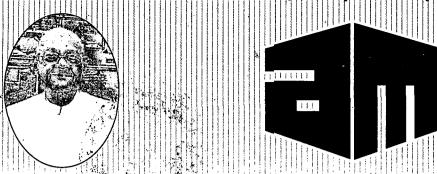
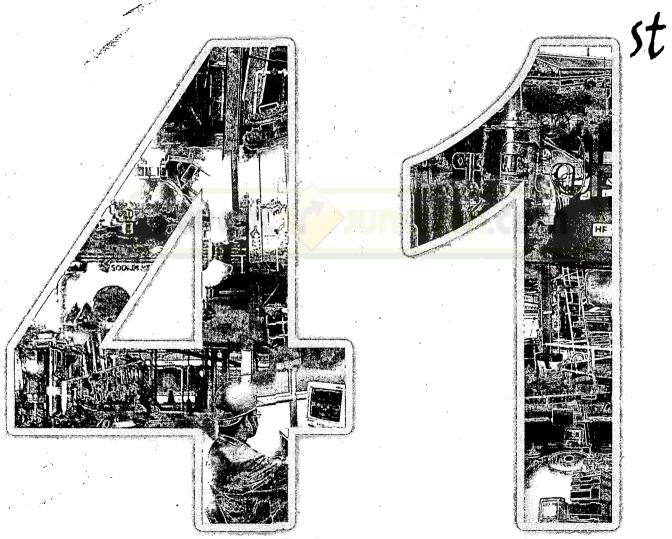
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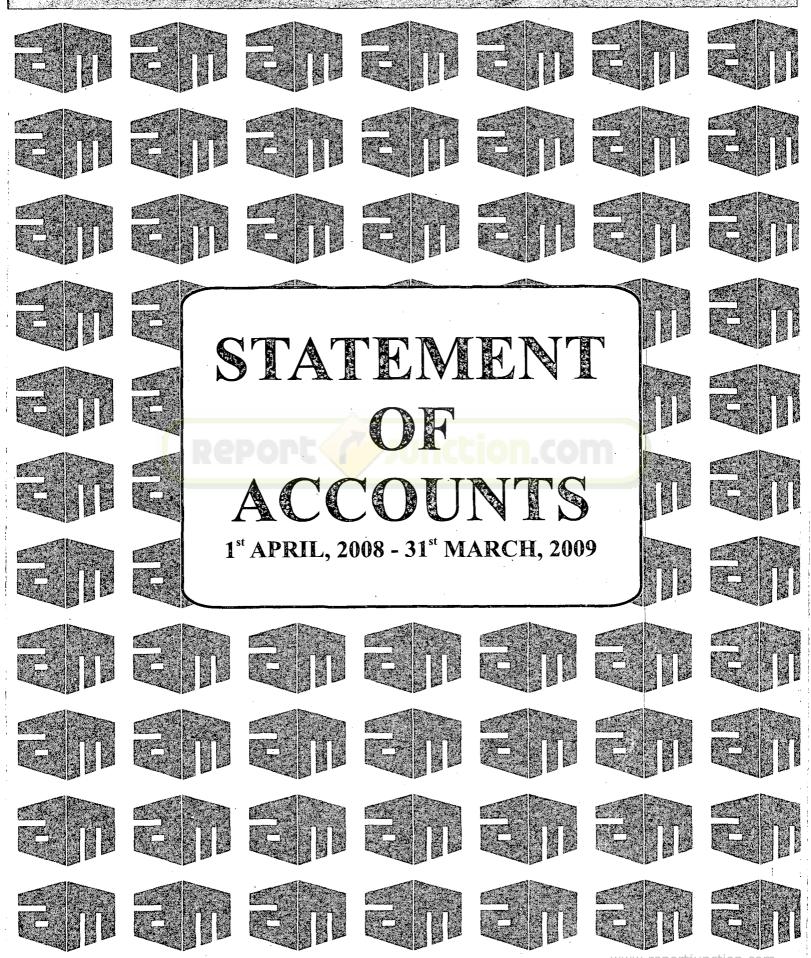
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ANNUAL REPORT 2008-2009

