015	17500	0.1718	17500	0.1718
	Sale 05-Jun-2015	-2500	0.0245	15000	0.1473
	Sale 19-Jun-2015	-1000	0.0098	14000	0.1374
	Sale 31-Jul-2015	-1000	0.0098	13000	0.1276
	Sale 18-Sep-2015	-5000	0.0491	8000	0.0785
	Sale 25-Sep-2015	-2478	0.0243	5522	0.0542
	Sale 30-Sep-2015	-5522	0.0542	0	0.0000
	Purchase 27-Nov-2015	2000	0.0196	2000	0.0196
	Purchase 11-Dec-2015	5000	0.0491	7000	0.0687
	Purchase 31-Dec-2015	501	0.0049	7501	0.0736
	At the end of the Year 31-Mar-2016	7501	0.0736	7501	0.0736
7	<b>KARVY STOCK BROKING LTD</b>				
	At the beginning of the year 01-Apr-2015	16196	0.1590	16196	0.1590
	Sale 10-Apr-2015	-1414	0.0138	14782	0.1451
	Purchase 17-Apr-2015	901	0.0088	15683	0.1540
	Purchase 24-Apr-2015	608	0.0059	16291	0.1599



	Sale 01-May-2015	-108	0.0010	16183	0.1589
	Sale 08-May-2015	-785	0.0077	15398	0.1512
	Purchase 15-May-2015	1036	0.0101	16434	0.1613
	Sale 22-May-2015	-91	0.0008	16343	0.1605
	Sale 29-May-2015	-74	0.0007	16269	0.1597
	Purchase 05-Jun-2015	38	0.0003	16307	0.1601
	Purchase 12-Jun-2015	992	0.0097	17299	0.1698
	Sale 19-Jun-2015	-1297	0.0127	16002	0.1571
	Sale 26-Jun-2015	-383	0.0037	15619	0.1533
	Sale 30-Jun-2015	-33	0.0003	15586	0.1530
	Purchase 03-Jul-2015	475	0.0046	16061	0.1577
	Sale 10-Jul-2015	-475	0.0046	15586	0.1530
	Purchase 17-Jul-2015	837	0.0082	16423	0.1612
	Sale 24-Jul-2015	-276	0.0027	16147	0.1585
	Purchase 31-Jul-2015	1619	0.0158	17766	0.1744
	Sale 07-Aug-2015	-1756	0.0172	16010	0.1572
	Purchase 14-Aug-2015	2063	0.0202	18073	0.1774
	Sale 21-Aug-2015	-1950	0.0191	16123	0.1583
	Sale 28-Aug-2015	-561	0.0055	15562	0.1528
	Purchase 04-Sep-2015	369	0.0036	15931	0.1564
	Sale 11-Sep-2015	-69	0.0006	15862	0.1557
	Sale 18-Sep-2015	-1250	0.0122	14612	0.1435
	Sale 25-Sep-2015	-300	0.0029	14312	0.1405
	Sale 09-Oct-2015	-75	0.0007	14237	0.1398
	Sale 16-Oct-2015	-768	0.0075	13469	0.1322
	Sale 23-Oct-2015	-623	0.0061	12846	0.1261
	Purchase 30-Oct-2015	42	0.0004	12888	0.1265
	Purchase 06-Nov-2015	120	0.0011	13008	0.1277
	Sale 20-Nov-2015	-238	0.0023	12770	0.1254
	Purchase 27-Nov-2015	452	0.0044	13222	0.1298
	Sale 04-Dec-2015	-209	0.0020	13013	0.1277
	Sale 11-Dec-2015	-604	0.0059	12409	0.1218
	Sale 18-Dec-2015	-100	0.0009	12309	0.1208
	Sale 25-Dec-2015	-600	0.0058	11709	0.1149
	Purchase 31-Dec-2015	1980	0.0194	13689	0.1344
	Sale 01-Jan-2016	-245	0.0024	13444	0.1320
	Sale 08-Jan-2016	-521	0.0051	12923	0.1269
	Purchase 15-Jan-2016	65	0.0006	12988	0.1275
	Sale 22-Jan-2016	-79	0.0007	12909	0.1267
	Purchase 29-Jan-2016	240	0.0023	13149	0.1291
	Sale 05-Feb-2016	-231	0.0022	12918	0.1268
	Purchase 12-Feb-2016	606	0.0059	13524	0.1328
	Sale 19-Feb-2016	-300	0.0029	13224	0.1298
	Purchase 26-Feb-2016	105	0.0010	13329	0.1309
	Purchase 04-Mar-2016	10	0.0000	13339	0.1309
	Sale 11-Mar-2016	-90	0.0008	13249	0.1301
	Sale 18-Mar-2016	-96	0.0009	13153	0.1291
	Sale 25-Mar-2016	-130	0.0012	13023	0.1278
	Sale 31-Mar-2016	-470	0.0046	12553	0.1232



	At the end of the Year 31-Mar-2016	12553	0.1232	12553	0.1232
	<b>HAVING SAME PAN</b>				
	<b>KARVY STOCK BROKING LTD- F-O MARGIN</b>				
	At the beginning of the year 01-Apr-2015	1040	0.0102	1040	0.0102
	Purchase 24-Apr-2015	200	0.0019	1240	0.0121
	Sale 01-May-2015	-300	0.0029	940	0.0092
	Sale 08-May-2015	-60	0.0005	880	0.0086
	Sale 26-Jun-2015	-1	0.0000	879	0.0086
	Purchase 17-Jul-2015	3	0.0000	882	0.0086
	Purchase 07-Aug-2015	100	0.0009	982	0.0096
	Sale 21-Aug-2015	-100	0.0009	882	0.0086
	Purchase 16-Oct-2015	68	0.0006	950	0.0093
	Sale 25-Dec-2015	-30	0.0002	920	0.0090
	Sale 26-Feb-2016	-100	0.0009	820	0.0080
	Sale 18-Mar-2016	-70	0.0006	750	0.0073
	At the end of the Year 31-Mar-2016	750	0.0073	750	0.0073
	<b>HAVING SAME PAN</b>				
	<b>KARVY STOCK BROKING LIMITED</b>				
	At the beginning of the year 01-Apr-2015	402	0.0039	402	0.0039
	Sale 10-Apr-2015	-150	0.0014	252	0.0024
	Purchase 17-Apr-2015	200	0.0019	452	0.0044
	Sale 08-May-2015	-300	0.0029	152	0.0014
	Purchase 07-Aug-2015	2	0.0000	154	0.0015
	Purchase 14-Aug-2015	550	0.0054	704	0.0069
	Purchase 21-Aug-2015	497	0.0048	1201	0.0117
	Sale 09-Oct-2015	-1000	0.0098	201	0.0019
	Sale 20-Nov-2015	-50	0.0004	151	0.0014
	Purchase 18-Dec-2015	1	0.0000	152	0.0014
	Sale 29-Jan-2016	-1	0.0000	151	0.0014
	Purchase 18-Mar-2016	100	0.0009	251	0.0024
	Purchase 25-Mar-2016	100	0.0009	351	0.0034
	At the end of the Year 31-Mar-2016	351	0.0034	351	0.0034
8	<b>BONANZA PORTFOLIO LTD</b>				
	At the beginning of the year 01-Apr-2015	14604	0.1434	14604	0.1434
	Sale 10-Apr-2015	-1190	0.0116	13414	0.1317
	Purchase 17-Apr-2015	2719	0.0267	16133	0.1584
	Purchase 24-Apr-2015	406	0.0039	16539	0.1624
	Sale 01-May-2015	-2100	0.0206	14439	0.1418
	Sale 08-May-2015	-730	0.0071	13709	0.1346
	Sale 15-May-2015	-770	0.0075	12939	0.1270
	Purchase 22-May-2015	3000	0.0294	15939	0.1565
	Sale 29-May-2015	-5	0.0000	15934	0.1564
	Purchase 05-Jun-2015	2170	0.0213	18104	0.1777
	Sale 19-Jun-2015	-638	0.0062	17466	0.1715
	Sale 26-Jun-2015	-260	0.0025	17206	0.1689
	Sale 30-Jun-2015	-230	0.0022	16976	0.1667
	Sale 03-Jul-2015	-70	0.0006	16906	0.1660
	Purchase 17-Jul-2015	150	0.0014	17056	0.1675
	Sale 24-Jul-2015	-1080	0.0106	15976	0.1568



	Purchase 31-Jul-2015	1310	0.0128	17286	0.1697
	Sale 07-Aug-2015	-300	0.0029	16986	0.1668
	Purchase 14-Aug-2015	664	0.0065	17650	0.1733
	Sale 21-Aug-2015	-1440	0.0141	16210	0.1591
	Sale 28-Aug-2015	-517	0.0050	15693	0.1541
	Purchase 04-Sep-2015	100	0.0009	15793	0.1550
	Sale 11-Sep-2015	-50	0.0004	15743	0.1546
	Sale 12-Sep-2015	-50	0.0004	15693	0.1541
	Purchase 18-Sep-2015	100	0.0009	15793	0.1550
	Sale 25-Sep-2015	-650	0.0063	15143	0.1487
	Sale 30-Sep-2015	-26	0.0002	15117	0.1484
	Purchase 23-Oct-2015	1	0.0000	15118	0.1484
	Sale 30-Oct-2015	-1350	0.0132	13768	0.1352
	Purchase 06-Nov-2015	373	0.0036	14141	0.1388
	Sale 20-Nov-2015	-100	0.0009	14041	0.1378
	Purchase 27-Nov-2015	884	0.0086	14925	0.1465
	Sale 04-Dec-2015	-344	0.0033	14581	0.1431
	Sale 11-Dec-2015	-750	0.0073	13831	0.1358
	Sale 31-Dec-2015	-842	0.0082	12989	0.1275
	Sale 08-Jan-2016	-300	0.0029	12689	0.1246
	Purchase 15-Jan-2016	100	0.0009	12789	0.1255
	Sale 22-Jan-2016	-4500	0.0441	8289	0.0814
	Purchase 29-Jan-2016	105	0.0010	8394	0.0824
	Sale 05-Feb-2016	-300	0.0029	8094	0.0794
	Purchase 12-Feb-2016	50	0.0004	8144	0.0799
	Sale 19-Feb-2016	-20	0.0001	8124	0.0797
	Sale 26-Feb-2016	-500	0.0049	7624	0.0748
	Sale 04-Mar-2016	-6	0.0000	7618	0.0748
	Sale 25-Mar-2016	-151	0.0014	7467	0.0733
	At the end of the Year 31-Mar-2016	7467	0.0733	7467	0.0733
9	<b>GAUTAM DUTTA MUNSI</b>				
	At the beginning of the year 01-Apr-2015	12538	0.1231	12538	0.1231
	Sale 10-Apr-2015	-12538	0.1231	0	0.0000
	Purchase 17-Apr-2015	4274	0.0419	4274	0.0419
	Purchase 24-Apr-2015	290	0.0028	4564	0.0448
	Sale 08-May-2015	-100	0.0009	4464	0.0438
	Sale 05-Jun-2015	-464	0.0045	4000	0.0392
	Sale 12-Jun-2015	-4000	0.0392	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
10	<b>A V SHILPA</b>				
	At the beginning of the year 01-Apr-2015	12295	0.1207	12295	0.1207
	Sale 10-Jul-2015	-12295	0.1207	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
	<b>NEW TOP 10 AS ON (31-Mar-2016)</b>				
11	<b>ARKOSHA TRADING &amp; INVESTMENTS PRIVATE LTD.</b>				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 01-May-2015	13855	0.1360	13855	0.1360
	Purchase 15-May-2015	28343	0.2783	42198	0.4144



