



ALKALI METALS LTD.,

AN ISO 9001 & 14001 COMPANY AND EXPORT HOUSE

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ANNUAL REPORT

2013-14

**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.	DIRECTOR
SRI. DEEPAK TIBREWAL	COMPANY SECRETARY

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 46th Annual General Meeting of M/s. Alkali Metals Limited will be held on Thursday, 21st August 2014 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, 2014 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 Smt Y. Lalithya Poorna, (DIN: 00345471) who retires by rotation and being eligible offers herself for re-appointment.
- 3) To appoint M/s. C K S Associates, Chartered Accountants, Hyderabad 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, M/s. C K S Associates, Chartered Accountants, Hyderabad (Peer Review Certificate No. 006803) be and are hereby appointed as Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the 6th consecutive Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting) at a remuneration as may be fixed by the Board”

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Y.V. Prashanth (DIN: 00345418), who was appointed as an Additional Director as per the provisions of the Companies Act, 1956 by the Board of Directors, who holds office upto the ensuing annual general meeting and in respect of whom the company received a request for proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation.”

- 5) To appoint Sri. Ch.S. Prasad as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri. Ch.S. Prasad (DIN: 00199003) Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years.”



- 6) To appoint Sri. G. Jayaraman as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri. G. Jayaraman (DIN: 01461157) Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years.”

- 7) To appoint Sri. P.C. Patnaik as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri. P.C. Patnaik (DIN: 01536277) Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years.”

- 8) To appoint Dr. J.S. Yadav as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. J.S. Yadav (DIN: 02014136) Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years.”

By order of the Board of Directors

Sd/-

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

Place: Hyderabad
Date: 19.04.2014

**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
- 4) The Register of members and transfer books of the company will remain closed from Monday the 18th August 2014 to Thursday the 21st August 2014 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) 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 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and IPO Refund are requested to claim the same.
- 9) The brief profile of the directors being appointed, retiring and 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 46th Annual General Meeting and Annual Report for 2014 will be available on the Company's website www.alkalimetals.com.
- 12) 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 46th 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 Thursday 14th August, 2014 (10:00 am) and ends on Saturday 16th August, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares as on cut-off date of 18th July 2014 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 vote by electronic means is 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 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.

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) 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. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in 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)	
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#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. Incase either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.



- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (b) The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (c) 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.co.in 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 is co-opted as an Additional Director on 01st November 2013 pursuant to provisions of the Companies Act, and he holds office of Director up to the date of Annual General Meeting. The company received a notice along with the deposit proposing his candidature to the position of Director as per the provisions of section 160 of the Companies Act, 2013. Your Directors recommend the above resolution set out in the notice as an ordinary resolution for your approval.

Other than the following Directors, none of the Directors, Managers, Key Managerial Persons or their relatives are in any way concern 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. Venkat Rao	Managing Director	To the Extent of his Shareholding
Smt. Y. Lalithya Poorna	Director	To the Extent of his Shareholding
Sri. Y.V. Prashanth	Additional Director	To the Extent of his Shareholding

Item No. 5 to 8

Mr. Ch.S. Prasad, Mr. G. Jayaraman, Mr. P.C. Patnaik and Dr. J.S. Yadav are Non-Executive Independent Director of the Company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all the Independent Directors eligible and offering themselves for appointment, is proposed to be appointed as an Independent Director for five consecutive years. The independent Directors appointed herein shall not be liable for retirement by rotation. In the opinion of the Board, all the Independent Directors fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Directors of the Company and are independent of the management.

The Board considers that their continued association would be of immense benefit to the Company. Accordingly, the Board recommends the resolutions as set out in the notice, for the approval by the shareholders of the Company.

Except their own appointment, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise.

By order of the Board of Directors

Sd/-

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

Place: Hyderabad
Date: 19.04.2014

**DIRECTORS REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2014**

To
The Share Holders,
ALKALI METALS LIMITED

Dear Members,

Your Directors are pleased to submit the 46th Annual Report and Audited Accounts of the Company for the financial year ended 31st March 2014:

Financial Results

The performance of the company for the financial year ended 31st March 2014 is summarized as below:

(All figures in ₹)