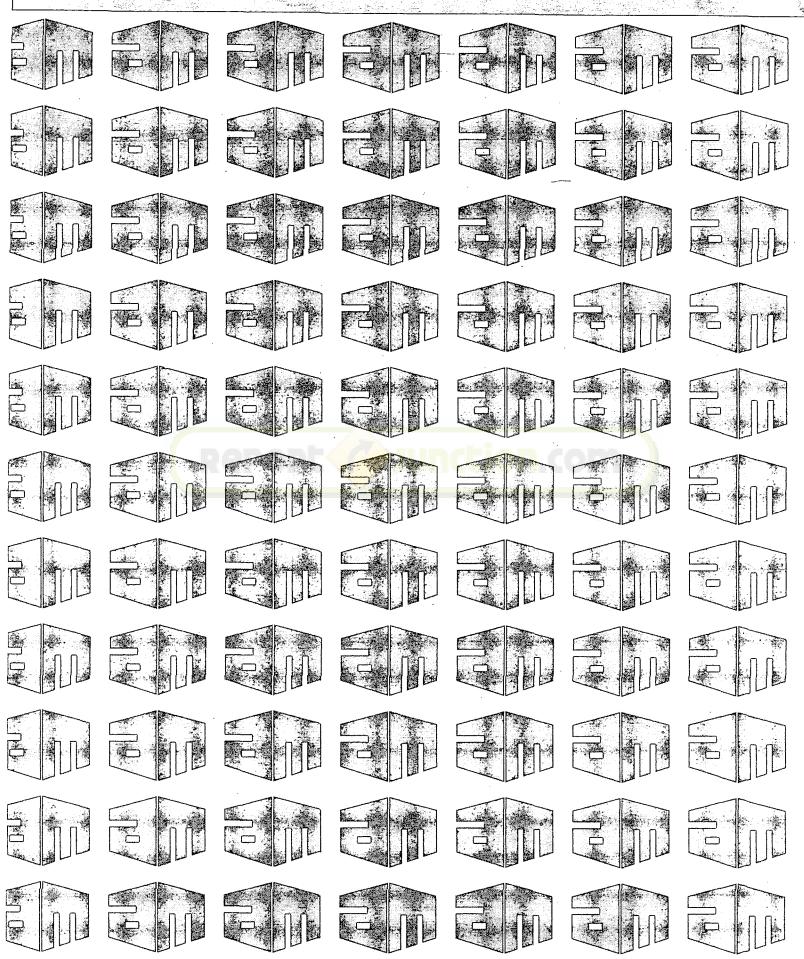


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# **BOARD OF DIRECTORS**

SMT Y.V.LALITHA DEVI

CHAIR PERSON

DR Y.V.S.S. MURTY

DIRECTOR

SRI Y. S. R. VENKATA RAO

MANAGING DIRECTOR

SRI Ch. S. PRASAD

DIRECTOR

SRI P.C. PATNAIK

DIRECTOR

SRI G. JAYARAMAN

DIRECTOR

DR J.S. YADAV

**DIRECTOR** 

SRI P. SATISH CHANDRA MOULI

**COMPANY SECRETARY** 

## **BANKERS**

STATE BANK OF INDIA

Commercial Branch, Bank Street, Koti, Hyderabad – 500 095

## **AUDITORS**

M/s. AVADHANI & CO., CHARTERED ACCOUNTANTS, 502, Fifth Floor, Lingapur House, Amruta Estate, Himayatnagar, Hyderabad - 500 029.

### REGISTERED OFFICE & FACTORIES

Plot B5, 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 LTD., Subramanian Building, No.1, Club House Road, Chennai – 600 002

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# **Notice of Annual General Meeting**

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of M/s. Alkali Metals Limited will be held on Saturday, the 30<sup>th</sup> May of 2009 at 4.00 PM at Hotel Greenpark, Ameerpet, Hyderabad - 500 016 to transact the following business:

- 1) To receive consider and adopt the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2009 together with the reports of the Directors, Auditors, Corporate Governance and the relevant schedules thereon.
- 2) To declare dividend on equity shares of Rs.10/- each for the year ended 31<sup>st</sup> March 2009.
- 3) To elect a Director in place of Sri.Ch.S.Prasad who retires by rotation and being eligible offers himself for reappointment.
- 4) To elect a Director in place of Sri. G. Jayaraman who retires by rotation and being eligible offers himself for reappointment.
- 5) To appoint M/s. C K S Associates, Chartered Accountants, Hyderabad in the place of retiring auditors M/s. Avadhani & Co., Chartered Accountants, Hyderabad as Statutory Auditors and to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution with or without modification as an ordinary resolution.