	Purchase 22-May-2015	1743	0.0171	43941	0.4315
	Purchase 29-May-2015	5000	0.0491	48941	0.4806
	Purchase 12-Jun-2015	4609	0.0452	53550	0.5259
	At the end of the Year 31-Mar-2016	53550	0.5259	53550	0.5259
12	<b>SAVITA BHARAT JALAN</b>				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 10-Apr-2015	1400	0.0137	1400	0.0137
	Purchase 17-Apr-2015	3364	0.0330	4764	0.0467
	Purchase 15-May-2015	20000	0.1964	24764	0.2432
	Purchase 19-Jun-2015	8992	0.0883	33756	0.3315
	Purchase 26-Jun-2015	3509	0.0344	37265	0.3659
	Purchase 31-Jul-2015	4952	0.0486	42217	0.4146
	Sale 04-Mar-2016	-1000	0.0098	41217	0.4047
	At the end of the Year 31-Mar-2016	41217	0.4047	41217	0.4047
13	<b>PADMARAJ INVESTMENT TRADING CO.(P) LTD.</b>				
	At the beginning of the year 01-Apr-2015	1485	0.0145	1485	0.0145
	Purchase 03-Apr-2015	3232	0.0317	4717	0.0463
	Purchase 10-Apr-2015	751	0.0073	5468	0.0536
	Purchase 17-Apr-2015	169	0.0016	5637	0.0553
	Purchase 22-May-2015	18968	0.1862	24605	0.2416
	Purchase 29-May-2015	1453	0.0142	26058	0.2559
	At the end of the Year 31-Mar-2016	26058	0.2559	26058	0.2559
14	<b>BRAHMAIAH KOLLURI</b>				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 29-Jan-2016	25000	0.2455	25000	0.2455
	At the end of the Year 31-Mar-2016	25000	0.2455	25000	0.2455
15	<b>MANJUL SANJAY BANSAL</b>				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 19-Jun-2015	18000	0.1767	18000	0.1767
	At the end of the Year 31-Mar-2016	18000	0.1767	18000	0.1767
16	<b>MOKSHA BHARAT SHAH</b>				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 21-Aug-2015	5000	0.0491	5000	0.0491
	Purchase 04-Dec-2015	5000	0.0491	10000	0.0982
	Purchase 11-Dec-2015	2596	0.0254	12596	0.1237
	Purchase 31-Mar-2016	5404	0.0530	18000	0.1767
	At the end of the Year 31-Mar-2016	18000	0.1767	18000	0.1767
17	<b>CHILUKURI PRAVEEN</b>				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 05-Feb-2016	15058	0.1478	15058	0.1478
	Purchase 19-Feb-2016	970	0.0095	16028	0.1574
	Purchase 26-Feb-2016	18	0.0001	16046	0.1575
	Purchase 11-Mar-2016	174	0.0017	16220	0.1592
	Purchase 18-Mar-2016	30	0.0002	16250	0.1595
	At the end of the Year 31-Mar-2016	16250	0.1595	16250	0.1595



(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Y.S.R. Venkata Rao				
	At the beginning of the year	6,904,715	67.810	6,904,715	67.810
	At the End of the year	6,904,715	67.810	6,904,715	67.810
2	Y. Lalithya Poorna				
	At the beginning of the year	110,000	1.080	110,000	1.080
	At the End of the year	110,000	1.080	110,000	1.080
3	Ch.S. Prasad				
	At the beginning of the year	253	0.002	253	0.002
	At the End of the year	253	0.002	253	0.002

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(All figures in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	243,033,064	84,479,010	0	327,512,074
ii) Interest due but not paid	762,637	0	0	762,637
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	243,795,701	84,479,010	0	328,274,711
<b>Change in Indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	50,594,724	59,113,855	0	109,708,579
<b>Net Change</b>	(50,594,724)	(59,113,855)	0	(109,708,579)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	192,990,896	25,365,155	0	218,356,051
ii) Interest due but not paid	210,081	0	0	210,081
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	193,200,977	25,365,155	0	218,566,132





**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(All figures in ₹)

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Y.S.R. Venkata Rao, MD	Y.V. Prashanth, WTD	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,500,000	1,200,000	4,700,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify Fee for attending the board meeting	0	0	0
<b>Total (A)</b>		<b>3,500,000</b>	<b>1,200,000</b>	<b>4,700,000</b>
<b>Ceiling as per the Act</b>		<b>4,200,000</b>	<b>4,200,000</b>	<b>8,400,000</b>

**B. Remuneration to other Directors:**

(All figures in ₹)

S.No	Particulars of Remuneration	Name of Directors				Total Amount
		Ch.S. Prasad	G. Jayaraman	P.C. Patnaik	J.S. Yadav	
1	Independent Directors Fee for attending board / committee meetings	105,000	105,000	85,000	75,000	<b>370,000</b>
	Commission	0	0	0	0	<b>0</b>
	Others, please specify	0	0	0	0	<b>0</b>
	<b>Total (1)</b>	<b>105,000</b>	<b>105,000</b>	<b>85,000</b>	<b>75,000</b>	<b>370,000</b>
2	Other Non-Executive Directors	<b>Y. Lalithya Poorna</b>				
	Fee for attending board / committee meetings	15,000				<b>15,000</b>
	Commission	0				<b>0</b>
	Others, please specify	0				<b>0</b>
	<b>Total (2)</b>	<b>15,000</b>				<b>15,000</b>
<b>Total (B) = (1)+(2)</b>						<b>385,000</b>
<b>Total Managerial Remuneration</b>						<b>5,085,000</b>
<b>Overall Ceiling as per the Act</b>						<b>8,400,000</b>



**C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD (All figures in ₹)**

S.No	Particulars of Remuneration	Key Managerial Personnel		
		M. Karunakar Reddy, CS	P. Sankara Rao, CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	62,576	986,106	1,048,682
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
<b>Total (A)</b>		62,576	986,106	1,048,682

Note: CS is appointed in January 2016.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of Directors

Place: Hyderabad  
Date: 02.05.2016

Y.S.R. VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136

**ANNEXURE -2**

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under provisions of section 134(3)(m) read with Companies (Accounts) Rules, 2014:

**A. CONSERVATION OF ENERGY**

- 1) The steps taken or impact on conservation of energy:  
The continuous measures taken by the company for conserving the energy particularly installation of Hydrogen recovery plant and Nitrous oxide generation plant at all the company units and usage of cost effective fuels made substantial contribution towards cost reduction.
- 2) The steps taken by the Company for utilizing alternate sources of energy:  
Company will take continuous steps to use the alternate sources by using cost effective fuels.
- 3) The Capital investment on energy conservation equipments:  
Not envisaged any additional investment in the coming year.

**B. TECHNOLOGY ABSORPTION**

- i. The Efforts made towards technology absorption:  
Company had its own technology for the process and the products and the company is in the continuous process of its R&D to reduce the process time, cost etc.
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution:
  - Consistent approach to chemical process parameters for quality standards.
  - Commercialization of new products
  - Save time by automating repetitive R&D tasks
  - Gain valuable chemical process understanding from low value material and process attributes data using machine learning methods.
  - Adaptability to cost cutting measures.
- iii. Details of technology imported during the past 3 years:  
No technology has been imported during the past 3 years.
- iv. The expenditure incurred on Research and Development: ₹ 7.2million.

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO****(All figures in ₹)**

		<b>2015-16</b>		<b>2014-15</b>
Earnings		<b>362,875,782</b>		347,797,134
Outgo		<b>136,040,129</b>		172,528,131
Raw Materials	<b>134,359,982</b>		168,953,970	
Foreign currency Exp.	<b>1,680,147</b>		3,574,161	
Net Foreign Exchange earnings		<b>226,835,653</b>		175,269,003

For and on behalf of Board of Directors

Place: Hyderabad  
Date: 02.05.2016

Y.S.R. VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136



**ANNEXURE-3**

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

S.No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Sri. Y.S.R. Venkata Rao, Managing Director	14.02
2	Sri. Y.V. Prashanth, Executive Director	4.81

Note: No other director is drawing remuneration other than specified above.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

S.No	Name of the Director and KMP	Percentage increase in remuneration
1	Sri. Y.S.R. Venkata Rao, Managing Director	50.00%
2	Sri. Y.V. Prashanth, Executive Director	N.A
3	Mr. P. Sankara Rao, CFO	14.81%
4	Mr. M. Karunakar Reddy, CS	N.A

Note: Mr. M. Karunakar Reddy, CS is appointed from Jan 2016.

- (iii) The percentage increase in the median remuneration of employees in the financial year  
10.59% increase in median remuneration

- (iv) The number of permanent employees on the rolls of Company  
120 members as on 31<sup>st</sup> March 2016.

- (v) The explanation on the relationship between average increase in remuneration and company performance

Average increase in remuneration	Company performance
10.88%	Turnover is increased from ₹ 684 Million to ₹ 733 Million and the Profit before tax of ₹ 3 Million to ₹ 30 Million as compared to last year.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company **(All figures in ₹)**

Turnover	732,815,895
Profit before tax	29,863,459
Total Remuneration to KMP	5,748,682

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer



(All figures in ₹)

S.No.	Particulars	31.03.2016	31.03.2015
1	Market Capitalisation		
	BSE	417,991,871	327,876,693
	NSE	413,409,744	333,477,071
2	Price Earnings ratio (based on Basic EPS)		
	BSE	18.57	52.79
	NSE	18.37	53.69
3	Market quotation of the shares compare to rate at which came out with IPO.		
	The Company came with Initial Public Offer during the period of 2008 at a price of ₹ 103/- per share. As on 31 <sup>st</sup> March 2016 the market quotation of the company shares price is BSE- ₹ 41.05 and NSE ₹ 40.60.		

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The Average percentage of increase in remuneration of employees other than the managerial personnel is 9.43%. There increase in the remuneration of Managing Director is 50% during the financial year, but there is no increase in Executive Director during the year.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

S.No	Name	Remuneration of Key Managerial Person (₹)	Performance of the Company during 2014-15	% to Revenue
1	Sri. Y.S.R. Venkata Rao	3,500,000	Turnover	0.48%
2	Sri. Y.V. Prashanth(part of the year)	1,200,000	₹732,815,895	0.16%
3	Mr. P. Sankara Rao	986,106	Profit before tax	0.13%
4	Mr. M. Karunakar Reddy	62,576	₹29,863,459	0.05% (Annualized)

Note: M. Karunakar Reddy appointed during Jan 2016.

- (x) The key parameters for any variable component of remuneration availed by the directors  
There is no variable component of remuneration to any Directors during the year ended 31<sup>st</sup> March 2016.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year  
Not Applicable.
- (xii) Affirmation that the remuneration is as per the remuneration policy of the company.  
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMPs and other Employees.

For and on behalf of Board of Directors

Place: Hyderabad  
Date: 02.05.2016

Y.S.R. VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136

**ANNEXURE-4  
FORM MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
(For the Financial Year ending 31<sup>st</sup> March 2016)**

To  
**The Members of**  
M/s. Alkali Metals Limited  
Hyderabad.

I have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Alkali Metals Limited (CIN: L27109TG1968PLC001196)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Alkali Metals Limited, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The Company is carrying on the business activities of manufacture of Bulk Drug, Intermediaries such as Organic and Inorganic Chemical and Fine Chemicals.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

1. The Companies Act, 1956 (to the extent applicable) and The Companies Act, 2013 (to the extent notified) (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with BSE Limited and the National Stock Exchange of India Limited.
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with applicable clauses of the following:

- i. The Secretarial Standards on the meeting of the Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.
- ii. The Memorandum and Articles of Association.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable to the Company. During the year Company Secretary has resigned and company appointed qualified Company Secretary within the time. Subsequently, when he got the membership, he had been promoted as Company Secretary.

