



ALKALI METALS LTD.,

AN ISO 9001 & 14001 COMPANY AND EXPORT HOUSE

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ANNUAL REPORT 2014-15

**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. DEEPAK TIBREWAL	COMPANY SECRETARY Till 8 th April 2015

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 47th Annual General Meeting of M/s. Alkali Metals Limited will be held on Saturday, 19th September, 2015 at 11.00 A.M at Hotel Green Park, Ameerpet, Hyderabad-500 016 to transact the following business:

ORDINARY BUSINESS

- 1) To receive consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Account for the year ended on that date and the reports of the Directors, Auditors thereon.
- 2) To elect a Director in place of Sri. Y. V. Prashanth, (DIN: 00345418) who retires by rotation and being eligible offers himself for re-appointment.
- 3) To ratify the appointment of M/s. C K S Associates, Chartered Accountants, Hyderabad as approved by the members at the 46th AGM as Statutory Auditors of the Company and to pass the following as an ordinary resolution:

“RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules made there under and pursuant to the resolution passed by the members at the AGM held on 21st 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 2019 be and is hereby ratified and the Board be and is hereby authorized to fix the remuneration for the financial year ending 31st March 2016.”

SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the appointment of Sri. Y.V. Prashanth (Din: 00345418), Director as Executive Director of the Company, subject to retirement by rotation, for a period of 3 years with effect from 10th January 2015 on the following remuneration with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Sri. Y.V. Prashanth, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Basic pay	: ₹ 75,000/- per month
H.R.A.	: ₹ 25,000/- per month
Medical benefit	: Medclaim policy for ₹ 0.5 Million
Insurance	: Accidental Insurance for ₹ 2.5 Million for self.
Leave Travel	: One month's basic pay per year which can be accumulated up to 2 years
Vehicle	: Company car with a driver for official use.
Telephone & Email	: Free Cell and email service for Official use.
Gratuity	: Half month's basic pay for each completed Year of service.



- 5) To consider and if thought fit, to pass with or without modification the following resolution as a Special resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the re-appointment of Sri. Y.S.R. Venkata Rao (Din: 00345524), Managing Director of the Company, for a period of 3 years with effect from 1st May 2015 on the following remuneration with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Sri. Y.S.R. Venkata Rao, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Basic pay	: ₹ 225,000/- per month
H.R.A.	: ₹ 75,000/- per month
Medical benefit	: Mediclaim policy for ₹ 0.5 Million
Insurance	: Accidental Insurance for ₹ 2.5 Million for self.
Leave Travel	: One month's basic pay per year which can be accumulated up to 2 years
Vehicle	: Company car with a driver for official use.
Telephone & Email	: Free Cell and email service for Official use.
Gratuity	: One month's basic pay for each completed Year of service.

By order of the Board of Directors

Sd/-

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

Place: Hyderabad
Date: 10.08.2015

**Notes**

- 1) The Statement Pursuant to section 102 of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
- 2) 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.
- 3) 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.
- 4) The Register of members and transfer books of the company will remain closed from Monday the 14th September 2015 to Saturday, the 19th September 2015 both days inclusive.
- 5) 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.
- 6) 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 without any hassles. Members desirous of making any cancellation/variation in the said nomination can do so in SH-14.
- 7) 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.
- 8) 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.
- 9) Shareholders who have not claimed their dividend for the years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and IPO Refund are requested to claim the same.
- 10) The brief profile of the directors being appointed, retiring and re-appointing are furnished elsewhere in the Annual Report.
- 11) 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.
- 12) Members may also note that the notice of the 47th Annual General Meeting and Annual Report for 2015 will be available on the Company's website **www.alkalimetals.com**
- 13) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the 47th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).



The e-voting period commences on Wednesday, 16th September 2015 (10:00 AM) and ends on Friday, 18th September 2015 (05:00 PM). During this period shareholders' of the Company, holding shares as on cut-off date of Saturday, 12th September 2015 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 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) The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Wednesday, 16th September, 2015 at 10:00 AM and ends on Friday, 18th September, 2015 at 05:00 PM. 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 Saturday, 12th September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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.
DOB	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.



- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Alkali Metals Limited> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) 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 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.
 - 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 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.
- (xix) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT:**Item No. 4**

Sri. Y.V. Prashanth has been appointed as Executive Director with effect from 10th Jan 2015 by the Board of Directors after the recommendation of the Remuneration Committee in compliance with the provisions of Companies Act, 2013 and other applicable rules, subject to approval of the members for a period of 3 years on such terms and conditions as set out in the resolution.

Your Directors recommend the above resolution set out in the notice to be passed as a Special Resolution for your approval.

Other than the following Directors, 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:



Name of the Director(s)/Manager/ Key Managerial Person/ Relative	Designation of Director(s)/Manager/ Key Managerial Person/ Relative	Nature of Concern or Interest, financial or otherwise in respect of the above resolution
Sri. Y.S.R. Venkata Rao	Managing Director	To the Extent of his Shareholding
Smt. Y. Lalithya Poorna	Director	To the Extent of her Shareholding
Sri. Y.V. Prashanth	Executive Director	To the Extent of his remuneration

Item No. 5

Sri. Y.S.R. Venkata Rao, Managing Director's term of appointment ended on 30th April 2015. The Board of Directors at their meeting held on 27th April 2015 has re-appointed Sri. Y.S.R. Venkata Rao as Managing Director for a period of 3 years with effect from 1st May 2015 by the Board of Directors after the recommendation of the Remuneration Committee in compliance with the provisions of Companies Act, 2013 and other applicable rules, subject to approval of the members on such terms and conditions as set out in the resolution.