"Resolved that M/s. C K S Associates, Chartered Accountants, Hyderabad be and are here by appointed as Auditors of the Company in place of retiring auditors, M/s. Avadhani & Co, Chartered Accountants, Hyderabad, who resigned and expressed their inability for reappointment, and to hold office from the conclusion of this meeting until the conclusion of next annual general meeting of the company."

# **Special Business:**

6) To consider re-appointment of Managing Director Sri.Y.S.R.Venkata Rao and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"Resolved that in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act,1956 and any statutory modifications or enactments thereof, approval of the Company be and is hereby accorded to the re-appointment of Managing Director Sri.Y.S.R. Venkata Rao until 30<sup>th</sup> April 2010 on the following terms and conditions:

i) Commission : 3% (Three Percent) on net profits based on the previous year.

ii) Insurance : As per the rules of the company

iii) Conveyance : Expenses incurred for traveling, boarding, and lodging during

business trips both domestic as well as international shall be borne by the company; provision of chauffer driven Car for use

on Company's business.

iv) Communication: Telephone/Fax/Internet expenses to be borne by the Company.

By order of the Board of Directors Sd/-Y.S.R. VENKATA RAO

MANAGING DIRECTOR

Place: Hyderabad Date: 17.04.2009

# **Notes:**

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and a proxy need not be a member.
- 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.
- 3) Shareholders are requested to intimate the company change of address, if any.
- 4) The Register of members and transfer books of the company will remain closed from Wednesday, 27<sup>th</sup> Day of May 2009 to Saturday, 30<sup>th</sup> Day of May 2009 both days inclusive.
- 5) The dividend for the year ended 31<sup>st</sup> March 2009 as recommended by the Board, if sanctioned at the meeting will be paid to those members whose names appear in the Company's register of members after effecting valid transfers received upto the close of business hours on 26<sup>th</sup> May 2009. In respect of shares held in electronic form the dividend will be payable on the basis of beneficial ownership as per the details provided as at the close of business hours on 26<sup>th</sup> May 2009 by NSDL and CDSL for this purpose.
- 6) Members are requested to furnish change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. and folio number for incorporation on the dividend warrants to the company's registrars and transfer agents M/s. Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai 600 002.
- 7) Members seeking information or clarification on the accounts are requested to send their queries in writing to the company at least one week before the date of AGM. Replies will be provided in respect of such written queries at the meeting.
- 8) Members holding shares in identical order of names in more than one folio are requested to write to the company's RTAs enclosing their share certificates to enable consolidation of their share holdings in one folio.
- 9) As a measure of economy, copies of annual report will not be distributed at the AGM. Share holders are requested to kindly bring their copies to the meeting.
- 10) The brief profile of the directors retiring and re-appointing are furnished in corporate Governance Report.
- 11) The relative Explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of special business, item no.5 & 6 are Annexed herewith.



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# Explanatory Statement Pursuant to Section 173 (2) of the Companies Act 1956:

## Item No. 5

M/s. Avadhani & Co, Chartered Accountants, retiring Auditors resigned and expressed their inability to be considered for re appointment. The Board after considering the same recommended the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad as Auditors of the company in place of retiring auditors, who have given their consent that the number of companies are within limits as specified under section 224(1B) of the Companies Act, 1956, if appointed. The Board recommends the appointment of M/s. C K S Associates, Chartered Accountants as Statutory Auditors at the 41<sup>st</sup> Annual General Meeting. None of the Directors of the company is concerned or interested in the above resolution.

# Item No.6

The terms of appointment of Sri.Y.S.R. Venkata Rao as Managing Director concluded on 30<sup>th</sup> April 2009. The Board re-appointed him by extending the term of Managing Director Sri.Y.S.R. Venkata Rao in the Board meeting held on 17<sup>th</sup> March 2009 up to 30<sup>th</sup> April 2010 and was approved by the Remuneration Committee of the Board of Directors of the Company.

The present proposal is to seek Members' approval for his extension, in terms of applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act.

None of the Directors of the company is in any way concerned or interested in this resolution except Sri. Y.S.R Venkat Rao, Dr. Y.V.S.S. Murty and Smt. Y.V. Lalitha Devi to the extent of the resolution.

The Board recommends the resolution for your approval.

By order of the Board of Directors

Place: Hyderabad Date: 17.04.2009 Sd/-Y.S.R. VENKATA RAO MANAGING DIRECTOR

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# DIRECTORS REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2009.

To

The Share Holders,

ALKALI METALS LTD.