However, please note that SEBI's ICDR, ESOS, Listing of Debt Securities, Registrar to an Issue, Delisting and Buyback of Securities are not applicable as there being no such activity/acts/events during the audit period for the Company.

The Company has identified the following laws as specifically applicable to the Company:

- a) Petroleum And Explosives Safety Organisation (Formerly Department of Explosives)
- b) Drugs and Cosmetics Act, 1940
- c) Prohibition and Excise
- d) Water (Prevention and Control of Pollution) Act, 1974
- e) Air (Prevention and Control of Pollution) Act, 1981
- f) Hazardous Wastes (Management, Handling and Transboundary, Movement) Rules, 2008
- g) Indian Boilers Act, 1923

I further report that based on the information received, explanations given, process explained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with Sector Specific laws, rules, regulations and guidelines.



I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board of Directors during the period under review.
2. Adequate notice is given to all directors to conduct the Meetings of Board and its committees. Agenda and detailed notes on agenda were sent at shorter period in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions at Board Meeting and committee meetings were carried out unanimously as recorded in the minutes of the meeting and there were no instances of dissenting members in the board and committee meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

Place: Hyderabad  
Date: 02.05.2016

B. Venkatesh Babu  
Company Secretary  
FCS No. 6708, CP.No. 5103





## MANAGEMENT DISCUSSION AND ANALYSIS

The Management and Discussion Analysis Report sets out developments in the business, environment and company's performance since our last report. The analysis supplements the Directors' Report and audited financial statements which form together part of this Annual Report.

### INDUSTRY OUTLOOK, OPPORTUNITIES AND THREATS

During the year 2015-16, the Company achieved a turnover of ₹ 733 Million compared to the turnover of ₹ 684 Million during 2014-15 i.e. around 7% increase in sales compared to the previous year. Net Profit during the year 2015-16 is ₹ 23 Million compared to Net Profit of ₹ 3 Million achieved during 2014-15. The improvement in current year's performance can be attributed to the cost saving measures implemented by the company as well as sale of high value products during the year.

### OUTLOOK

The Chemical Industry in India is a key constituent of Indian Economy, accounting for about 2.11 percent of the gross domestic product (GDP). In terms of volume of production, Indian Chemical Industry is the third largest producer in Asia and sixth largest in the world.

Indian Chemical Industry generated business worth US\$ 118 billion in 2014. Bulk Chemicals account for 39 percent of the Indian Chemical Industry, followed by Agrochemicals (20.3 percent) and Specialty Chemicals (19.5 percent).

India's growing per capita consumption and demand for agriculture-related chemicals offers huge scope of growth for the sector in the future. From April 2000 to May 2015, total foreign direct investment (FDI) inflows into the Indian chemicals industry (excluding fertilisers) were US\$ 10.49 billion.

The Government of India has been supportive to the sector. 100 per cent FDI is permissible in the Indian Chemicals sector while manufacturing of most chemical products is de-licensed. The Government has also been encouraging Research and Development (R&D) in the sector. Moreover, the Government is continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby facilitating greater investment in technology up-gradation and modernisation.

The Government has launched the Draft National Chemical Policy, which aims to increase chemical sector's share in country's GDP.

### THREATS

Imports from Global Chemical Companies is a threat to Indian chemical industry. The Indian tax structure is still lower as compared to other countries and hence many Global Chemical companies with larger production capacities are trying to concentrate on Indian market. The company has plans to mitigate the threat by producing high quality products at competitive prices.

### PRODUCT PERFORMANCE

The company has sold 1610 MT of finished products during 2015-16 as against 1533 MT in the previous year. During the year company had sold high value products, therefore even though the turnover is slightly increased net profit is increased drastically.

Company had a mixture of products of sodium derivatives, pyridine derivatives and fine chemicals, company is continuously developing new products and commercialize the same on campaign basis, your company is planning to expand and/or diversify the range of products in the coming years and expecting the increase in turnover and margins.



**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The company has in place effective systems of internal control commensurate to its size and nature of business which provides for:

- Efficient use and safeguarding resources
- Accurate recording and custody of assets
- Compliance with prevalent statutes, policies, procedures, listing requirements, management guidelines and circulars
- Transactions being accurately recorded ,cross verified and promptly reported
- Adherence to applicable accounting standards and policies
- IT systems which include controls for facilitating the above

The internal control system provides for well documented policies, guidelines, authorizations and approval procedures. The internal audit reports are laid before Audit Committee and discussions were held periodically by the Audit Committee at its meetings. The observations /findings made in internal audit reports, along with the status of action thereon are reviewed by the Audit committee of the Board of directors on a regular basis.

The company has an exhaustive budgetary control system and the management regularly reviews actual performance

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

(All figures in ₹ Millions)

	<b>2015-16</b>	2014-15
Net Sales	<b>732.81</b>	684.39
Other income	<b>2.52</b>	7.16
Total income	<b>735.33</b>	691.55
Total expenditure	<b>633.57</b>	590.04
Operating profit/(Loss)	<b>101.76</b>	101.51
Finance charges	<b>34.36</b>	45.00
Gross profit before depreciation and taxes	<b>67.40</b>	56.51
Depreciation	<b>37.53</b>	42.73
Profit/(Loss)before tax	<b>29.87</b>	13.78
Exceptional and Extraordinary items	<b>0.00</b>	10.74
Provision for income tax & Prev. Yr. taxes	<b>7.31</b>	0.20
Deferred Tax (AS 22)	<b>0.00</b>	0.00
Profit/(Loss) after tax	<b>22.56</b>	2.84

The book value per share stands at ₹ 49.73 as on 31.03.2016 (₹ 48.48 previous year).

**HUMAN RESOURCE DEVELOPMENT**

The Company believes that the key to success lies in creating and nourishing a pool of talent within its people whose skills, expertise and experience provide the impetus towards market leadership. Also, the dedication, commitment and aspirations of its Employees provide the fuel for excellence in performance. The Company’s human resource practices are widely accepted by the management, staff and workers. During the year under review, the Industrial relations with Employees/workers at all the Company’s locations continued to be harmonious and positive.



**CAUTIONARY AND FORWARD LOOKING STATEMENT**

Statements in the Management discussion and Analysis Report which describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" within the meaning of applicable Securities Laws and Regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however materially differ from those expressed or implied. Important factors that could make a difference to the Company's Operations include global and Indian political, economic & demand-supply conditions, finished goods prices, raw materials cost & availability, cyclical demand and pricing in the company's principal markets, changes in Government regulations, Policies, tax regimes, economic developments within India besides other factors such as litigation and industrial relations as well as the ability to implement the strategies.



**REPORT ON CORPORATE GOVERNANCE**

**Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:**

**CORPORATE GOVERNANCE PHILOSOPHY OF THE COMPANY**

Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities. Towards this, the Company continues to focus its energies and resources in order to enhance the trust of all its stakeholders.

The company follows all the principles of corporate governance in its true spirit and at all times.

**1. BOARD OF DIRECTORS**

**Composition**

The Board consists of 7 Directors as on 31<sup>st</sup> March 2016 of which four of Independent Directors, one Non Executive and Non Independent Director, one Executive Director and one Managing Director. The day-to-day management of the company was carried on by the both Managing and Executive Directors of the company.

**Number of Board Meetings**

During the year (01-04-2015 to 31-03-2016) the Board met five times i.e. on 27.04.2015, 09.05.2015, 10.08.2015, 14.11.2015 and 23.01.2016. The maximum time gap between any of the consecutive meetings is less than 120 days.

The dates for the board meetings are fixed after taking into account the convenience of majority of the Directors and sufficient notice is given to them.

Composition, Attendance Record and Directorships held:

S. No.	Name of the Director	Category / Status of Directorship.	No. of Board Meetings attended during the year	No. of Directorship (s) in other companies.	No. of Committee position held in other Companies (6)		Attendance at the AGM held on 21/08/2014
					Chairman	Member	
(1)	(2)	(3)	(4)	(5)			(7)
01.	Dr. J.S. Yadav	Chairman & Independent Director	5	--	--	--	Yes
02.	Sri. Ch.S. Prasad	Independent Director	5	3	--	--	Yes
03.	Sri. P.C. Patnaik	Independent Director	4	--	--	--	No
04.	Sri. G. Jayaraman	Independent Director	5	1	--	--	Yes
05	Sri. Y.S.R. Venkata Rao	Managing Director	5	3	--	--	Yes
06	Smt. Y. Lalithya Poorna	Non-Ind& Non-Exe. Director	1	3	--	--	No
07	Sri. Y.V. Prashanth	Executive Director	5	4	--	--	Yes

Notes:

- a. Other Directorships exclude foreign companies
- b. Other companies as on 31.03.2016.



All Independent Directors possess the requisite qualifications and are very experienced in their own fields. Independent Directors are appointed for a period of five years and the Managing Director is not retire by rotation and the other Non Independent Directors are subject to retire by rotation. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

### **Profile of directors seeking re-appointment**

Smt. Y. Lalithya Poorna

She is B.Tech. (Chemical Technology) and MS (Food Technology & Statistics) from USA. She is non-executive & non-independent Director in the company. Her expertise knowledge will be of immense benefit to the company. As per the Companies Act, 2013 all listed Companies need to appoint one Women Director and the Company is in compliance from long time.

### **2. AUDIT COMMITTEE**

The Audit Committee (AC) assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the audit committee covers all matters specified in SEBI (LODR) Regulation 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings.

Audit committee consists of three independent directors. The Chairman of the Audit Committee is an Independent Director. All members including Chairman have adequate financial and accounting knowledge. The Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 19<sup>th</sup> September, 2015. During the period 01-04-2015 to 31-03-2016, the committee met four times and the time gap between one meeting to another is less than 120 days.

**The Committee Directors and their attendance at the meetings of the Audit Committee is given below:**

<b>S. No.</b>	<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
01.	Sri. G. Jayaraman	Independent Director	4
02.	Sri. Ch. S. Prasad	Independent Director	4
03.	Sri. P.C. Patnaik	Independent Director	4

### **3. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) terms of reference is for appointment of the directors, and key managerial personnel of the Company and fixation of the remuneration to them and also the other employees of the Company.

NRC consists of three independent Directors and they met two times during the year 2015-16.

**Composition of committee and attendance of members**

S. No.	Name of the Member	Category	No. of Meetings Attended
01.	Sri. Ch. S. Prasad	Independent Director	2
02.	Sri. G. Jayaraman	Independent Director	2
03.	Sri. P.C. Patnaik	Independent Director	1

This committee recommends the appointment/reappointment of executive directors and the appointments of employee's one level below the Board of Directors and KMP along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry.

**Nomination and Remuneration policy**

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
2. To determine remuneration to Directors, KMP and other senior Employees based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
5. Any other matter as the board may decide from time to time.

**Mechanism for Evaluation of Board**

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

**Criteria for evaluation Directors/KMP/Senior Employees**

- Leadership & Stewardship Abilities
- Contributing to clearly define Corporate objectives & Plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

**4. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Stakeholders Relationship Committee (SRC) consists of four Directors of which 3 Independent Directors and Managing Director.

The SRC deal with to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shareholders and redress investor grievances like non receipt of dividend warrants, non receipt of annual reports etc. The committee also reviews the performance of the Registrar and Share Transfer Agents.