Your Directors recommend the above resolution set out in the notice to be passed as a Special Resolution for your approval.

Other than the following Directors, 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:

Name of the Director(s)/Manager/ Key Managerial Person/ Relative	Designation of Director(s)/Manager/ Key Managerial Person/ Relative	Nature of Concern or Interest, financial or otherwise in respect of the above resolution
Sri. Y.S.R. Venkata Rao	Managing Director	To the Extent of his Shareholding and remuneration
Smt. Y. Lalithya Poorna	Director	To the Extent of her Shareholding
Sri. Y.V. Prashanth	Executive Director	To the Extent of his Shareholding

STATEMENT OF PARTICULARS AS PER SCHEDULE V: (Both for item 4 & 5)

A statement containing information required to be provided to the shareholders as per the provisions of Schedule V of Companies Act, 2013 in respect of appointment of Sri. Y.V. Prashanth as Executive Director and Re-appointment of Sri. Y.S.R. Venkata Rao as Managing Director, is given below:

I. GENERAL INFORMATION:

- (1) Nature of industry: Manufacturing of Drug Intermediaries mainly Sodium Derivatives, Pyridine Derivatives and Fine Chemicals.
- (2) Date or expected date of commencement of commercial production: Not applicable, as the Company is an existing Company.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators

**(All figures in ₹)**

Particulars	2014-15	2013-14	2012-13
Sales & Other Income	691,548,531	664,837,545	627,144,843
Profit before finance charges, depreciation and taxation	101,512,407	35,223,105	69,875,506
Finance Charges	45,002,861	31,860,970	31,155,194
Depreciation	42,730,767	35,179,787	34,808,665
Profit/(Loss) before exceptional items and tax	13,778,779	(31,817,652)	3,911,647
Exceptional & Extraordinary items	10,738,010	(128,753)	--
Profit/(Loss) before Tax	3,040,769	(31,688,899)	3,911,647
Taxes including deferred tax	201,884	(12,067,926)	(43,640,320)
Net Profit	2,838,885	(19,620,973)	47,551,967

(5) Foreign Earnings, investments or collaborations, if any

(All figures in ₹)

Particulars	2014-15	2013-14	2012-13
Earnings	347,797,134	278,351,063	298,799,265
Outgo	172,528,131	185,872,134	189,662,027

There is no Foreign investment as well as collaborations by the Company.

II. INFORMATION ABOUT THE APPOINTEE:

	Sri. Y.V. Prashanth	Sri. Y.S.R. Venkata Rao
1. Background details:	Sri Y.V. Prashanth, MS in Pharmacy from USA. He joined the Company as Director on 1 st Nov 2013 and he is appointed as Executive director with effect from 10 th Jan 2015. Sri Y.V. Prashanth has rich experience in administrative, operation and marketing fields and his presence in the Company as Executive Director will benefit the company. He is also third generation promoter of the Company. Before joining the Company, he was looking after his own business.	Sri. Y.S.R. Venkata Rao, B.E.(Mechanical). He Joined the Company during 1977. He played a pivotal role in steering the growth of Alkali Metals from being a manufacturer of alkali metals to producer of sodium derivatives, cyclic compounds, fine chemicals, which find wide application in industries circle. His rich experience in the Industry and relation with the company will help to enhance the Growth of the Company.
2. Past remuneration:	As he has been appointee as Executive Director effective from 10 th Jan 2015, past remuneration details are not applicable.	₹ 2.4 million per annum
3. Recognition or awards:	Nil	Member of the Year Award for the year 2002 from the All India Manufacturers' Association, Andhra Pradesh State Board He worked at various posts in FAPCCI, PHARMEXCIL, BDMA, VSEZ and such other Organisations.



4. Job profile and his suitability:	Sri. Y.V. Prashanth is the Executive Director of the Company. He mainly looks after the finance, Marketing and other Administrative issues. His pharma based qualification and experience will be of immense benefit the Company.	Sri. Y.S.R. Venkata Rao, Managing Director of the Company. He mainly looks after the production operations, R&D and other technical issues. He had rich experience which will help the Company in achieving its goals.
5. Remuneration proposed:	Total remuneration is ₹ 100,000 per month and other perks as provided in the resolution	Total remuneration is ₹ 300,000 per month and other perks as provided in the resolution
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	The remuneration offered to Sri. Y.V. Prashanth is justifiable and comparable with the industry norms considering the nature of industry, size of the Company, profile and position of person.	The remuneration offered to Sri. Y.S.R. Venkata Rao is justifiable and comparable with the industry norms considering the nature of industry, size of the Company, profile and position of person.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Sri. Y.V. Prashanth is Third Generation Promoter of the Company and son of Sri. Y.S.R. Venkata Rao, Managing Director. Promoters hold 70% in the Company.	Sri. Y.S.R. Venkata Rao is Second Generation Promoter of the Company. Promoters hold 70% in the Company.

III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits:
Losses/inadequate profits are mainly due to increase in overheads and global competition.
- (2) Steps taken or proposed to be taken for improvement:
The Company undertook several steps aimed at lowering the overheads and aligning resources with current levels of operations. The steps undertaken will improve overall performance of the Company over a period of time. The company is also commercializing the new R&D products to expand the turnover and increase the margins.
- (3) Expected increase in productivity and profits in measurable terms:
The management has adopted focused and aggressive steps to control the cost and improve the turnover and profitability of the Company. The Management is confident of keeping a higher growth ratio in the period to come.

IV. Disclosures

The details of remunerations and other information is given in the Corporate Governance part of the Directors' Report.

By order of the Board of Directors

Sd/-

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

Place: Hyderabad
Date: 10.08.2015