Dear Members,

Your directors have pleasure in submitting their report and the audited accounts of the company for the financial year ended 31<sup>st</sup> March 2009.

## **Financial Results:**

The performance of the company for the financial year ended 31<sup>st</sup> March 2009 is summarized as below: (Rs.)

		(2257)
	2008-09	2007-08
Turnover / Income (Gross)	647,889,004	618,107,112
Profit before finance charges, depreciation and taxation	132,881,609	125,718,795
Less: Finance Charges	15,386,060	17,718,588
Depreciation	18,500,511	18,174,771
Profit before tax	98,995,038	89,825,436
Less: Extra ordinary item	280,297	
Current year's tax	11,200,000	10,500,000
Deferred tax (AS22)	(250,000)	
Profit After tax	87,764,741	79,325,436
Add: Balance Brought forward	192,362,383	162,558,794
Dividend on equity shares	40,730,024	27,754,560
Tax on Dividend	6,922,068	4,716,887
Transfer to general reserve	10,000,000	8,000,000
Balance surplus carried to balance sheet	222,475,032	201,412,783

## Review of operations:

During the year the company's sales / turnover for the year ended March 2009, has been satisfactory and the gross income is up by 4.59% in spite of global recession. The company has a net profit of Rs 87.764 Millions when compared to last year's profit of Rs 79.325 Millions.

### **Outlook for future plans:**

The outlook and future plans of the company are presented in "Management Discussion and Analysis" forming Part of this report.

## Dividend on equity shares:

During the financial year 2008-09, considering reasonable performance of your company and keeping in view of ongoing capital wants and growth trajectory, your Directors are pleased to recommend dividend @40% on the paid-up equity capital subject to necessary approvals. The aggregate dividend payout for the year 2008-09 amounts to Rs. 476.52 lakhs including Dividend Tax.

## **Listing of shares:**

During the year 2008-09, the Company has come out with an Initial Public Offer (IPO) successfully. The Board of Directors expressed their sincere thanks to the Investors and congratulated the Managing Director and his team for the successful completion of IPO during the recession time and also for the sterling performance of the company. The securities of the company are listed at NSE and BSE. The listing fees for these stock exchanges have been paid.



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# **Utilization of IPO funds:**

During the year the company has issued 25,50,000 equity shares of Rs. 10/- each at a premium of Rs. 93/- per share amounting to Rs.26.26 Crores. The company has stipulated Rs. 38.73 Crores for setting up of API plant at JN Pharma City, Vishakapatnam and so far Rs. 14.07 Crores has been spent and the balance is invested in Mutual funds and partly reduced the working capital facility as stipulated in prospectus. There has been some delay in implementing the project works due to global rescission. Now there has been considerable progress in construction of Buildings and other works at site. The management is hoping that it would complete all the works including erection of plant and machinery and trial runs by September 2009.

## **Insurance:**

All the properties of the company including Buildings, Plant and Machinery and stocks have been adequately insured.

# **Directors:**

In accordance with the provisions of companies Act 1956 and Articles of Association of the Company, Sri Ch.S. Prasad, Director and Sri G. Jayaraman,. Director will retire by rotation at the 41<sup>st</sup> AGM and are being eligible offer themselves for re-appointment. The brief particulars of the retiring Directors as well as Managing Director are given in the Corporate Governance Report.

# **Auditors:**

M/s Avadhani & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the company are retiring at the ensuing Annual General meeting. Since, they expressed their inability to continue and resigned from the conclusion of the 41<sup>st</sup> Annual General Meeting, it is proposed to appoint M/s. C K S Associates, Chartered Accountants, Hyderabad who have given their consent that the audit will be with in the limits as prescribed u/s 224(1B) of the Companies Act 1956, if appointed in the place of M/s. Avadhani & Co. The Board recommends the same for approval of members.

M/s. Avadhani & Co; represented by Mr.K.R.K. Avadhani, has been the Company's Auditors since inception of the Company in 1968, 40 years ago. Directors place on record the exceptional services rendered to the Company all these years and accept their resignation with deep regret.

## **Director's Responsibility Statement:**

Directors confirm that in the preparation of Annual Accounts for the year ended 31.03.2009:

- All applicable standards have been followed
- The accounting policies framed in accordance with the guidelines of the ICAI have been applied.
- Reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of the company.
- Proper and sufficient care has been taken for the maintenance of adequate accounting standards in accordance with the provisions of the companies act as applicable.
- The accounts have been prepared on a going concern basis.