Composition of the committee is as follows.

S.No.	Name of the Member	Category
01	Sri. G. Jayaraman	Independent Director
02	Sri. Ch S. Prasad	Independent Director
03	Sri. P.C. Patnaik	Independent Director
04	Sri Y.S.R. Venkata Rao	Managing Director

SEBI vide Circular Ref:CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year.

**5. MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors of the Company had met during the year to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

**6. REMUNERATION PAID TO DIRECTORS**

Two are executive directors out of the total Board. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the General Meeting. The non executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

**Details of Remuneration paid to Directors for the year****(All figures in ₹)**

S.No.	Name of the Director	Commission	Remuneration	Sitting Fee	Total
01	Dr.J.S.Yadav	--	--	75,000	<b>75,000</b>
02	Sri. Ch. S. Prasad	--	--	105,000	<b>105,000</b>
03	Sri. P.C. Patnaik	--	--	85,000	<b>85,000</b>
04	Sri. G. Jayaraman	--	--	105,000	<b>105,000</b>
05	Sri. Y.S.R. Venkata Rao	--	3,500,000	--	<b>3,500,000</b>
06	Smt. Y. Lalithya Poorna	--	--	15,000	<b>15,000</b>
07	Sri. Y.V. Prashanth	--	1,200,000	--	<b>1,200,000</b>



## 7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

### Annual General Meetings of the Company:

Year	Location	Date	Time
2012-13	Hotel Green Park, Ameerpet, Hyderabad – 500 016	30 <sup>th</sup> July 2013	11.00 AM
2013-14	Hotel Green Park, Ameerpet, Hyderabad – 500 016	21 <sup>st</sup> August 2014	11.00 AM
2014-15	Hotel Green Park, Ameerpet, Hyderabad – 500 016	19 <sup>th</sup> September 2015	11.00A.M

- a) No Extra-Ordinary General Meeting of the shareholders was held during the year.
- b) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.
- c) Special Resolutions passed during the previous three Annual General Meetings:
  - i) 45<sup>th</sup> Annual General Meeting - 30<sup>th</sup> July 2013 – No Special Resolutions were passed
  - ii) 46<sup>th</sup> Annual General Meeting – 21<sup>st</sup> August 2014 – No Special Resolutions were passed
  - iii) 47<sup>th</sup> Annual General Meeting – 19<sup>th</sup> September 2015 Special Resolution passed for the Appointment of Sri. Y.V Prashanth as (Executive Director of the Company) and Re-appointment of Sri. Y.S.R Venkata Rao (as Managing Director of the Company) for a period of 3 Years.
- d) E-Voting/Poll:

There are special resolutions passed by the Company, but the E-Voting is conducted for all the business items covered in the last AGM Held on 19<sup>th</sup> September 2015 in Compliance with the Listing Agreement.

## DISCLOSURES

### 8. SUBSIDIARY COMPANIES

The Company has no subsidiary company.

### 9. RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

### 10. WHISTLE BLOWER POLICY

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters.



**11. RELATED PARTY TRANSACTION**

There have been no materially significant related party transactions with the company's promoters, directors, KMP or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts.

**12. ACCOUNTING TREATMENT**

The Company has followed the accounting standards in the preparation of its financial statements.

**13. COMPLIANCES**

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

**14. MEANS OF COMMUNICATION**

The Quarterly, Half yearly and Annual results are normally published by the company in the leading newspapers in English version circulating substantially in the whole of India and in Telugu (being the Regional language) where the registered office is situated. The results are also placed on company's website i.e. [www.alkalimetals.com](http://www.alkalimetals.com) to access first-hand information about the financial information of the company. Besides this as required under the listing agreement the said information is also sent to stock exchanges (BSE & NSE).

**15. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on company's website i.e. [www.alkalimetals.com](http://www.alkalimetals.com). The Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2015-2016.

**16. GENERAL SHAREHOLDER INFORMATION**

## a) Annual General Meeting

Date and time:	30 <sup>th</sup> July 2016 at 11.00 A.M
Venue :	Hotel Green Park, Ameerpet, Hyderabad - 500 016
Book Closure Date :	25.07.2016 to 30.07.2016 (both days inclusive)

b) Financial Year : 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017  
Financial Calendar 2016-2017 (tentative)

First Quarter results (April - June)	: On or before 14 <sup>th</sup> August
Second Quarter results (July – Sept)	: On or before 14 <sup>th</sup> Nov
Third Quarter results (Oct – Dec)	: On or before 14 <sup>th</sup> February
Annual Results audited (Audited)	: On or before 30 <sup>st</sup> May

## c) Particulars of Dividend for the year ended 31.03.2016: ₹ 0.80 as Interim Dividend and ₹ 0.40 proposed as Final Dividend



d) Listing of Shares

Name of the Stock Exchange	: Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	: 533029
National Stock Exchange of India Limited (NSE)	: ALKALI
ISIN allotted by Depositories (Company ID Number)	: INE773I01017

Note: Annual Listing fees for the year 2016-17 were duly paid to the above stock exchanges

e) Stock Market Data

(All figures in ₹)

Month	NSE			BSE		
	High	Low	Closing	High	Low	Closing
April	59.40	31.60	48.60	59.95	32.45	48.15
May	65.45	45.00	46.85	65.25	45.05	46.90
June	55.00	34.20	45.05	53.60	35.00	45.00
July	62.60	42.15	53.20	62.00	41.25	52.95
August	56.50	37.15	39.25	56.70	37.00	38.45
September	44.90	34.55	38.60	42.55	35.10	38.50
October	44.00	35.65	41.55	46.80	37.60	42.05
November	60.05	39.40	54.15	60.30	40.35	54.70
December	69.50	52.50	63.20	69.50	52.35	63.95
January	67.50	48.10	50.40	67.00	47.00	50.95
February	53.00	34.90	36.90	53.50	35.95	37.00
March	46.00	36.55	40.60	45.95	36.50	41.05

f) Shareholding Pattern as on 31<sup>st</sup> March 2016

Category	No. of shares held	% of holdings
Indian Promoters including persons acting in concert	7,100,842	69.74
Bodies corporate (including clearing members)	304,816	2.99
Resident Indians	2,598,720	25.53
Non-Resident Indians	67,710	0.66
Hindu undivided families	110,418	1.08
<b>Total</b>	<b>10,182,506</b>	<b>100</b>

g) Distribution of Shareholding as on 31<sup>st</sup> March 2016

HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
between 1 and 5000	10,056	91.24	1,030,832	10.12
between 5001 and 10000	491	4.45	393,078	3.86
between 10001 and 20000	260	2.36	394,195	3.87
between 20001 and 30000	79	0.72	198,564	1.95
between 30001 and 40000	41	0.37	143,521	1.41
between 40001 and 50000	21	0.19	100,084	0.98
between 50001 and 100000	44	0.4	327,433	3.22
between 100001 and Above	30	0.27	7,594,799	74.59
<b>Total</b>	<b>11022</b>	<b>100</b>	<b>10,182,506</b>	<b>100</b>



## h) Registrar and Share Transfer Agents

Cameo Corporate Services Limited  
Subramanian Building, No.1, Club House Road  
Chennai-600 002,  
Tel: 044-28460390/948  
Fax:044-28460129  
Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
Contact Person : Sri. Murali

## i) Share Transfer System

The shares are transferred within the stipulated period as per the listing Agreement. 99.99 % of Company Shares are in the dematerialized form.

## j) Reconciliation of Share Capital Audit

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit.

## k) Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The unclaimed dividend as on March 31, 2016 is as follows:

Financial Year	Date of declaration	Date of transfer to IEPF
2009-10	30 <sup>th</sup> July 2010	September 2017
2010-11	30 <sup>th</sup> July 2011	September 2018
2011-12	30 <sup>th</sup> July 2012	September 2019
2012-13	30 <sup>th</sup> July 2013	September 2020
2015-16	23 <sup>rd</sup> January 2016	February 2023

## l) Plant Locations

The Company's plants are located at:

Unit-I : Plot No. B-5, Block-III, IDA, Uppal, Hyderabad – 500 039  
Unit-II : Survey No. 299 to 302, Dommara Pochampally Village, Qutubullapur  
Mandal, R.R. District.  
Unit-III : J.N. Pharma City, Parwada, Visakhapatnam

## m) Address for correspondence:

Registered office Address: Plot No. B-5, Block-III, IDA,  
Uppal, Hyderabad – 500 039  
Email: [cs.alkalimetals@gmail.com](mailto:cs.alkalimetals@gmail.com)  
[Secretarial@alkalimetals.com](mailto:Secretarial@alkalimetals.com)

**17. NON-MANDATORY DISCLOSURES:**

The Company has complied with the following non-mandatory requirements as per the listing agreement:

- Company had appointed separate person to the position of Chairman and Managing Director.
- The statutory financial statements of the company are unqualified.
- The Internal Auditor of the company directly reports to the Audit Committee.

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

I declare that the Company has received affirmation of compliance with the “Code of Business conduct for Directors and Senior Executives” laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31<sup>st</sup> March 2016.

Place: Hyderabad

Date: 02.05.2016

Y.S.R. VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

**CERTIFICATION BY MANAGING DIRECTOR (CMD) and CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

We, Y.S.R. Venkata Rao, Managing Director and P. Sankara Rao, Chief Financial Officer of Alkali Metals Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the Financial Year Ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company’s code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee that there are no:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company’s internal control system and financial reporting. However, during the year there was no such instance.

Place: Hyderabad

Date:02.05.2016

P. SANKARA RAO  
CFO

Y.S.R. VENKATA RAO  
Managing Director  
DIN: 00345524



**Auditor's certificate on compliance with the conditions of Corporate Governance under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Members of Alkali Metals Limited

We have examined the compliance of conditions of Corporate Governance by Alkali Metals Limited for the year ended 31<sup>st</sup> March, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of 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 in general 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 C K S Associates  
Chartered Accountants (FRN 007390S)

Place: Hyderabad  
Date: 02.05.2016

C. KRISHNA BABU  
Partner  
M.No.: 019827

**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, 2016, the Statement of Profit and Loss, the 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***

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

***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, 2016;
- 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, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure – 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) (i) of the Companies Act, 2013, we given in Annexure – 2, the report on Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, we report that:
  - a. We have sought and 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 it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements,
    - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for C K S Associates  
Chartered Accountants (FRN 007390S)

C. KRISHNA BABU  
Partner  
M.No.:019827

Place: Hyderabad  
Date: 02.05.2016

**ANNEXURE - 1 TO THE INDEPENDENT AUDITOR'S REPORT:**

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

- 1.1. According to the information and explanations given to us, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. According to the information and explanations given to us, all the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 1.3. All the title deeds of the immovable properties are held in the name of the Company.
2. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the sub-clauses (a), (b) and (c) are not applicable to the company.
4. According to the information and explanations given to us, the Company has not granted any loans nor has it made any investments or given any guarantee or security which are covered under the provisions of Section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, the Company has not accepted any deposits in terms of the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as are applicable, with the appropriate authorities.  
According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- 7.2. According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of dispute.
8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. However, in respect of Sales Tax Deferment availed of by the Company, out of ₹ 3.114 Mil which has fallen due in the month of March, 2016, an amount of ₹ 1.500 Mil has remained outstanding as at the end of the year (Refer Note 3 of the Notes to Financial Statements).