	2013-14	2012-13
Net Turnover	660,457,295	619,209,388
Profit/(Loss) before finance charges, depreciation and taxation	35,223,105	69,875,506
Less : Finance Charges	31,860,970	31,155,194
Depreciation and Amortization expense	35,179,787	34,808,665
Profit/(Loss) before tax	(31,817,652)	3,911,647
Less: Exceptional items	(128,753)	--
Less : Current Year's tax (MAT)	--	745,364
MAT Credit Entitlement	--	(745,364)
Previous Years	32,555	336,908
Deferred tax (AS22)	(12,100,481)	(43,977,228)
Profit/(Loss) After tax	(19,620,973)	47,551,966
Add: Balance Brought forward	88,249,253	52,531,650
Dividend on equity shares	10,182,506	10,182,506
Tax on Dividend	1,730,517	1,651,857
Transfer to General Reserve	--	--
Balance surplus carried to Balance Sheet	56,715,257	88,249,253

Performance

During the year the company's Gross Sales has been ₹ 699 Million as compared to ₹ 654 Million in 2012-13 registering growth of 7% over the previous year. Due to increase in Power cost and other overheads during the year, there is a net loss of ₹ 31.81 Million as compared to net profit of ₹ 3.91 Million in the previous year.



SIGNIFICANT ACHIEVEMENT

During this year also, your company earned Net foreign exchange surplus equivalent to ₹ 9.25 Crores as against ₹ 10.91 Crores for the previous year.

Dividend on Equity Shares

Keeping in view of the financial position and to augment the resources of the Company your Director not recommended any Dividend for the year under review.

Future Outlook

Due to commercialization of API manufacturing facility at the Visakhapatnam and some of the new products during the year, your Company expects a good growth in the sales in the current financial year.

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 to be paid for the current year.

Research & Development:

Your company has spent ₹ 1.04 Million during the financial year 2013-14 for achieving the objectives of new process development, technology development for the commercial production of pharma intermediates and agro based products. There are few R&D products which are in different stages of completion. Your company is putting continuous efforts to increase the cost efficiency through optimum material consumptions by improving the processes.

Directors

As per Articles and in accordance with the provisions of the Act, Smt. Y. Lalithya Poorna retire at the 46th AGM and are being eligible offer herself for reappointment. Sri. Y.V. Prashanth, Additional Director be and is hereby appointed as Director at the ensuing Annual General Meeting. All the Independent Directors Sri. Ch.S. Prasad, Sri. G. Jayaraman, Sri. P.C. Patnaik and Dr. J.S. Yadav were appointed as independent Directors at the ensuing Annual General Meeting for a period of 5 years. The brief particulars of all appointing/re-appointing Directors are furnished in the Corporate Governance Report.

Auditors

M/s. C K S Associates, Statutory Auditors retire at the ensuing Annual General Meeting and being eligible, offer themselves for appointment. The Board noted the Auditors Report and also letter received from them as per the provisions of the Companies Act 2013 and that they are not disqualified for such appointment be recommended for the appointment for a period of 5 years from the closure of ensuing annual general meeting to closure of the sixth consecutive Annual general meeting as per the provisions of Companies Act, 2013.

**Directors Responsibility Statement**

Directors confirm that in the preparation of Annual Accounts for the year ended 31st March 2014:

- All applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The Accounting policies framed in accordance with the guidelines of the ICAI have been applied
- Accounting policies have been selected and applied consistently and that the judgments and estimates made 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 Loss of the Company for that period.
- Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts have been prepared on going concern basis.

Corporate Governance / MDA

Pursuant to Clause 49 of Listing agreement, your company has to mandatorily comply with the requirements of corporate governance. A separate section on corporate Governance and certificate from the Auditors of the Company regarding compliance of conditions of corporate governance form part of the Annual Report.

Conservation of Energy, Technology absorption, and Foreign Exchange

As required under 217 1(e) of the Companies Act 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo have been given in Annexure-II, which forms part of this report.

Industrial Safety and Environment**Safety**

Your Company continues to accord high priority on safety of all the personnel and mitigation of damage to properties of the Company. Company is maintaining high quality of safety measures and undertaken regular checks and reviews in consultation with risk management specialists and certain proactive actions taken to avoid accidents. Safety drills are conducted at regular intervals to train the workers and the employees to meet the exigencies of the accidents.

Environment

Members are aware that your Company has been accorded ISO 9001 and ISO 14001 reflecting its commitment to environment protection. Your Company is continuously putting efforts to maintain the Environment with International Standards and effluent treatment to mitigate the pollution. Company carries on extensive plantation and maintenance of trees around manufacturing plants for green belt development.

Particulars under 217(2A)

There are no employees, who are covered Under Section 217(2A) of the Companies Act, read with the provisions contained in Companies (Particulars of Employees) Rules, 1975, as amended to date.