9. According to the information and explanations given to us, during the year under review, the Company has not raised any money by way of initial public offer, further public offer, or term loans and hence the reporting requirement on the purpose of application of the same is not warranted.
10. According to the information and explanations given to us and based upon the audit procedures performed by us, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration paid during the year is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. As the Company is not a Nidhi Company in terms of the provisions of the Companies Act, 2013 read with Nidhi Rules, 2014, the matters to be reported under clause (xii) are not applicable.
13. According to the information and explanations given to us, in respect of the transactions with the related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, wherever applicable. In our opinion, the details as required by the applicable accounting standards have been disclosed in the financial statements for the year under review.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, reporting requirement on compliance with Section 42 of the Companies Act, 2013 and purpose of application of the funds so raised is not applicable.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.
16. According to the information and explanations given to us and in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for C K S Associates  
Chartered Accountants (FRN 007390S)

Place: Hyderabad  
Date: 02.05.2016

C. KRISHNA BABU  
Partner  
M.No.:019827

***ANNEXURE -2 TO THE INDEPENDENT AUDITOR'S REPORT:*****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):**

We have audited the internal financial controls over financial reporting of ALKALI METALS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

for C K S Associates  
Chartered Accountants (FRN 007390S)

Place: Hyderabad  
Date: 02.05.2016

C. KRISHNA BABU  
Partner  
M.No.:019827



**BALANCE SHEET**

<b>BALANCE SHEET AS AT 31.03.2016</b>		<b>(All figures in ₹)</b>	
	<b>Note No.</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>I EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share Capital	1	<b>101,825,060</b>	101,825,060
b. Reserves and Surplus	2	<b>399,724,911</b>	391,879,101
		<b>501,549,971</b>	493,704,161
<b>2. NON-CURRENT LIABILITIES</b>			
a. Long Term Borrowings	3	<b>24,321,151</b>	98,510,276
b. Other Long Term Liabilities	4	<b>9,894,000</b>	13,615,427
c. Long Term Provisions	5	<b>708,178</b>	623,757
		<b>34,923,329</b>	112,749,460
<b>3. CURRENT LIABILITIES</b>			
a. Short Term Borrowings	6	<b>179,215,961</b>	185,801,798
b. Trade Payables	7	<b>123,642,935</b>	104,498,623
c. Other Current Liabilities	8	<b>19,944,676</b>	48,569,340
d. Short Term Provisions	9	<b>10,536,381</b>	525,608
		<b>333,339,953</b>	339,395,369
<b>TOTAL</b>		<b>869,813,253</b>	945,848,990
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a. Fixed Assets	10		
i. Tangible Assets		<b>533,221,745</b>	564,707,828
ii. Intangible Assets		<b>3,880,531</b>	5,291,631
iii. Capital Work-in-progress		<b>4,618,506</b>	3,648,506
b. Long Term Loans and Advances	11	<b>32,240,823</b>	26,004,121
c. Other Non-Current Assets	12	<b>500,000</b>	60,099
		<b>574,461,605</b>	599,712,185
<b>2. CURRENT ASSETS</b>			
a. Inventories	13	<b>126,036,415</b>	164,453,995
b. Trade Receivables	14	<b>112,970,079</b>	85,604,794
c. Cash and Cash Equivalents	15	<b>10,284,709</b>	31,132,539
d. Short Term Loans and Advances	16	<b>44,643,006</b>	57,645,976
e. Other Current Assets	17	<b>1,417,439</b>	7,299,501
		<b>295,351,648</b>	346,136,805
<b>TOTAL</b>		<b>869,813,253</b>	945,848,990
<b>Refer accompanying Notes to Financial Statements</b>			

As per our Report attached

For and on Behalf of Board of Directors

for C K S Associates

Chartered Accountants (FRN 007390S)

C. KRISHNA BABU  
PARTNER  
M.No.:019827

Y.S.R.VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136

Place: Hyderabad  
Dated: 02.05.2016

M.KARUNAKAR REDDY  
Company Secretary

P. SANKARA RAO  
CFO



**PROFIT AND LOSS ACCOUNT**

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016</b>		<b>(All figures in ₹)</b>	
	<b>Note No.</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>1. REVENUE</b>			
Revenue from Operations	18	<b>732,815,895</b>	684,394,228
Other Income	19	<b>2,516,482</b>	7,154,303
<b>Total Revenue</b>		<b>735,332,377</b>	<b>691,548,531</b>
<b>2. EXPENSES</b>			
a. Cost of Materials Consumed		<b>392,083,916</b>	330,495,340
b. Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	20	<b>(6,033,845)</b>	10,310,437
c. Employee Benefit Expense	21	<b>73,719,403</b>	64,236,990
d. Finance Costs	22	<b>34,364,210</b>	45,002,861
e. Depreciation		<b>37,529,881</b>	42,730,767
f. Other Expenses	23	<b>173,805,353</b>	184,993,357
<b>Total Expenses</b>		<b>705,468,918</b>	<b>677,769,752</b>
<b>3. Profit for the year before exceptional items</b>		<b>29,863,459</b>	13,778,779
<b>4. Exceptional Items</b>	24	--	7,330,352
<b>5. Profit Before Extraordinary Items and Tax</b>		<b>29,863,459</b>	6,448,427
<b>6. Extraordinary Items</b>	25	--	3,407,658
<b>7. Profit Before Tax</b>		<b>29,863,459</b>	3,040,769
<b>8. Tax Expense</b>			
a. Current Tax (MAT)		<b>6,238,171</b>	579,419
Less: MAT Credit Entitlement		<b>(6,238,171)</b>	(579,419)
Net Current Tax		--	--
b. Tax Pertaining to Earlier Years		<b>7,311,139</b>	201,884
c. Deferred Taxation		--	--
		<b>7,311,139</b>	201,884
<b>9. Profit after taxes for the Year</b>		<b>22,552,320</b>	2,838,885
<b>10. Earnings Per Share</b>			
<b>Face Value ₹10/- per share</b>			
i. Basic / Diluted (excluding extra ordinary items)		<b>2.21</b>	0.61
ii. Basic / Diluted (including extra ordinary items)		<b>2.21</b>	0.28

**Refer accompanying Notes to Financial Statements**

As per our Report attached  
for C K S Associates  
Chartered Accountants (FRN 007390S)

For and on Behalf of Board of Directors

C. KRISHNA BABU  
PARTNER  
M.No.:019827

Y.S.R.VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136

Place: Hyderabad  
Dated: 02.05.2016

M.KARUNAKAR REDDY  
Company Secretary

P. SANKARA RAO  
CFO



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(All figures in ₹)

	2015-16		2014-15	
<b>A. Cash flow from Operating activities</b>				
<b>1. Net Profit/(Loss) before Tax</b>		<b>29,863,459</b>		3,040,769
<b>2. Adjustments for</b>				
Depreciation	<b>37,529,881</b>		42,730,767	
Interest expense	<b>34,364,210</b>		45,002,861	
Interest income	<b>(1,217,883)</b>		(1,219,056)	
Doubtful Debts Provision	<b>695,876</b>		--	
(Profit)/Loss on sale of Assets	<b>38,488</b>	<b>71,410,572</b>	48,110	86,562,682
<b>3. Operating Profit before working capital changes</b>		<b>101,274,031</b>		89,603,451
<b>4. Adjustments for</b>				
Increase/(Decrease) in Trade payables	<b>19,144,312</b>		(23,349,805)	
Increase/(Decrease) in Other Liabilities and Provisions	<b>(15,161,870)</b>		24,567,536	
(Increase)/Decrease in Inventories	<b>38,417,580</b>		(31,505,667)	
(Increase)/Decrease in Trade Receivables	<b>(28,061,161)</b>		49,547,872	
(Increase)/Decrease in Loans and Advances	<b>6,766,268</b>		10,381,374	
(Increase)/Decrease in Other Current Assets	<b>5,442,161</b>	<b>26,547,290</b>	17,545,912	47,187,222
<b>5. Cash generated from operations</b>		<b>127,821,321</b>		136,790,673
Interest paid		<b>34,364,210</b>		45,002,861
Adjustment for taxes of earlier years		<b>7,311,139</b>		201,884
Direct taxes paid		<b>3,367,600</b>		--
<b>6. Net cash from Operating activities</b>		<b>82,778,372</b>		91,585,928
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets/capital work in progress	<b>(5,891,187)</b>		(24,581,902)	
Sale of fixed assets	<b>250,000</b>		1,295,608	
Interest income & other receipts	<b>1,217,883</b>		1,219,056	
Investment Subsidy	<b>-</b>	<b>(4,423,304)</b>	1,000,000	(21,067,238)
<b>C. Cash flow from Financing activities</b>				
Proceeds / Repayments of borrowings	<b>(80,774,962)</b>		(58,994,229)	
Interim Dividend paid	<b>(8,146,005)</b>		--	
Tax on Interim Dividend paid	<b>(1,658,335)</b>		--	
Increase / Decrease in other liabilities	<b>(3,721,427)</b>	<b>(94,300,729)</b>	3,721,427	(55,272,802)
<b>Net Increase/(Decrease) in Cash&amp; cash equivalents</b>		<b>(15,945,661)</b>		15,245,888
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>31,132,539</b>		15,886,651
<b>Cash and cash equivalents as at the end of the year</b>		<b>10,284,709</b>		31,132,539

As per our Report attached

for C K S Associates

Chartered Accountants (FRN 007390S)

For and on Behalf of Board of Directors

C. KRISHNA BABU  
PARTNER  
M.No.:019827

Y.S.R.VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136

Place: Hyderabad  
Dated: 02.05.2016

M.KARUNAKAR REDDY  
Company Secretary

P. SANKARA RAO  
CFO

**SIGNIFICANT ACCOUNTING POLICIES****A) Basis of Preparation of Financial Statement:**

The Financial Statements are prepared on going concern assumption and under the historical cost convention, except for certain fixed assets which are re-valued in accordance with generally accepted Accounting principles in India and the provisions of the Companies Act 1956.

**B) Use of Estimates:**

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**C) Fixed Assets:**

Fixed assets are stated at cost net of cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation, and impairment of loss, if any. All costs including financing costs till commencement of production, net charges on foreign exchange contracts and adjustments arising from exchange rate variation attributable to the fixed assets are capitalised as per the applicable standards.

**D) Depreciation and Amortisation:**

Depreciation on all fixed assets is provided on systematic basis on straight-line method on the basis of useful lives specified in Schedule – II of the Companies Act, 2013. Intangible Asset (Computer Software) is amortised over a period of five years.

**E) Impairment of Asset:**

The Carrying amount of asset is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount.

**F) Inventories:**

Items of inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw material is determined on FIFO method.

**G) Foreign Currency Transactions:**

Foreign Currency Transaction are recorded at the exchange rates prevailing at the transaction date. Current Assets and Current Liabilities relating to Foreign Currency Transactions remaining unsettled at the balance Sheet date are translated at the yearend rates. The result gain/ loss, if any, is recognised in Profit & Loss Account.

**H) Turnover:**

Sales are recognised on despatch of goods from the factory.

**I) Employee Benefits:****i. Gratuity:**

The Company contributes towards Group Gratuity Fund (defined benefit retirement plan) administered by the Life Insurance Corporation Of India, for eligible employees. Under this scheme the settlement obligation remains with the Company, while the Life Insurance Corporation of India administers the scheme and determines the premium to be contributed by the Company. The plan provides for a lump-sum payment to the vested employees on retirement or termination of employment, based on the respective employees' salary and the years of service with the Company.

**ii. Provident Fund:**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged off to the profit and loss account of the year when the contributions to the fund are due. There are no other obligations other than the contributions to be remitted to the Provident Fund Authorities.

**iii. Leave Encashment:**

Provision for Leave Encashment is recognised in the books as per the actuarial valuation.

**J) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**K) Provision for Current and Deferred Tax:**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent there is reasonably certain that there will be sufficient future income to recover such Deferred Tax Asset.

**L) Minimum Alternate Tax Credit:**

Minimum Alternate Tax Credit Entitlement is recognized in the books of account when there is convincing evidence that the Company will pay normal income tax during the specified period. The Entitlement is reviewed at each balance sheet date with regard to the correctness of the carrying amount.

**M) Research and Development:**

Capital expenditure incurred has been disclosed under separate heads of account and revenue expenditure incurred is charged off as a distinct item in the Profit and Loss account.

**N) Claims:**

Claims by and against the company, including liquidated damages, are recognised on acceptance basis.

**O) Exceptional / Extraordinary Items:**

All the exceptional and extraordinary items are recognised as per the provisions stipulated in AS 5- Net profit or loss for the period, Prior Period Items and Changes in Accounting Policies.





## NOTES TO FINANCIAL STATEMENTS

<b>Note 1: SHARE CAPITAL</b>		<b>(All figures in ₹)</b>	
		<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Authorised Share Capital</b>			
15,000,000 Equity Shares of ₹ 10 Par Value		<b>150,000,000</b>	150,000,000
<b>Issued, Subscribed and Paid-up Capital</b>			
<i>At the beginning and at the end of the year</i>			
10,182,506 Equity Shares of ₹ 10 Par Value fully paid up		<b>101,825,060</b>	101,825,060
		<b>101,825,060</b>	101,825,060
<b>Disclosures:</b>			
1. All the equity shares carry equal rights and obligations including for dividend and with respect to voting rights.			
2. Names of shareholders holding more than 5% of the Share capital and their shareholding.			
<b>S.No.</b>	<b>Name of shareholder</b>	<b>No. of shares</b>	<b>No. of shares</b>
1	Sri. Y.S.R. Venkata Rao	<b>6,904,715</b>	6,904,715
	% of Holding	<b>67.810%</b>	67.810%
<b>Note 2: RESERVES &amp; SURPLUS</b>		<b>(All figures in ₹)</b>	
		<b>31.03.2016</b>	<b>31.03.2015</b>
1.	<b>Securities Premium</b>		
	Balance at the beginning and at the end of the year	<b>237,150,000</b>	237,150,000
2.	<b>Revaluation Reserve on Land</b>		
	Balance at the beginning and at the end of the year	<b>8,336,793</b>	8,336,793
3.	<b>Capital Reserve - Investment Subsidy</b>		
	Balance at the beginning of the year	<b>1,000,000</b>	--
	Add: Amount received during the year	--	1,000,000
	Balance at the end of the year	<b>1,000,000</b>	1,000,000
4.	<b>General Reserve</b>		
	Balance at the beginning of the year	<b>91,343,660</b>	91,343,660
	Addition during the year	--	--
	Balance at the closing of the year	<b>91,343,660</b>	91,343,660
5.	<b>Surplus</b>		
	Balance brought forward from previous year	<b>54,048,648</b>	68,628,281
	Less: Depreciation in respect of assets whose useful life has expired *	--	17,418,518
		<b>54,048,648</b>	51,209,763
	Add: Transfer from Statement of Profit and Loss for the year	<b>22,552,320</b>	2,838,885
	Balance available for Appropriations	<b>76,600,968</b>	54,048,648
	Appropriations:		
	Transfer to General Reserve	--	--
	Interim Dividend paid	<b>8,146,005</b>	--
	Tax on Interim Dividend paid	<b>1,658,335</b>	--
	Provision for Final Dividend	<b>4,073,002</b>	--
	Provision for Tax on Final Dividend	<b>829,167</b>	--
	Balance carried forward to next year	<b>61,894,458</b>	54,048,648
		<b>399,724,911</b>	391,879,101

Note: a) Investment subsidy received during the previous year from Government of AP towards purchase of Land has been considered as Capital Reserve as per AS 12, Government Grants.

b) \* In accordance with the provisions of Schedule II of the Companies Act, 2013, during the previous year, the Company identified the fixed assets the useful life of which had expired and depreciation on the same was charged to opening balance of Profit and Loss Account.



<b>Note 3: LONG TERM BORROWINGS</b>		<b>(All figures in ₹)</b>	
		<b>31.03.2016</b>	<b>31.03.2015</b>
<b>A. Secured:</b>			
1. Loans from Bank:			
Term Loans		<b>2,974,935</b>	14,031,266
		<b>2,974,935</b>	14,031,266
<b>B. Unsecured:</b>			
1. Loans and Advances from Related Parties			
a. Inter Corporate Deposits		--	26,500,000
b. Loan from Directors		--	31,000,000
2. Deferred Payment Liabilities			
Sales tax deferment		<b>21,346,216</b>	26,979,010
		<b>21,346,216</b>	84,479,010
		<b>24,321,151</b>	98,510,276
<b>Disclosures:</b>			
<b>a. Secured Loans</b>			
<b>The terms and conditions of the existing term loan from SBI are given below:</b>			
1	Period of maturity with reference to Balance Sheet date	2017-18	
2	Total number of Quarterly Instalments	5	
3	Amount of each instalment	Four instalments of ₹ 2,700,000 & One instalment of ₹ 2,974,935/-	
4	Rate of Interest	Base rate plus 4.70%	
5	Overdue amount and period:	Nil	
6	Security		
The loan is secured by hypothecation of entire fixed assets(including civil structures) purchased out of the term loan, collateral security of Land & Buildings of the Company and by personal guarantee of the Managing Director of the Company.			
<b>b. Unsecured Loans</b>			
<b>Sales Tax Deferment:</b>			
The Company was sanctioned Interest Free Sales Tax Deferment of ₹ 34,585,650/- under Target – 2000 Scheme by the Government of Andhra Pradesh vide final eligibility Certificate No.LR No.10/4/2001/0878/0878/ID dt.24-07-2001, for a period of 14 years starting from 20-03-1999 to 19-03-2013. The Company has availed itself of total Sales Tax Deferment of ₹ 26,979,010/- up to 31-03-2013 and the same is shown as liability in the Balance Sheet. The repayment of 1st year availment has started in March, 2016 and out of the total amount of ₹ 3.114 Million that has fallen due, ₹ 1.614 Million has been paid before the year end and the balance of ₹ 1.500 Million is shown under Other Current Liabilities (Refer Note 8).			

<b>Note 4: OTHER LONG TERM LIABILITIES</b>		<b>(All figures in ₹)</b>	
		<b>31.03.2016</b>	<b>31.03.2015</b>
Deposits		<b>9,894,000</b>	13,615,427
		<b>9,894,000</b>	13,615,427
<b>Disclosures:</b>			
The above deposit is received from a customer of the Company in foreign currency and the same is adjustable against the supplies of the Company in future years.			



<b>Note 5: LONG TERM PROVISIONS</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
Provision for Employee Benefits			
Leave Encashment (Non funded)	<b>708,178</b>	623,757	
	<b>708,178</b>	623,757	
<b>Note 6: SHORT TERM BORROWINGS</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
<b>Secured:</b>			
Working Capital Loans repayable on demand			
a. Cash Credit facility	<b>104,336,212</b>	185,801,798	
b. Export Packing Credit	<b>74,879,749</b>	--	
	<b>179,215,961</b>	185,801,798	
<b>Disclosures:</b>			
<b>a. Terms and Conditions of Cash Credit</b>			
<b>Particulars</b>			
1	Period of maturity with reference to Balance Sheet date	<b>Renewable every year</b>	Renewable every year
2	Number of Instalments due	<b>Nil</b>	Nil
3	Amount Outstanding (₹)	<b>104,336,212</b>	185,801,798
4	Rate of Interest	<b>Base Rate plus 4.5%</b>	Base Rate plus 4.5%
5	Overdue amount and period:	<b>Nil</b>	Nil
6	Security: Working Capital Loan from bank and interest accrued on the loan are secured by hypothecation of raw materials, work in progress, finished goods, stores and spares and book debts of the Company and a first charge on the immovable properties and personal guarantee of the Managing Director of the Company.		
<b>b. Terms and Conditions of Export Packing Credit</b>			
<b>Particulars</b>			
EPC limit of ₹ 12 crores is a sub limit to the Cash Credit limit of ₹ 18 crores			
1	Amount Outstanding (₹)	<b>74,879,749</b>	--
2	Rate of Interest	<b>Base Rate plus 4.5%</b>	--
3	Overdue amount and period:	--	--
4	Security: Working Capital Loan from bank and interest accrued on the loan are secured by hypothecation of present and future raw materials, work in progress, finished goods, stores and spares and book debts of the Company and a first charge on the immovable properties and personal guarantee of the Managing Director of the Company.		
<b>Note 7: TRADE PAYABLES</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
Trade payables	<b>123,642,935</b>	104,498,623	
	<b>123,642,935</b>	104,498,623	
<b>Disclosures:</b>			
The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.			



<b>Note 8: OTHER CURRENT LIABILITIES</b>	<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015
Current Maturities of Long Term Debt (refer Note 3 above)	<b>10,800,000</b>	43,200,000
Interest Accrued and Due on Borrowings	<b>210,081</b>	762,637
Advance against Sales	<b>3,082,076</b>	1,923,106
Unpaid Dividends	<b>990,060</b>	809,623
Unclaimed refund	--	260
<i>Other Payables:</i>		
Statutory Dues Payable	<b>843,520</b>	1,873,714
Sales Tax Deferment Due (refer Note 3 above)	<b>1,500,000</b>	--
Sales Tax Deferment - Current Maturities	<b>2,518,939</b>	--
	<b>19,944,676</b>	48,569,340

<b>Note 9: SHORT TERM PROVISIONS</b>	<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015
Provision for Employee Benefits	<b>1,187,233</b>	132,345
Provision for Income Tax (Net)	<b>4,446,978</b>	393,263
Others		
Proposed Final Dividend	<b>4,073,002</b>	--
Provision for Tax on Final Dividend	<b>829,167</b>	--
	<b>10,536,381</b>	525,608



<b>Note10: FIXED ASSETS</b>										<b>(All figures in ₹)</b>	
<b>DESCRIPTION</b>	<b>GROSS BLOCK</b>				<b>DEPRECIATION</b>				<b>NET BLOCK</b>		
	<b>Opening Block as on 01.04.2015</b>	<b>Additions during the year</b>	<b>Deduction during the year</b>	<b>Block as on 31.03.2016</b>	<b>Amount upto 31.03.2015</b>	<b>For the year 2015-16</b>	<b>Withdrawn during the Year</b>	<b>Total upto 31.03.2016</b>	<b>Written down value as on 31.03.2016</b>	<b>Written down value as on 31.03.2015</b>	
<b>1. TANGIBLE ASSETS</b>											
Land	68,262,761	--	--	68,262,761	--	--	--	--	68,262,761	68,262,761	
Building	204,037,689	381,028	--	204,418,717	35,408,139	7,757,063	--	43,165,201	161,253,515	168,629,551	
Plant & machinery	383,263,523	3,568,895	--	386,832,418	129,057,209	17,933,419	--	146,990,628	239,841,790	254,206,314	
Pollution Control Equipment	9,377,291	--	--	9,377,291	6,436,044	764,524	--	7,200,568	2,176,723	2,941,247	
Vehicles	3,799,187	--	961,925	2,837,262	2,472,817	167,008	673,437	1,966,388	870,875	1,326,371	
Furniture & Fixture	4,329,539	486,686	--	4,816,225	772,137	455,696	--	1,227,833	3,588,392	3,557,402	
Lab Equipment	8,106,327	107,485	--	8,213,812	6,130,088	206,368	--	6,336,455	1,877,358	1,976,240	
Office Equipment	1,476,541	68,699	--	1,545,240	530,604	287,024	--	817,628	727,612	945,937	
Computers	581,240	209,394	--	790,634	206,129	88,366	--	294,495	496,139	375,111	
R& D Equipment	110,665,445	--	--	110,665,445	67,650,693	4,287,663	--	71,938,356	38,727,090	43,014,753	
R & D Lab Equipment	32,265,209	99,000	--	32,364,209	14,525,709	3,828,496	--	18,354,205	14,010,004	17,739,500	
Safety Equipment	3,772,530	--	--	3,772,530	2,039,890	343,155	--	2,383,045	1,389,486	1,732,640	
<b>Total</b>	<b>829,937,282</b>	<b>4,921,187</b>	<b>961,925</b>	<b>833,896,544</b>	<b>265,229,459</b>	<b>36,118,781</b>	<b>673,437</b>	<b>300,674,803</b>	<b>533,221,745</b>	<b>564,707,828</b>	
<b>2. INTANGIBLE ASSETS</b>											
Computer Software	7,055,508	--	--	7,055,508	1,763,877	1,411,100	--	3,174,977	3,880,531	5,291,631	
<b>3. CAPITAL WORK IN PROGRESS</b>											
Building under construction	3,648,506	5,891,187	4,921,187	4,618,506	--	--	--	--	4,618,506	3,648,506	
<b>Grand Total</b>	<b>840,641,295</b>	<b>10,812,374</b>	<b>5,883,112</b>	<b>845,570,558</b>	<b>266,993,336</b>	<b>37,529,881</b>	<b>673,437</b>	<b>303,849,780</b>	<b>541,720,782</b>	<b>573,647,965</b>	
Previous year Figures	875,496,019	45,515,300	80,370,024	840,641,295	264,936,961	42,730,767	40,674,392	266,993,336	573,647,965	610,559,060	



<b>Note 11: LONG TERM LOANS &amp; ADVANCES</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
<b>Unsecured, Considered Good:</b>			
Security Deposits	<b>4,997,236</b>	4,998,705	
MAT Credit Entitlement	<b>27,243,587</b>	21,005,416	
	<b>32,240,823</b>	26,004,121	

<b>Note 12: OTHER NON-CURRENT ASSETS</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
Capital Advances	<b>500,000</b>	--	
Employee Benefit Fund (Net)	--	60,099	
	<b>500,000</b>	60,099	

<b>Note 13: INVENTORIES</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
<b>Valued at Cost or Realizable Value, whichever is lower (As Certified by Management)</b>			
Raw Materials	<b>33,197,689</b>	77,649,114	
Work-in-progress	<b>89,535,533</b>	86,804,881	
Finished Goods	<b>3,303,193</b>	--	
	<b>126,036,415</b>	164,453,995	

<b>Note 14: TRADE RECEIVABLES</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
<b>Unsecured, Considered Doubtful:</b>			
Outstanding for a Period Exceeding Six Months	<b>695,876</b>	--	
Less: Provision for doubtful debts	<b>695,876</b>	--	
	--	--	
<b>Unsecured, Considered Good</b>			
Outstanding for a period exceeding six months	<b>85,167</b>	1,985,583	
Other Receivables	<b>112,884,912</b>	83,619,211	
	<b>112,970,079</b>	85,604,794	

<b>Note 15: CASH AND CASH EQUIVALENTS</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
a. <b>Balances with Banks</b>			
Current Accounts	<b>131,127</b>	169,762	
EEFC Account	<b>106,739</b>	18,882,459	
b. Cash on Hand	<b>469,127</b>	285,341	
c. <b>Other Bank Balances</b>			
Margin Money Deposit in Banks	<b>8,587,656</b>	10,985,094	
Unpaid Dividend Accounts	<b>990,060</b>	809,623	
Unclaimed Refund account	--	260	
	<b>10,284,709</b>	31,132,539	



<b>Note 16: SHORT TERM LOANS AND ADVANCES</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
<b>Unsecured, Considered Good</b>			
Balances With Revenue Authorities	<b>38,417,912</b>	48,830,264	
Prepaid Expenses	<b>3,675,735</b>	3,281,992	
Prepaid Taxes (Net)	--	566,198	
Advances to Suppliers	<b>2,383,325</b>	4,090,972	
Other Advances	<b>166,034</b>	876,550	
	<b>44,643,006</b>	57,645,976	

<b>Note 17: OTHER CURRENT ASSETS</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
Interest Receivable	<b>1,417,439</b>	1,115,626	
Income Tax Refund Receivable	--	5,291,718	
Insurance claim receivable	--	791,076	
Rent Receivable	--	101,081	
	<b>1,417,439</b>	7,299,501	

<b>Note 18: REVENUE FROM OPERATIONS</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
1. Sale of Products	<b>766,223,584</b>	717,590,799	
Less: Excise Duty	<b>34,777,354</b>	33,196,571	
	<b>731,446,230</b>	684,394,228	
Other Operating Revenue	<b>1,369,665</b>	--	
	<b>732,815,895</b>	684,394,228	

<b>Note 19: OTHER INCOME</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
1. Interest earned	<b>1,217,883</b>	1,219,056	
2. Other Non-Operating Income			
a. Rental Income	<b>1,185,000</b>	1,331,472	
b. Miscellaneous Income	<b>113,599</b>	1,988,304	
c. Balances / Excess Provisions written back	--	2,615,471	
	<b>2,516,482</b>	7,154,303	

<b>Note 20: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		<b>(All figures in ₹)</b>	
	<b>31.03.2016</b>	31.03.2015	
1. <b>Finished Goods</b>			
a. Opening Stock	--	27,588,258	
b. Closing Stock	<b>3,303,193</b>	--	
Decrease / (Increase)	<b>(3,303,193)</b>	27,588,258	
2. <b>Work in Progress</b>			
a. Opening Stock	<b>86,804,881</b>	69,527,060	
b. Closing Stock	<b>89,535,533</b>	86,804,881	
Decrease / (Increase)	<b>(2,730,652)</b>	(17,277,821)	
<b>Total Decrease / (Increase)</b>	<b>(6,033,845)</b>	10,310,437	



<b>Note 21: EMPLOYEE BENEFITS EXPENSE</b>		(All figures in ₹)
	<b>31.03.2016</b>	31.03.2015
Salaries & Wages	<b>64,725,772</b>	60,201,860
Contribution to Provident and Other Funds	<b>5,401,366</b>	2,304,303
Staff Welfare Expenses	<b>2,474,424</b>	1,730,827
Retrenchment Compensation	<b>1,117,841</b>	--
	<b>73,719,403</b>	64,236,990

<b>Note 22: FINANCE COSTS</b>		(All figures in ₹)
	<b>31.03.2016</b>	31.03.2015
Interest Expense	<b>32,937,738</b>	43,834,286
Interest on Income Tax	<b>36,658</b>	--
Other Borrowing Costs	<b>1,389,814</b>	1,168,575
	<b>34,364,210</b>	45,002,861

<b>Note 23: OTHER EXPENSES</b>		(All figures in ₹)
	<b>31.03.2016</b>	31.03.2015
Consumption of Stores and Spares	<b>25,813,801</b>	27,383,131
Power & Fuel	<b>77,426,743</b>	87,045,703
Rent	<b>174,000</b>	174,000
Repairs to Buildings	<b>982,395</b>	291,191
Repairs to Machinery	<b>5,901,543</b>	6,286,941
Insurance	<b>2,345,050</b>	2,716,717
Production & Processing charges	<b>6,087,251</b>	4,570,841
Rates and Taxes	<b>3,757,763</b>	2,434,649
R & D	<b>7,174,008</b>	4,894,211
Freight on Sales	<b>20,217,772</b>	23,111,220
Net Loss on Foreign Currency Transaction & Translation	<b>74,286</b>	1,808,306
Doubtful Debts Provision	<b>695,876</b>	--
Miscellaneous Expenses	<b>23,154,865</b>	24,276,447
	<b>173,805,353</b>	184,993,357

<b>Note 24: EXCEPTIONAL ITEMS</b>		(All figures in ₹)
	<b>31.03.2016</b>	31.03.2015
Customs duty on DTA clearances	--	2,642,023
Service Tax	--	4,688,329
	--	7,330,352

<b>Note 25: EXTRAORDINARY ITEMS</b>		(All figures in ₹)
	<b>31.03.2016</b>	31.03.2015
Overseas material handling expenses	--	3,407,658
	--	3,407,658





**26. HISTORY**

Alkali Metals Ltd. which was established in 1968, at Hyderabad, Telangana, India, as a closely held company, became a Public Listed company on 6<sup>th</sup> November, 2008 being listed on BSE & NSE. Originally set up for manufacturing of Sodium Metal, the company subsequently diversified into manufacturing of Sodium derivatives, Pyridine derivatives, Fine Chemicals and API's etc. The company is recognised as an "Export House" by DGFT and also recognised by Dept. of Science and Technology, New Delhi as an approved "In house R & D Facility". The company has three manufacturing units, at Uppal, Dommara Pochampally and JNPC Visakhapatnam.

**27. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)**

**i. CONTINGENT LIABILITIES**

**a. Claim against the company not acknowledged as debts (All figures in ₹)**

	2015-16	2014-15
Income Tax	--	3,905,446
Sewerage cess claimed by HMWS&SB	<b>2,686,138</b>	2,188,086

**b. Guarantees (All figures in ₹)**

	2015-16	2014-15
a) Bank guarantees	--	760,000
b) Letters of credit	<b>40,202,583</b>	31,338,890

**ii. COMMITMENTS (All figures in ₹)**

	2015-16	2014-15
Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>4,351,494</b>	4,851,494

**28. Unhedged foreign currency exposure at the year end: (All figures in ₹)**

	2015-16	2014-15
a) Trade receivables	<b>84,707,168</b>	52,134,202
b) Trade payables	<b>28,717,035</b>	31,151,436

**29. The Disclosures of Employee Benefits as required by Accounting Standard – 15 (Revised) "Employee Benefits", are given below:**

**i. Defined Contribution Plan**

Contributions to defined contribution plan recognized as expenses for the year are as under:

**(All figures in ₹)**

	2015-16	2014-15
Employer's Contribution to PF	<b>2,645,456</b>	1,991,891
Employer's Contribution to ESI	<b>404,279</b>	306,187

**ii. Defined Benefit Plan**

The Employee's Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit to build up the final obligation.



**Reconciliation of opening and closing balances of the present value of defined benefit obligation: (All figures in ₹)**

	31-03-2016	31-03-2015	31-03-2016	31-03-2015
	Gratuity	Gratuity	Leave Enc.	Leave Enc.
	(Funded)	(Funded)	(Unfunded)	(Unfunded)
<b>1 Assumptions</b>				
Discount Rate	7.46%	8%	7.46%	7.77%
Salary Escalation	3%	3%	3%	3%
<b>2 Changes in the present value of obligation</b>				
Present value of obligations as at beginning of year	10,337,981	9,075,501	756,102	1,122,571
Interest cost	762,884	726,040	26,490	84,343
Current Service Cost	750,471	936,250	999,735	1,044,154
Benefits Paid	(1,039,313)	--	(830,356)	(1,36,556)
Actuarial (gain)/Loss on obligations	1,029,233	(399,810)	(105,966)	(1,358,410)
Present value of obligations as at end of year	11,841,256	10,337,981	846,005	756,102
<b>3 Changes in Fair Value of Plan Assets</b>				
Fair value of plan assets at beginning of year	10,398,080	9,356,976	--	--
Adjustment to opening balance	-	525,927	--	--
Expected return on plan assets	888,595	911,777	--	--
Contributions	553,901	495,908	830,356	136,556
Benefits paid	(1,039,313)	--	(830,356)	(136,556)
Actuarial Gain / (Loss) on Plan assets	(9,413)	(892,508)	--	--
Fair value of plan assets at the end of year	10,791,850	10,398,080	--	--
<b>4 Fair Value of Plan Assets</b>				
Fair value of plan assets at beginning of year	10,398,080	9,356,976	--	--
Adjustment to opening balance	-	525,927	--	--
Actual return on plan assets	879,182	19,269	--	--
Contributions	553,901	495,908	830,356	136,556
Benefits Paid	(1,039,313)	--	(830,356)	(136,556)
Fair value of plan assets at the end of year	10,791,850	10,398,080	--	--
Funded status	(1,049,406)	60,099	(846,005)	(756,102)
Excess of Actual over estimated return on plan assets	(9,413)	(892,508)	--	--
<b>5 Actuarial Gain/Loss recognized</b>				
Actuarial (gain)/Loss for the year –Obligation	(1,029,233)	399,810	105,966	1,358,410
Actuarial (gain)/Loss for the year - plan assets	(9,413)	(892,508)	--	--
Total (gain)/Loss for the year	(1,038,645)	(492,698)	105,966	1,358,410
Actuarial (gain)/Loss recognized in the year	(1,038,645)	(492,698)	105,966	1,358,410
<b>6 The amounts to be recognized in the balance sheet and statements of profit and loss account</b>				
Present value of obligations as at the end of year	11,841,256	10,337,981	846,005	756,102
Fair value of plan assets as at the end of the year	10,791,850	10,398,080	--	--
Funded status	(1,049,406)	60,099	(846,005)	(756,102)
Net asset/(liability) recognized in balance sheet	(1,049,406)	60,099	(846,005)	(756,102)
<b>7 Expenses Recognised in statement of Profit &amp; Loss Account</b>				
Current Service cost	750,471	936,250	999,735	1,044,154
Interest Cost	762,884	726,040	26,490	84,343
Expected return on plan assets	(888,595)	(911,777)	--	--
Net Actuarial (gain)/Loss recognised in the year	1,038,645	492,698	(105,966)	(1,358,410)
Expenses recognised in statement of Profit & Loss Account	1,663,406	1,243,211	920,259	(229,913)



The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

**30. Earnings Per Share** (All figures in ₹)

	2015-16	2014-15
Profit/(loss) after Taxes and exceptional items	22,552,320	2,838,885
Total No. of Shares	10,182,506	10,182,506
Earnings per share (Basic and Diluted) - Excluding extraordinary items	2.21	0.61
Earnings per share (Basic and Diluted) - Including extraordinary items	2.21	0.28

**31 DEFERRED TAX**

The Company has computed Deferred Tax in accordance with the Accounting Standard on Accounting for Taxes on income (AS-22) issued by the Institute of Chartered Accountants of India. As at the end of the year, the Company has substantial amount of carried forward losses under the Income Tax Act which resulted in Deferred Tax Asset. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are given below:

(All figures in ₹)

Sl	Particulars	31.03.2016	31.03.2015
	<b>Timing Differences resulting in</b>		
<b>a</b>	<b>Deferred Tax Liability</b>		
	Difference in depreciation on fixed assets	229,733,871	230,707,891
<b>b</b>	<b>Deferred Tax Asset</b>		
	Gratuity / Leave Encashment	1,895,411	756,102
	Carried forward losses under the Income Tax Act, 1961	284,436,338	316,489,986
	Sub- Total	286,331,749	317,246,088
	<b>Net Timing Differences</b>	<b>(56,597,877)</b>	<b>(86,538,197)</b>
	<b>Deferred Tax Asset thereon at applicable tax rates</b>	<b>18,712,956</b>	<b>28,077,318</b>

However, as a matter of prudence, the Company has not recognised the same in the books of account.

**32. 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.

**a. Segment Revenue:**

Geographical Location	2015-16		2014-15	
	₹	%	₹	%
Domestic	352,203,524	48.06	316,596,936	46.26
Export	380,612,371	51.94	367,797,292	53.74
<b>Total</b>	<b>732,815,895</b>	<b>100.00</b>	<b>684,394,228</b>	<b>100.00</b>

**b. Segment Assets (Trade Receivables):**

Geographical Location	2015-16		2014-15	
	₹	%	₹	%
Domestic	<b>28,262,911</b>	<b>25.02</b>	33,470,592	39.10
Export	<b>84,707,168</b>	<b>74.98</b>	52,134,202	60.90
<b>Total</b>	<b>112,970,079</b>	<b>100.00</b>	85,604,794	100.00

**c. Other Disclosures:**

(All figures in ₹)

Geographical Location	Carrying Amount of Segment Assets		Additions to Fixed Assets	
	2015-16	2014-15	2015-16	2014-15
Unallocable Assets	<b>785,106,085</b>	893,714,788	<b>4,921,187</b>	20,933,397

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

All the assets, other than trade receivables, are shown as Unallocable assets.

**33. RELATED PARTY TRANSACTIONS**

In accordance with accounting standard 18 the details of related party transactions are as follows:

(All figures in ₹)

S.No.	Particulars of the Party	Nature of Relationship	Transaction	Transaction during the year 2015-16	Closing balance at the end of the year 2015-16
1	Sri Y.S.R. Venkata Rao	Managing Director	Remuneration paid	<b>3,500,000</b> (2,400,000)	--
2	Sri Y.V. Prashanth	Executive Director	Remuneration paid	<b>1,200,000</b> (270,000)	--
3	Sri Y.S.R. Venkata Rao	Managing Director	Unsecured Loan Received	21,500,000 ( Nil)	Nil  (31,000,000)
			Unsecured Loan Paid	<b>52,500,000</b> ( 8,900,000)	
4	CDC Industrial Infrass Ltd.	Promoter Group Company	Unsecured Loan received	Nil ( Nil)	Nil  (26,500,000)
			Unsecured Loan Paid	<b>26,500,000</b> (13,566,376)	
5	Sri Y.S.R. Venkata Rao	Managing Director	Interest on Unsecured Loan	<b>3,887,704</b> (2,919,562)	--
6	CDC Industrial Infrass Ltd.	Promoter Group Company	Interest on Unsecured Loan	<b>583,232</b> (2,342,097)	--



**34. Additional information pursuant to Note 5 of Part II of Schedule III of the Companies Act, 2013:**

**A. TURNOVER**

(All figures in ₹)

Product	Turnover Value	Closing stock of Finished Goods Value
Sodium Metal Derivatives, Amino Pyridines, Fine Chemicals	731,220,557 ( 684,126,352)	3,303,193 (-)
Caustic Lye	225,673 (267,876)	- (-)

(Figures in Brackets relate to previous year)

**B. WORK IN PROGRESS**

(All figures in ₹)

Product	Opening Stock	Closing Stock
Sodium Metal Derivatives, Amino Pyridines, Fine Chemicals	86,804,881 (69,527,060)	89,535,533 ( 86,804,881)

(Figures in Brackets relate to previous year)

**C. CONSUMPTION**

(All figures in ₹)

	2015-16	2014-15
1) Chemicals	338,665,924	271,720,686
2) Gases (MT)	17,722,572	24,198,025
Gases (CYL)	13,563,654	14,564,040
3) Oils & solvents (KL)	761,475	463,873
Oils & solvents (MT)	21,370,291	19,548,716
<b>Total</b>	<b>392,083,916</b>	<b>330,495,340</b>

**D. BREAK UP OF CONSUMPTION OF RAW MATERIALS**

	2015-16 Value ₹	2015-16 %	2014-15 Value ₹	2014-15 %
Indigenous	200,866,080	51.23	142,038,281	42.98
Imported	191,217,836	48.77	188,457,059	57.02
<b>Total</b>	<b>392,083,916</b>	<b>100</b>	<b>330,495,340</b>	<b>100</b>

**E. FOREIGN EXCHANGE TRANSACTIONS**

(All figures in ₹)

	2015-16	2014-15
<b>a) C.I.F value of Imports</b>		
Raw Materials	134,353,983	168,953,970
<b>b) Expenditure in Foreign currency</b>		
i) Travelling	277,760	237,500
ii) Professional Charges	-	1,079,600
ii) Others	1,402,387	2,257,061
<b>c) Earnings in Foreign Currency</b>		
F.O.B Value of Exports	362,875,782	347,797,134

**35. Remuneration to Auditor (excluding service tax):** (All figures in ₹)

	<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
1	Auditor	<b>300,000</b>	300,000
2	For Taxation Matters	<b>135,000</b>	50,000
3	For certifications	<b>63,520</b>	66,000

**36.** Figures of the previous year have been regrouped / rearranged / reclassified wherever considered necessary to conform to the classification of the current year.

As per our Report attached  
for C K S Associates  
Chartered Accountants (FRN 007390S)

For and on Behalf of Board of Directors

C. KRISHNA BABU  
PARTNER  
M.No.:019827

Y.S.R.VENKATA RAO  
MANAGING DIRECTOR  
DIN: 00345524

DR. J.S. YADAV  
CHAIRMAN  
DIN: 02014136

Place: Hyderabad  
Dated: 02.05.2016

M.KARUNAKAR REDDY  
Company Secretary

P. SANKARA RAO  
CFO



Location map of ANNUAL GENERAL MEETING venue: Hotel Green Park, Hyderabad



**ALKALI METALS LIMITED**

CIN: L27109TG1968PLC001196

B-5, BLOCK III, IDA, UPPAL, HYDERABAD – 500 039

**ATTENDANCE SLIP****48<sup>TH</sup> ANNUAL GENERAL MEETING- 30.07.2016 – 11.00 AM**

<b>DP. Id</b>		<b>Name &amp; Address Of The Registered Shareholder /Proxy</b>
<b>Client Id/ Folio No.</b>		
<b>No. of Shares</b>		

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 48<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Hotel Green Park, Ameerpet, Hyderabad – 500 016 on 30.07.2016 at 11.00 A.M

Member's/Proxy's Signature

*Note: Please complete this form and hand it over at the entrance of the hall.***Form No. MGT-11  
PROXY FORM***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : L27109TG1968PLC001196  
 Name of the Company : **ALKALI METALS LIMITED**  
 Registered Office : PLOT NO.5, BLOCK III, IDA, UPPAL, Hyderabad – 500 039

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No/ Client Id :	
DP ID :	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name			
Address			
E-mail Id	Signature		
or failing him			
2. Name			
Address			
E-mail Id	Signature		
or failing him			
3. Name			
Address			
E-mail Id	Signature		

as my/our proxy to attend and vote (on a poll/ballot) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company, to be held on Saturday, 30.07.2016 at 11:00 a.m. at the Hotel Green Park, Ameerpet, Hyderabad-500 016, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.	2.	3.
4.	5.	

Signed this ..... day of ..... 2016.

Signature of shareholder :

Signature of Proxy holder(s) :

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**Affix ₹ 1/-  
Revenue  
Stamp





Regd. POST

**An  
ISO 9001 & 14001,  
API Company  
and Export House**

**BUREAU VERITAS  
Certification**



If undelivered, please return to



**Alkali Metals Ltd.,**

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Hyderabad - 500 039. INDIA  
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website : [www.alkalimetals.com](http://www.alkalimetals.com)